

FY2009 First Half Consolidated Financial Results

For the Six Months Ended September 30, 2009

English Translation from the Original Japanese-Language Document



October 29, 2009

Company Name : **Mazda Motor Corporation** (Tokyo Stock Exchange/Code No. 7261)
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Filing of *Shihannki Hokokusho*, statutory interim business and financial report : Scheduled for November 12, 2009
 Payment of Dividends : -

(In Japanese yen rounded to millions, except amounts per share and dividends)

1. Consolidated Financial Highlights (April 1, 2009 through September 30, 2009)

(1) Consolidated Financial Results

(Changes in net sales, operating income, ordinary income, and net income from the previous period are shown in percentage.)

	Net Sales		Operating Income/(Loss)		Ordinary Income/(Loss)		Net Income/(Loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2009 1st. Half	990,332	(37.1)	(22,058)	-	(29,590)	-	(20,809)	-
FY2008 1st. Half	1,575,542	-	60,731	-	48,543	-	29,533	-

	Net Income/(Loss) Per Share		Net Income Per Share (Diluted)	
	yen	yen	yen	yen
FY2009 1st. Half	(15.87)	-	-	-
FY2008 1st. Half	20.96	20.95		

(2) Consolidated Financial Position

	Total Assets	Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	yen
FY2009 1st. Half	1,811,568	406,268	22.3	308.56
FY2008 Full Year	1,800,981	414,731	22.9	314.98

Notes on equity, equity ratio and equity per share:

- Equity for calculation of equity ratio and equity per share: **FY2009 1st. Half 404,685 million yen**
 FY2008 Full Year 413,119 million yen
- Presentation of the minority interests in consolidated subsidiaries: The minority interests are presented as a separate component of the equity. However, the minority interests are excluded from the calculation of the equity ratio and the equity per share.
- Recognition of the stock acquisition rights in the equity: The fair value of stock option is recognized, as stock acquisition rights, in the equity as a separate component for the amounts amortized in expense. However, the stock acquisition rights are excluded from the calculation of the equity ratio and the equity per share.

2. Dividends

	Dividends Per Share				
	1st. Qtr	2nd. Qtr	3rd. Qtr	Year End	Full-Year
	yen	yen	yen	yen	yen
FY2008	-	3.00	-	0.00	3.00
FY2009	-	0.00			
FY2009 (Forecast)			-	3.00	3.00

Note: The dividend forecast for FY2009 remains unchanged from the prior forecast.

3. FY2009 Consolidated Financial Forecast (April 1, 2009 through March 31, 2010)

(Changes in net sales, operating income, ordinary income, and net income from the previous period are shown in percentage.)

	Net Sales		Operating Income/(Loss)		Ordinary Income/(Loss)		Net Income/(Loss)		Net Income/(Loss) Per Share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	
Full Year	2,130,000	(16.0)	(12,000)	-	(16,000)	-	(17,000)	-	(12.96)	

Note: The financial forecast for FY2009 has been changed from the prior forecast.

In the FY2009 consolidated financial forecast above, the amount of the net loss per share does not reflect the increase in the number of shares of common stock due to the issuance of new shares and other transactions as discussed in subsequent events on page 14.

4. Other

(1) Significant Changes in Consolidation scope: None

(2) Adoption of Accounting Methods Simplified for/Unique to Preparing Interim Consolidated Financial Statements: Yes

Note: See 4. Other in "Qualitative Discussions on Financial Information and Interim Consolidated Financial Statements with Footnotes" on page 5.

(3) Accounting Changes in Preparing Interim Consolidated Financial Statements:

1) Adoption of new accounting standards None

2) Other None

(4) Common Stock

1) Shares issued (including treasury shares)	FY2009 1st. Half	1,418,509,399 shares
	FY2008 Full Year	1,418,509,399 shares
2) Treasury shares	FY2009 1st. Half	106,960,524 shares
	FY2008 Full Year	106,954,832 shares
3) The average number of outstanding shares over period	FY2009 1st. Half	1,311,551,424 shares
	FY2008 1st. Half	1,408,969,248 shares

Cautionary Statements with Respect to Forward-Looking Statements

The financial forecast is the judgment of our management based on the information presently available. By nature, such financial forecast is subject to uncertainty and a risk. Therefore, we advise against making an investment decision by solely relying on this forecast. Variables that could affect the actual financial results include, but are not limited to, economic environments related to our business areas and fluctuations in yen-to-dollar and other exchange rates. For further information on the above financial forecast, refer to page 4.

Qualitative Discussions on Financial Information and Interim Consolidated Financial Statements with Footnotes

1. Consolidated Financial Results

Economic and business environment for the first half of FY2009 (six months ended September 30, 2009) remained challenging amid global and severe economic crisis that started in the second half of the last fiscal year. While federal economic stimulus programs by various countries led to some signs of recovery, automotive industry demand kept stagnated. In addition, yen remained appreciated over other currencies. Under the challenging environment, however, the new Mazda3 (Axela in Japan) showed strong sales performance, and Mazda promptly implemented measures to improve profitability, including Cost Innovation initiatives and fixed cost reduction. As a result, while Mazda's consolidated results of operations remained at a loss for the first half, Mazda's consolidated financial performance turned profitable at all levels for the second quarter (three months ended September 30, 2009).

Year-to-year financial performance for the first half of FY2009 was as follows. Since retail volume substantially decreased, except for China, where a growing trend in sales continues, and yen further appreciated over other major currencies, Mazda's consolidated sales for the first half decreased by ¥585.2 billion (down 37%) year on year to ¥990.3 billion. Consolidated operating results amounted to a loss of ¥22.1 billion, down ¥82.8 billion from the profit level of the last year. Consolidated ordinary loss was ¥29.6 billion, a decrease in profit level of ¥78.1 billion year to year. Consolidated net results amounted to a loss of ¥20.8 billion, down ¥50.3 billion from the profit level of the last year.

Also, year-on-year performance in retail volume by primary markets for the first half of FY2009 was as follows. In Japan, retail volume decreased by 15% year over year to 105,000 units. Strong sale of the new Axela that was introduced in June of 2009 was more than offset by weaker sale of other models. In North America, retail volume was down 21% to 158,000 units. In Europe, retail volume was down 31% to 123,000 units, primarily due to lower sale in Russia. In China, retail volume increased by 35% to 85,000 units; strong sale of Mazda6 (Atenza in Japan) and Mazda3 was the main factor. In other areas, retail volume was down 23% to 106,000 units. As a result of these varying performances by market, the global retail volume was 577,000 units, down 18% from the same period of the prior fiscal year.

2. Consolidated Financial Position

(Assets, Liabilities and Equity)

As of September 30, 2009, total assets amounted to ¥1,811.6 billion, an increase of ¥10.6 billion compared to the end of the last year. Total liabilities amounted to ¥1,405.3 billion, an increase of ¥19.1 billion from the end of the last year.

Equity as of September 30, 2009 decreased by ¥8.5 billion to ¥406.3 billion from the end of the prior year. Equity ratio decreased by 0.6 of a percentage point to 22.3% from the end of the prior year.

(Cash Flows)

For the first half of FY2009, net cash provided by operating activities was ¥26.1 billion, reflecting loss before income taxes of ¥31.6 billion, an increase in trade notes and accounts payable, and other factors. Net

cash used in investing activities amounted to ¥15.9 billion, mainly reflecting ¥12.4 billion capital investments in tangible fixed assets. As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥10.2 billion. Also, net cash used in financing activities amounted to ¥23.5 billion, mainly reflecting repayment of loans.

As of September 30, 2009, after deducting cash and cash equivalents of ¥209.5 billion from financial debt, net financial debt totaled ¥521.6 billion, a decrease of ¥11.0 billion from the end of the last year, and net debt-to-equity ratio was at 129%.

3. Qualitative Discussions on Consolidated Financial Forecast

Economic and business environment is expected to remain uncertain through the rest of FY2009, although there appear signs of path to recovery.

Under the situation, Mazda will continue its best efforts to improve profitability, including Cost Innovation initiatives and fixed cost reduction. As Mazda's financial performance turned profitable in the second quarter, Mazda will focus on continuously delivering profitable financial performance in the third quarter and thereafter as well as achieving positive free cash flow (net of operating and investing activities) in the full year.

The latest forecast for the full year of FY2009 is as follows. Also, the exchange rate assumptions for the full year forecast are ¥92 to the dollar and ¥132 to the Euro.

FY2009 Consolidated Financial Forecast

	Full Year	Vs. Prior Year	Half-Year Breakdown	
			First Half	Second Half
Net sales	¥ 2,130 billion	(16.0) %	¥ 990.3 billion	¥ 1,139.7 billion
Operating (loss)/income	(12)	-	(22.1)	10.1
Ordinary (loss)/income	(16)	-	(29.6)	13.6
Net (loss)/income	(17)	-	(20.8)	3.8

FY2009 Global Retail Volume Forecast

	Full Year	Vs. Prior Year	Half-Year Breakdown	
			First Half	Second Half
Domestic	218,000 units	(0.3) %	105,000 units	113,000 units
North America	301,000	(13.3)	158,000	143,000
Europe	238,000	(26.0)	123,000	115,000
China	185,000	37.5	85,000	100,000
Other	213,000	(10.8)	106,000	107,000
Global	<u>1,155,000</u> units	(8.4) %	<u>577,000</u> units	<u>578,000</u> units

The financial forecast is the judgment of our management based on the information presently available. By nature, such financial forecast is subject to uncertainty and a risk. Therefore, we advise against making an investment decision by solely relying on this forecast. Variables that could affect the actual financial results include, but are not limited to, economic environments related to our business areas and fluctuations in yen-to-dollar and other exchange rates.

4. Other

(1) Significant Changes in Consolidation Scope:

None

(2) Adoption of Accounting Methods Simplified for / Unique to Preparing Interim Consolidated Financial Statements:

1) Simplified accounting methods

Omission of physical inventory

As of September 30, 2009, physical inventory was omitted by certain consolidated subsidiaries. Instead, the balance of inventory as of September 30, 2009 was determined by a rational method to reasonably estimate it based on the information from physical inventory as of March 31, 2009.

2) Unique accounting methods

None

(3) Accounting Changes in Preparing Interim Consolidated Financial Statements:

None

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

September 30 and March 31, 2009

		(Millions of Yen)	
		FY2009	FY2008
As of		September 30, 2009	March 31, 2009
ASSETS			
Current Assets:			
Cash and time deposits		172,388	181,428
Trade notes and accounts receivable		159,241	132,355
Securities		37,115	39,318
Inventories		225,877	214,388
Other		155,271	161,924
Allowance for doubtful receivables		(2,906)	(2,736)
Total current assets		746,986	726,677
Fixed Assets:			
Tangible fixed assets:			
Buildings and structures (net)		146,940	151,975
Machinery and vehicles (net)		194,737	204,680
Land		436,847	441,265
Leased assets (net)		34,278	36,536
Other (net)		37,821	42,945
Total tangible fixed assets		850,623	877,401
Intangible fixed assets		24,784	27,078
Investments and other fixed assets			
Investment securities		81,527	73,854
Other		113,512	101,890
Allowance for doubtful receivables		(4,348)	(4,346)
Investment valuation allowance		(1,516)	(1,573)
Total investments and other fixed assets		189,175	169,825
Total fixed assets		1,064,582	1,074,304
Total Assets		1,811,568	1,800,981

(Millions of Yen)

	FY2009	FY2008
As of	September 30, 2009	March 31, 2009
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	257,678	176,504
Short-term loans payable	82,757	127,219
Long-term loans payable due within one year	65,128	44,258
Bonds due within one year	100	-
Lease obligations	15,428	17,355
Income taxes payable	4,263	10,328
Accrued expenses	144,580	158,575
Reserve for warranty expenses	33,626	37,989
Other	33,871	44,334
Total current liabilities	637,431	616,562
Fixed Liabilities:		
Bonds	95,900	95,000
Long-term loans payable	435,194	429,654
Lease obligations	36,541	39,869
Deferred tax liability related to land revaluation	93,696	93,729
Employees' and executive officers' severance and retirement benefits	87,819	90,921
Other reserves	480	545
Other	18,239	19,970
Total fixed liabilities	767,869	769,688
Total Liabilities	1,405,300	1,386,250
EQUITY		
Capital and Retained Earnings:		
Common stock	150,068	150,068
Capital surplus	133,760	133,760
Retained earnings	66,113	86,874
Treasury stock	(22,978)	(22,976)
Total capital and retained earnings	326,963	347,726
Valuation and Translation Adjustments:		
Net unrealized gain on available-for-sale securities	144	160
Net gain/(loss) on derivative instruments	2,783	(1,230)
Land revaluation	135,984	136,032
Foreign currency translation adjustments	(61,097)	(69,483)
Pension adjustments recognized by a foreign consolidated subsidiary	(92)	(86)
Total valuation and translation adjustments	77,722	65,393
Stock Acquisition Rights	398	340
Minority Interests in Consolidated Subsidiaries	1,185	1,272
Total Equity	406,268	414,731
Total Liabilities and Equity	1,811,568	1,800,981

(2) Consolidated Statement of Operations

For the first half ended September 30, 2008 and 2009

	(Millions of Yen)	
	FY2008	FY2009
	September 30, 2008	September 30, 2009
	For the first half ended	
Net sales	1,575,542	990,332
Costs of sales	1,183,302	791,839
Gross profit on sales	392,240	198,493
Selling, general and administrative expenses	331,509	220,551
Operating income/(loss)	60,731	(22,058)
Non-operating income		
Interest income	2,075	1,044
Equity in net income of affiliated companies	6,288	2,718
Other	2,669	2,626
Total	11,032	6,388
Non-operating expenses		
Interest expense	7,467	7,435
Foreign exchange loss	10,606	3,274
Other	5,147	3,211
Total	23,220	13,920
Ordinary income/(loss)	48,543	(29,590)
Extraordinary profits		
Profit on sale of tangible fixed assets	114	199
Compensation for the exercise of eminent domain	257	124
Gain on sale of investments in affiliates	-	513
Other	18	13
Total	389	849
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	1,121	1,021
Loss on impairment of fixed assets	1,008	1,866
Other	-	9
Total	2,129	2,896
Income/(loss) before income taxes	46,803	(31,637)
Income taxes		
Current	11,325	5,422
Release of provision for income taxes by a foreign subsidiary	-	(6,344)
Deferred	5,888	(9,822)
Total	17,213	(10,744)
Minority interests in consolidated subsidiaries	57	(84)
Net income/(loss)	29,533	(20,809)

Consolidated Statement of Operations

For the three months ended September 30, 2008 and 2009

	(Millions of Yen)	
	FY2008	FY2009
For the three months ended	September 30, 2008	September 30, 2009
Net sales	803,717	562,106
Costs of sales	601,346	446,920
Gross profit on sales	202,371	115,186
Selling, general and administrative expenses	169,895	109,260
Operating income	32,476	5,926
Non-operating income		
Interest income	1,011	478
Equity in net income of affiliated companies	2,849	1,905
Other	1,375	1,462
Total	5,235	3,845
Non-operating expenses		
Interest expense	3,744	3,880
Foreign exchange loss	5,702	1,329
Other	2,607	1,499
Total	12,053	6,708
Ordinary income	25,658	3,063
Extraordinary profits		
Profit on sale of tangible fixed assets	5	165
Compensation for the exercise of eminent domain	79	-
Gain on sale of investments in affiliates	-	513
Other	18	10
Total	102	688
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	800	721
Loss on impairment of fixed assets	772	1,143
Other	-	5
Total	1,572	1,869
Income before income taxes	24,188	1,882
Income taxes		
Current	2,687	3,115
Release of provision for income taxes by a foreign subsidiary	-	(6,344)
Deferred	6,940	4,379
Total	9,627	1,150
Minority interests in consolidated subsidiaries	12	25
Net income	14,549	707

(3) Consolidated Statement of Cash Flows

For the first half ended September 30, 2008 and 2009

(Millions of Yen)

	FY2008	FY2009
For the first half ended	September 30, 2008	September 30, 2009
Cash flows from operating activities:		
Income/(loss) before income taxes	46,803	(31,637)
Adjustments to reconcile income/(loss) before income taxes to net cash provided by operating activities:		
Depreciation and amortization	37,933	38,436
Loss on impairment of fixed assets	1,008	1,866
Allowance for doubtful receivables	7	194
Investment valuation allowance	-	(7)
Reserve for warranty expenses	8,064	(4,363)
Employees' and executive officers' severance and retirement benefits	(3,984)	(2,743)
Interest and dividend income	(2,229)	(1,106)
Interest expense	7,467	7,435
Equity in net loss/(income) of affiliated companies	(6,288)	(2,718)
Loss/(gain) on retirement and sale of tangible fixed assets	750	822
Loss/(gain) on sale of investment securities	(17)	(3)
Loss/(gain) on sale of investments in affiliates	-	(513)
Decrease/(increase) in trade notes and accounts receivable	(4,525)	(19,227)
Decrease/(increase) in inventories	(6,218)	17
Increase/(decrease) in trade notes and accounts payable	(2,138)	81,283
Increase/(decrease) in other current liabilities	(31,402)	(16,665)
Other	(5,790)	(19,605)
Subtotal	39,441	31,466
Interest and dividends received	6,389	3,362
Interest paid	(7,531)	(7,232)
Income taxes refunded/(paid)	(25,315)	(1,501)
Net cash provided by operating activities	12,984	26,095
Cash flows from investing activities:		
Purchase of investment securities	(7,105)	(4,696)
Sale of investment securities	43	17
Acquisition of tangible fixed assets	(29,015)	(12,364)
Proceeds from sale of tangible fixed assets	4,239	1,697
Acquisition of intangible fixed assets	-	(1,743)
Decrease/(increase) in short-term loans receivable	(3)	952
Long-term loans receivable made	(286)	(124)
Collections of long-term loans receivable	184	96
Sale of investments in subsidiaries affecting scope of consolidation	-	277
Other	(3,284)	(2)
Net cash used in investing activities	(35,227)	(15,890)
Cash flows from financing activities:		
Increase/(decrease) in short-term loans payable	11,334	(45,927)
Proceeds from long-term loans payable	29,000	57,100
Repayment of long-term loans payable	(29,159)	(28,120)
Proceeds from issuance of bonds	10,000	1,000
Proceeds from sale and leaseback transactions	3,149	1,123
Payment of lease obligations	(9,782)	(8,741)
Cash dividends paid	(4,228)	-
Cash dividends paid to minority shareholders	(27)	(2)
Other	(978)	70
Net cash provided by/(used in) financing activities	9,309	(23,497)
Effects of exchange rate fluctuations on cash and cash equivalents	(732)	2,047
Net decrease in cash and cash equivalents	(13,666)	(11,245)
Cash and cash equivalents at beginning of the period	223,894	220,724
Increase in cash and cash equivalents due to additional subsidiaries newly consolidated	5,438	-
Cash and cash equivalents at end of the period	215,666	209,479

(4) Note on the Assumption as a Going Concern

None

(5) Segment Information

1) Information by Industry Segment

Mazda Motor Corporation and its consolidated subsidiaries are primarily engaged in the manufacture and sale of passenger and commercial vehicles. Sales amount related to this industry exceeded 90% of the total sales amount of all the industry segments. Also, operating income/(loss) related to this industry exceeded 90% of the larger of the absolute total amount of operating income and that of operating loss of all the industry segments. Accordingly, information by industry segment is not shown.

2) Information by Geographic Area

FY2008 First Half Ended September 30, 2008	(Millions of Yen)						
	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	557,422	448,223	421,997	147,900	1,575,542	-	1,575,542
Inter-area	747,920	2,540	6,273	1,167	757,900	(757,900)	-
Total	1,305,342	450,763	428,270	149,067	2,333,442	(757,900)	1,575,542
Operating income	30,075	18,251	12,555	7,212	68,093	(7,362)	60,731

FY2009 First Half Ended September 30, 2009	(Millions of Yen)						
	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	418,974	237,823	233,001	100,534	990,332	-	990,332
Inter-area	451,464	4,096	4,447	773	460,780	(460,780)	-
Total	870,438	241,919	237,448	101,307	1,451,112	(460,780)	990,332
Operating (loss)/income	(7,131)	(5,702)	2,284	3,296	(7,253)	(14,805)	(22,058)

Note:

Method of segmentation and principal countries or regions belonging to each segment:

- 1) Method: Segmentation by geographic adjacency
- 2) Principal countries or regions belonging to each segment
 - North America: U.S.A. and Canada
 - Europe: Germany, Belgium and UK
 - Other areas: Australia and Colombia

3) Overseas Sales

FY2008 First Half	(Millions of Yen)			
Ended September 30, 2008	North America	Europe	Other areas	Total
Overseas sales	463,228	430,874	342,689	1,236,791
Consolidated sales	-	-	-	1,575,542
Percentage of overseas sales to consolidated sales	%	%	%	%
	29.4	27.3	21.8	78.5

FY2009 First Half	(Millions of Yen)			
Ended September 30, 2009	North America	Europe	Other areas	Total
Overseas sales	242,589	231,732	235,902	710,223
Consolidated sales	-	-	-	990,332
Percentage of overseas sales to consolidated sales	%	%	%	%
	24.5	23.4	23.8	71.7

Notes:

1. Overseas sales include exports by the Mazda Motor Corporation and its consolidated domestic subsidiaries as well as sales (other than exports to Japan) by foreign consolidated subsidiaries.
2. Method of segmentation and principal countries or regions belonging to each segment
 - 1) Method: Segmentation by geographic adjacency
 - 2) Principal countries or regions belonging to each segment

North America:	U.S.A. and Canada
Europe:	Germany, UK and Russia
Other areas:	Australia, China and Thailand

(6) Significant Changes in the Amount of Equity

None

6. Other Information

(1) Changes in Financial Statement Presentation

(Consolidated Statement of Cash Flows)

For first half financial statements, prior to FY2009, in adjusting income before income taxes to net cash flows from operating activities, amortization expense of intangible fixed assets (that amounted to ¥4,483 million in the first half of FY2008) was included in other. Commencing in FY2009, however, the amortization expense is presented with depreciation expense of tangible fixed assets as depreciation and amortization. Also, for first half financial statements, prior to FY2009, in cash flows from investing activities, cash used in the acquisition of intangible fixed assets (that amounted to ¥3,381 million used in the first half of FY2008) was included in other. Commencing in FY2009, however, the cash used is separately presented as acquisition of intangible fixed assets.

(The consolidated statement of cash flows for the first half of FY2008 presented in this material has not been reclassified; it is presented as originally disclosed in FY2008.)

(2) Production and Sales Information

1) Production Volume

Type	FY2008 First Half Ended September 30, 2008	FY2009 First Half Ended September 30, 2009	Increase/ (Decrease)
	units	units	units
Passenger cars	540,603	373,879	(166,724)
Trucks	19,518	11,557	(7,961)
Vehicles Total	560,121	385,436	(174,685)

Note: Production volume figures do not include those Mazda-brand vehicles produced by the following joint venture assembly plants with Ford (that are accounted for by the equity method):

	FY2008 First Half	FY2009 First Half	Increase/ (Decrease)
AutoAlliance International, Inc.	29,483 units	4,244 units	(25,239) units
AutoAlliance (Thailand) Co., Ltd.	28,328	10,453	(17,875)

2) Sales Volume and Revenue

Type	FY2008 First Half Ended September 30, 2008		FY2009 First Half Ended September 30, 2009		Increase/ (Decrease)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen
Vehicles	648,195	1,224,096	431,183	702,486	(217,012)	(521,610)
Knockdown Parts (Overseas)	-	49,363	-	59,379	-	10,016
Parts	-	151,038	-	110,400	-	(40,638)
Other	-	151,045	-	118,067	-	(32,978)
Total	-	1,575,542	-	990,332	-	(585,210)

Wholesales Volume by Market

Type	FY2008 First Half Ended September 30, 2008	FY2009 First Half Ended September 30, 2009	Increase/ (Decrease)
	units	units	units
Japan	121,318	104,841	(16,477)
North America	206,581	126,073	(80,508)
Europe	171,830	109,029	(62,801)
Other	148,466	91,240	(57,226)
Overseas Total	526,877	326,342	(200,535)
Total	648,195	431,183	(217,012)

(3) Subsequent Events

As set forth below, Mazda Motor Corporation completed the paid-up capital with the issuance of new shares and the public offering related to treasury stock that were resolved at the meeting of the board of directors held on October 5, 2009.

1) New share issuance by public offering

Method of offering	Public offering
Type and number of new shares to be offered	Common stock 315,198,000 shares
Issue price	213 yen per share
Total issue price	67,137 million yen
Amount to be paid	204.20 yen per share
Total amount to be paid	64,363 million yen
Additional paid-in capital to be increased	31,667 million yen
Payment date	October 21, 2009

2) Disposition of treasury stock

Method of disposition	Public offering as a sale of shares by underwriters
Number of shares to be sold	96,802,000 shares
Offer price	213 yen per share
Total offer price	20,619 million yen
Amount to be paid	204.20 yen per share
Total amount to be paid	19,767 million yen
Payment date	October 21, 2009

3) New share issuance by way of third-party allotment in connection with the offering by way of Over-Allotment

In connection with the secondary offering by way of over-allotment, the board of directors of Mazda resolved, at the meeting held on October 5, 2009, that Mazda would issue common stock to Nomura Securities Co., Ltd. by way of third-party allotment. Type and maximum number of new shares to be issued and amount to be paid are as follows.

Type and number of new shares to be issued	Common stock 48,000,000 shares
Amount to be paid	204.20 yen per share

Number of shares to be issued and total amount to be paid have not been determined because the application date and payment date have not come.

4) Use of proceeds

Proceeds are planned to be used primarily for research and development of environment- and safety-responsive vehicles, and the remainder for capital investment. Investment for environment- and safety-related development, such investment for a series of next-generation products based on the improvement of efficiency of internal combustion and investment for development of the electric device technologies including hybrid technology, will be funded with a particular focus.

FY2009 First Half Financial Summary (Consolidated)

October 29, 2009
Mazda Motor Corporation

(In 100 millions of yen) (In thousands of units) (Upper left: return on sales)		FY2008 1st. HF (Apr.08-Sep.08)		FY2009 1st. HF (Apr.09-Sep.09)				FY2008 (Apr.08-Mar.09)		FY2009 (Apr.09-Mar.10) Projection	
				1st. Qtr.	2nd. Qtr.				%		%
	Domestic	1	3,387 (18.4)	1,204	1,597	2,801 (17.3)		6,203 (29.5)	5,900 (4.9)		
	Overseas	2	12,368 (0.4)	3,078	4,024	7,102 (42.6)		19,156 (26.2)	15,400 (19.6)		
	Net sales	3	15,755 (4.9)	4,282	5,621	9,903 (37.1)		25,359 (27.0)	21,300 (16.0)		
	Operating income/(loss)	4	3.9% 607 (16.9)	(6.5%) (280)	1.1% 59	(2.2%) (221) -		(1.1%) (284) -	(0.6%) (120) -		
	Ordinary income/(loss)	5	3.1% 485 (15.7)	(7.6%) (327)	0.5% 31	(3.0%) (296) -		(0.7%) (187) -	(0.8%) (160) -		
	Income/(loss) before income taxes	6	3.0% 468 (13.8)	(7.8%) (335)	0.3% 19	(3.2%) (316) -		(2.0%) (513) -	(1.0%) (210) -		
	Net income/(loss)	7	1.9% 295 1.7	(5.0%) (215)	0.1% 7	(2.1%) (208) -		(2.8%) (715) -	(0.8%) (170) -		
Operating income/(loss) by geographic area											
	Japan	8	301	(271)	200	(71)		(950)			
	North America	9	183	(14)	(43)	(57)		255			
	Europe	10	126	22	1	23		86			
	Other	11	72	26	7	33		97			
Operating profit changes											
	Volume & mix	12		(688)	(539)	(1,227)			(700)		
	Exchange rate	13		(293)	(267)	(560)			(850)		
	Cost reduction	14		108	183	291			680		
	Marketing expense	15		112	81	193			260		
	Other	16		198	277	475			774		
	Total	17		(563)	(265)	(828)			164		
Average rate for the period	Yen / US\$	18	106	97	94	96		101	92		
	Yen / EUR		163	133	134	133		144	132		
Transaction rate	Yen / US\$	19	104	98	96	97		104	94		
	Yen / EUR		158	134	133	133		159	133		
Capital investment		20	599	50	109	159		818	300		
Depreciation and amortization		21	379	192	192	384		752	780		
R & D cost		22	563	188	209	397		960	920		
Total assets		23	20,406	17,934		18,116		18,010			
Equity		24	5,722	4,010		4,063		4,147			
Financial debt		25	5,905	7,367		7,310		7,534			
Net financial debt		26	3,748	5,469		5,216		5,326			
Free cash flow (Operating & Investing)		27	(222)	(98)	200	102		(1,292)			
	Domestic	28	123 (0.1)	41	64	105 (14.7)		219 (14.5)	218 (0.3)		
	North America	29	200 (6.2)	74	84	158 (20.9)		347 (14.4)	301 (13.3)		
	Europe	30	179 17.3	59	64	123 (31.0)		322 (1.5)	238 (26.0)		
	China	31	63 52.6	41	44	85 34.7		135 33.2	185 37.5		
	Other	32	136 5.2	48	58	106 (22.6)		238 (12.8)	213 (10.8)		
	Overseas	33	578 7.8	222	250	472 (18.4)		1,042 (5.9)	937 (10.1)		
Global retail volume		34	701 6.3	263	314	577 (17.7)		1,261 (7.5)	1,155 (8.4)		
Domestic production volume		35	560 18.6	166	219	385 (31.2)		899 (14.1)	793 (11.8)		

Note: Global retail volume refers to the total retail units of Mazda-brand vehicles sold on a global basis.