Consolidated Financial Results
For the Fiscal Year Ended March 31, 2012

Prepared in Conformity with Generally Accepted Accounting Principles in Japan

English Translation from the Original Japanese-Language Document

April 27, 2012

Company Name	:	**Mazda Motor Corporation** (Tokyo Stock Exchange/Code No. 7261)
URL	:	http://www.mazda.co.jp
Representative Person	:	Takashi Yamanouchi, Representative Director, President and CEO
Contact Person	:	Shinji Maeda, General Manager, Accounting Department, Financial Services Division Phone (082) 282-1111
General Meeting of the Shareholders	:	Scheduled for June 27, 2012
Payment of Dividends	:	-
Filing of *Yuka Shoken Hokokusho* , statutory annual business and financial report	:	Scheduled for June 28, 2012
Supplementary Material	:	Yes
Briefing Session	:	Yes (Intended for securities analysts, institutional investors and media)

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

1. Consolidated Financial Highlights (April 1, 2011 through March 31, 2012)

(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	%
FY2012	**2,033,058**	(12.6)	**(38,718)**	-	**(36,817)**	-	**(107,733)**	-
FY2011	2,325,689	7.5	23,835	152.0	36,862	693.8	(60,042)	-

Note: Comprehensive income/(loss) **FY2012 (104,511) million yen (- %)**
FY2011 (73,312) million yen (- %)

	Net Income/(Loss) Per Share	Net Income Per Share (Diluted)	Return on Equity	Ordinary Income/(Loss) to Total Assets	Operating Income/(Loss) to Sales
	yen	yen	%	%	%
FY2012	**(57.80)**	**-**	**(24.0)**	**(2.0)**	**(1.9)**
FY2011	(33.92)	-	(12.8)	2.0	1.0

Note: Equity in net income of affiliated companies (for the years ended March 31) **FY2012 9,552 million yen**
FY2011 14,216 million yen

(2) Consolidated Financial Position

	Total Assets	Equity	Equity Ratio	Equity per Share
	million yen	million yen	%	yen
As of Mar. 31, 2012	**1,915,943**	**474,429**	**24.5**	**156.85**
As of Mar. 31, 2011	1,771,767	430,539	24.2	242.24

Notes on equity, equity ratio and equity per share (as of March 31):

1) Equity for calculation of equity ratio and equity per share **FY2012 468,854 million yen** FY2011 428,812 million yen

2) The minority interests in consolidated subsidiaries 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.

3) 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.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Cash & Cash Equivalents
	million yen	million yen	million yen	million yen
FY2012	**(9,098)**	**(70,317)**	**236,462**	**477,307**
FY2011	15,344	(13,717)	(14,360)	322,849

2. Dividends

	Dividends per Share					Total Amount of Annual Dividends	(Consolidated) Dividends Payout Ratio	(Consolidated) Ratio of Dividends to Equity
	1st.Qtr.	2nd.Qtr.	3rd.Qtr.	Year-End	Full Year			
	yen	yen	yen	yen	yen	million yen	%	%
FY2011	-	0.00	-	0.00	0.00	-	-	-
FY2012	**-**	**0.00**	**-**	**0.00**	**0.00**	**-**	**-**	**-**
FY2013 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Consolidated Financial Forecast (April 1, 2012 through March 31, 2013)

(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
FY2013	million yen	%	million yen	%	million yen	%	million yen	%	yen
First Half	1,040,000	8.4	10,000	-	(2,000)	-	5,000	-	1.67
Full Year	2,200,000	8.2	30,000	-	15,000	-	10,000	-	3.35

*Notes

(1) Significant Changes in Consolidation scope: None

Newly added subsidiaries: None Excluded subsidiaries: None

Note: Refers to "Change in Consolidation Scope and Application of Equity Method" on page 19 of the attachment.

(2) Accounting Changes:

1) Changes of accounting policy with accompanying revision of accounting standards	None
2) Voluntary changes of accounting policy except 1)	None
3) Changes of accounting estimate	None
4) Restatement	None

(3) Common Stock

1) Shares issued (including treasury shares)	**As of March 31, 2012**	**2,999,377,399** shares
	As of March 31, 2011	1,780,377,399 shares
2) Treasury shares	**As of March 31, 2012**	**10,201,538** shares
	As of March 31, 2011	10,194,637 shares
3) The average number of outstanding shares over period	**Year ended March 31, 2012**	**1,863,949,680** shares
	Year ended March 31, 2011	1,770,198,580 shares

(Reference)

1. Unconsolidated Financial Highlights (April 1, 2011 through March 31, 2012)

(1) Unconsolidated 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	%
FY2012	**1,538,578**	**(13.4)**	**(55,747)**	**-**	**(57,503)**	**-**	**(139,523)**	**-**
FY2011	1,777,324	7.6	4,125	(44.0)	69,809	912.4	(39,707)	-

	Net Income/(Loss) Per Share	Net Income/(Loss) Per Share (Diluted)
	yen	yen
FY2012	**(74.85)**	**-**
FY2011	(22.43)	-

(2) Unconsolidated Financial Position

	Total Assets	Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	yen
As of Mar. 31, 2012	**1,743,567**	**498,559**	**28.6**	**166.70**
As of Mar. 31, 2011	1,569,695	482,792	30.7	272.47

Notes on equity, equity ratio, and equity per share (as of March 31):

1) Equity for calculation of equity ratio and equity per share **FY2012 498,300 million yen** FY2011 482,332 million yen

2) 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.

Note on Progress in Audit Procedures by Independent Auditors
This document is out of the scope of the audit procedures based on the Financial Instruments and Exchange Act.
The audit procedures for the financial statements under this Act have not been completed as of the timing of disclosure of this document.

Cautionary Statements with Respect to Forward-Looking Statements
The financial forecast and other descriptions of the future presented in this document are an outlook based on our judgments and projections. The judgments and projections are based on information presently available. As such, the financial forecast and future descriptions are subject to uncertainties and risks. Accordingly, the actual financial performance may vary significantly due to various factors. For assumptions underlying the financial forecast, please refer to "1.Financial Results (1)Analysis of Financial Results" on page 2 of the attachment.

Attachment

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1. Financial Results

(1) Analysis of Financial Results

(Financial Results for the Year Ended March 31, 2012)

Economic and business environment surrounding Mazda Group for Fiscal Year ended March 2012 was as follows. In overseas, the economic recovery of the global markets as a whole seemed to be weak affected by the economic instabilities such as financial crisis in European countries, the floods in Thailand, as well as slowdown of economic growth in China, while U.S. economy is in the trend of gradual recovery. On the other hand, in Japan, while a trend of gradual recovery led by demand after the Great East Japan Earthquake is seen, downturn in export affected by uncertainty of overseas economy and prolonged strong yen created an obstacle on economic turnaround.

Under such situation, Mazda Group introduced the new models with the new generation technology, "SKYACTIV TECHNOLOGY" (hereinafter referred to as "SKYACTIV") to the major markets in series. In addition, to implement its "Structural Reform Plan" using SKYACTIV as the linchpin to reinforce "Framework for Medium- and Long-term Initiatives" as announced in February this year, Mazda Group secured the funds for growth and strengthened its financial position by means of public offering of shares and Subordinated Loan.

Retail volume by market for the year ended March 31, 2012 was as follows. In Japan, regardless of the less demand from Great East Japan Earthquake, the retail volume remains almost unchanged from the previous year at 206,000 units led by strong sales of "Mazda-Demio (called Mazda2 in overseas markets)" and introduction of the all-new "Mazda CX-5" to the market. On the other hand, in overseas, in North America, retail volume increased by 8.5% year-over-year to 372,000 units; the introduction of "CX-5" as well as strong sales of "Mazda2" and "Mazda3 (called Mazda Axela in Japan)" mainly contributed to the increase. In Europe, retail volume was down 13.6% year-over-year to 183,000 units; while sales in Russia increased, the concern about the increased financial instability had a negative impact. In China, where sales of the mainstay models "Mazda3" were strong, retail volume decreased by 5.6% year-over-year to 223,000 units affected by increased competition and decrease in demand for compact cars in the market. In other markets, retail volume was down by 4.7% year-over-year to 263,000 units affected by downturn in export by the floods in Thailand while strong sales were recorded in Australia and ASEAN countries. As a result, the global retail volume was 1,247,000 units, down 2.0% from the prior fiscal year.

Financial performance on the consolidated basis for the year ended March 31, 2012 was as follows.

Net sales amounted to ¥2,033.1 billion, decreased by ¥292.6 billion year-over-year or 12.6% from the prior year, while the trend of the strong yen against other major currencies continued and decreased production and retail volume affected the results. Operating income decreased by ¥62.6 billion year-over-year and turned to ¥38.7 billion operating loss affected by decrease in volume and worsening of product-mix as well as strong yen. Ordinary income decreased by ¥73.7 billion and turned to ¥36.8 billion ordinary loss. Net loss increased by ¥47.7 billion year-over-year to ¥107.7 billion, mainly as a result of the following factors. Extraordinary losses were recognized for loss on impairment of fixed assets, loss on disaster due to the Great East Japan Earthquake and business restructuring costs as well as reduction of deferred tax assets.

Financial results by segment were as follows.

In Japan, net sales amounted to ¥1,745.0 billion (down ¥254.5 billion year-on-year or 12.7%) and segment income (operating income) turned to segment loss (operating loss) amounted ¥18.4 billion (down ¥51.0 billion). In North America, net sales amounted to ¥571.6 billion (down ¥59.4 billion or 9.4%) and segment loss (operating loss) was ¥40.3 billion (down 8.5 billion). In Europe, net sales amounted to ¥360.4 billion (down

¥77.8 billion or 17.7%) and segment income (operating income) was ¥5.6 billion (down 2.3 billion). In other areas, net sales amounted to ¥294.2 billion (down ¥16.2 billion or 5.2%) and segment income (operating income) was ¥10.1 billion (down ¥2.7 billion).

Business overview of Mazda Group by field was as follows.
In terms of products, three models equipped with "SKYACTIV " were launched in the major markets. First, in June last year, the facelifted "Mazda Demio 13-SKYACTIV" powered by the newly-developed 1.3-liter direct injection "SKYACTIV-G 1.3" gasoline engine was launched in the domestic market. With the combination of Mazda-unique idling stop technology, "i-stop", "13-SKYACTIV "offers best-in-class fuel economy (*1) and received high reputation both from our customers and rating agencies.
"Mazda Demio 13-SKYACTIV" won "Chairperson's Award, 8th Eco-Products Awards Steering Committee", "2011-2012 Car Technology of the Year by the Japan Automotive Hall of Fame" and "2011-2012 Car of the Year Japan Special Award". In addition, "SKYACTIV-G 1.3" engine won "2012 RJC Technology of the Year".
Secondly, in September last year, the updated "Mazda Axela" powered by newly developed 2.0 liter direct injection "SKYACTIV-G 2.0" was launched in the major markets. The facelifted "Mazda Axela" equipped with new six-speed automatic transmission, "SKYACTIV-DRIVE" that eliminates slippage and achieves a direct shift feel similar to a manual transmission and delivers an exhilarating drive.
Further, in February this year, we launched the all-new "Mazda CX-5", the first model that adopted Mazda's breakthrough "SKYACTIV", including engines, transmission, body and chassis. The "CX-5" has a line-up of two new generation engines, gasoline and diesel engine.
The newly developed clean diesel engine, Mazda's "SKYACTIV-D 2.2" meets Japan's Post New Long-Term Emissions Regulations without an expensive NOx after-treatment device, while at the same time, delivering excellent fuel economy, the highest of any SUV (*2), and maximum torque of 420Nm, delivering powerful dynamic performance equivalent to a 4.0L, V8 gasoline engine. "CX-5" realizes top-class safety performance and won "Top Safety Pick" for 2012, the highest possible safety rating by the Insurance Institute for Highway Safety (IIHS) in their crashworthiness tests.
In R&D area, in November last year, Mazda announced that the world's first passenger vehicle regenerative braking system that uses capacitor, "i-ELOOP" would begin to appear in Mazda's vehicles in 2012. "i-ELOOP" efficiently converts the vehicle's kinetic energy into electricity as it decelerates and improves fuel economy by approximately 10 percent in real-world driving conditions with frequent acceleration and braking. In addition, an advanced safety technology called "Smart City Brake Support (SCBS)" (*3), which helps a driver to avoid frontal collision when driving at low speeds in the city or in slow traffic. The SCBS system is available in the "CX-5". The SCBS system uses a laser sensor to detect a vehicle or obstacle in front and automatically reduces the extent of the brake rotor travel to quicken braking operation. If the driver fails to perform any operation to avoid collision, such as applying the brake, SCBS automatically activates the brakes and reduces the engine output at the same time. The SCBS system also includes Acceleration Control for Automatic Transmission (*3), which helps unintentional acceleration that could be caused by depressing the accelerator instead of the brake pedal.
In December last year, the global premier of the Mazda TAKERI, next-generation midsize sedan concept car was showcased at the 42nd Tokyo Motor Show. The Mazda Takeri exploits Mazda's new design language, "KODO-Soul of Motion", to bring a new level of strength and allure styling. The TAKERI features the full array of SKYACTIV to deliver vigorous performance and a comfortable ride desired in a sedan. The combination of Mazda's new idling stop system, "i-stop" and a new regenerative braking system, "i-ELOOP" enable the Mazda TAKERI to achieve excellent fuel economy.

In the production area, Mazda is in the way of advancing an approach to increase production efficiency on a global basis. In June last year, Mazda announced that the company would build its “Mazda6 (called Atenza in Japan)” for the North American market at its Hofu Plant in Yamaguchi Prefecture, Japan, as part of ongoing efforts to increase global manufacturing efficiencies and to improve investment efficiencies. Mazda works to improve production efficiency in overseas as well, mainly in emerging countries. Mazda signed formal agreements and begun preparation to establish a Mazda vehicle production facility in Mexico in alliance with Sumitomo Corporation to enhance both companies' business in the rapidly growing Central and South American markets. In October last year, in Mexico, the ceremony was held to mark the beginning of construction of a new vehicle production facility which will commence operations in 2013 and the preparation for operations is steadily advancing. In ASEAN countries, from October last year, “Mazda2” is being produced at a newly-constructed assembly plant in Vietnam, following Thailand and Malaysia. In China, Nanjing plant increased the capacity to establish the consistent system from production to sales and to strengthen the business there. In Russia, Mazda is in the negotiation with OJSC Sollers to establish a joint venture production facility.

In the sales area, in November last year, “Mazdaspeed3 (called in Japan as the Mazdaspeed Axela)” won the 2012 Residual Value Award in the Sportscar segment from the Automotive Lease Guide (ALG) in the U.S. Mazda vehicles won the awards in the U.S. for three consecutive years, following “Mazda3” and “CX-9”. Our efforts for brand value enhancement are steadily bringing results. With regard to the sales network, the number of outlets in China reached 371 outlets as of March 31, 2012 and strengthening the sales network is in progress steadily. In Europe, the sales network restructuring is in progress to maximize the efficiency of sales network.

In finance area, in March this year, Mazda strengthened its financial position to secure the funds for growth, including future strategic investment in the establishment of global production systems and next-generation environmental and safety technologies and to cope with changes in the business environment by simultaneously performing the capital increase by means of a public offering of shares and the Subordinated Loan from the main financial institutions of Mazda. It is expected that Rating and Investment Information, Inc. will recognize 50% of the total value of the Subordinated Loan as “equity credit attributes”, and such recognition would contribute to the strengthening of the “equity credit attributes” for the purpose of the Company's credit rating. The Mazda Group will pursue the achievement of its medium- and long-term growth through the implementation of “Structural Reform Plan”, as well as the establishment of a solid financial foundation.

Note:

*1: Among 1.3-liter mass-production vehicles except Hybrid vehicles as of May 2011 (Mazda data)

*2: All SUVs for domestic market including Hybrid, micro and import vehicles as of January 2012 (Mazda data)

*3:” Smart City Brake Support (SCBS)” and “Acceleration Control for Automatic Transmission systems” are designed to minimize damage from accidents and alleviate the burden of driving based on the premise that the driver is driving in a safe manner. Please be aware that the performance of the system may be impacted by road conditions, weather conditions, the state of the vehicle and driving conditions.

(Financial Forecast for the Year Ending March 31, 2013)

Though the future remains unclear by prolonged strong yen, financial crisis in Europe and economic trends of emerging countries, Mazda Group aims to achieve profitability in all profit levels of consolidated statement of operations through steadily carrying out “Structural Reform Plan”. The latest consolidated forecast of our business for the next fiscal year ending March 2013 is as follows.

Our global retail volume for the next fiscal year is projected to be 1,340,000 units, up 7.5% year-over-year. Looking at retail volume projection by market, the retail volume in Japan is projected to increase by 9.5%

year-to-year to 225,000 units. The retail volume in North America is projected to be at 390,000 units (up 4.9%), 185,000 units in Europe (up 1.2%), 255,000 units in China (up 14.5%) and 285,000 units in other markets (up 8.0%). The exchange rate assumption is ¥80 to the US dollar and ¥105 to the Euro.
As for the consolidated financial performance of the next fiscal year, sales revenue is projected at ¥2,200 billion, up 8.2% year-over-year. Operating income and net income are projected at ¥30 billion and ¥10 billion, respectively.

Consolidated Financial Forecast for the Year Ending March 31, 2013

	First Half	vs. Prior Year	Full Year	vs. Prior Year
Sales	1,040 billion yen	8.4 %	2,200 billion yen	8.2 %
Operating Income	10	-	30	-
Ordinary Income	(2)	-	15	-
Net Income	5	-	10	-

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.

(2) Analysis on the Financial Position

(Analysis on Assets, Liabilities, Equity and Cash Flows)

As of March 31, 2012, total assets amounted to ¥1,915.9 billion; an increase of ¥144.2 billion compared to the end of the last fiscal year, mainly as a result of an increase in cash and time deposits due to capital increase as well as certificate of deposit. Total liabilities increased by ¥100.3 billion from the previous year to ¥1,441.5 billion primarily due to an increase of ¥85.1 billion financial debt. Financial debt amounted to ¥778.1 billion. It includes ¥70 billion Subordinated Loan financed on March 19, this year.
Total equity amounted to ¥474.4 billion, up ¥43.9 billion compared to the prior year, due mainly to an increase in common stock and capital surplus by means of issuance of new shares and a decrease in retained earnings by the recognition of a net loss. Equity ratio increased by 0.3 percentage points from the end of the prior fiscal year to 24.5%. Equity ratio after recognition of equity credit attributes of the Subordinated Loan is 26.3%.

Cash and cash equivalent as of March 31, 2012 increased by ¥154.5 billion year-over-year to ¥477.3 billion.
Net cash used in operating activities was ¥9.1 billion. Net cash used in investing activities was ¥70.3 billion, mainly reflecting ¥61.7 billion capital investments in facilities and equipment. As a result, consolidated free cash flow (net of operating and investing activities) was negative ¥79.4 billion. Also, net cash provided by financing activities amounted to ¥236.5 billion reflecting capital increase by means of a public offering and finance by long-term loans.
After deducting cash and cash equivalents from financial debt, net financial debt totaled ¥300.8 billion, and the net debt-to-equity ratio was at 64.2% (52.7% after the recognition of equity credit attributes of the Subordinated Loan).

(Trends of cash flow data)

	As of / Year Ended March 31, 2008	As of / Year Ended March 31, 2009	As of / Year Ended March 31, 2010	As of / Year Ended March 31, 2011	As of / Year Ended March 31, 2012
Equity Ratio (1)	27.8%	22.9%	26.1%	24.2%	24.5%
Equity Ratio (2)	-	-	-	-	26.3%
Fair Value Equity Ratio	25.1%	11.9%	23.9%	18.3%	22.6%
Cash-Flow-To-Total-Debt Ratio	4.9	-	6.5	45.2	-
Interest Coverage Ratio	5.3	-	8.1	1.3	-

Equity Ratio (1): Equity/Total Assets

Equity Ratio (2): Equity (after the recognition of equity credit attributes of the Subordinated Loan) / Total Assets

Fair Value Equity Ratio: Gross Market Capitalization/Total Assets

Cash Flow to Total Debt: Total Debt/Operating Cash Flow

Interest Coverage Ratio: Operating Cash Flow/Interest Payments

1) All indicators are calculated on the basis of consolidated financial values.
2) Gross Market Capitalization is based on the total number of shares issued excluding treasury stock.
3) Cash Flow means the cash flow provided by operating activities.
4) Total Debt includes all debts that interests are paid on among debts booked in consolidated balance sheet.

(3) Dividend Policy

Our policy on distribution of earnings is to declare dividends by carefully considering each fiscal year's financial results and business environment. In consideration of our recognition of net loss and retained loss for the year ended March 31, 2012 and prospects for recognition of retained loss as of March 31, 2013, we regret to announce that we have decided not to declare year-end dividends for the year ended March 31, 2012 and for the year ending March 31, 2013.

(4) Risks

No significant changes from the descriptions of business risks presented in the latest statutory interim business and financial report, "*Shihannki Hokokusho*" released on February 14 for the year ended March 31, 2012. Please see "*Shihannki Hokokusho*" from the URL below. (Japanese only)

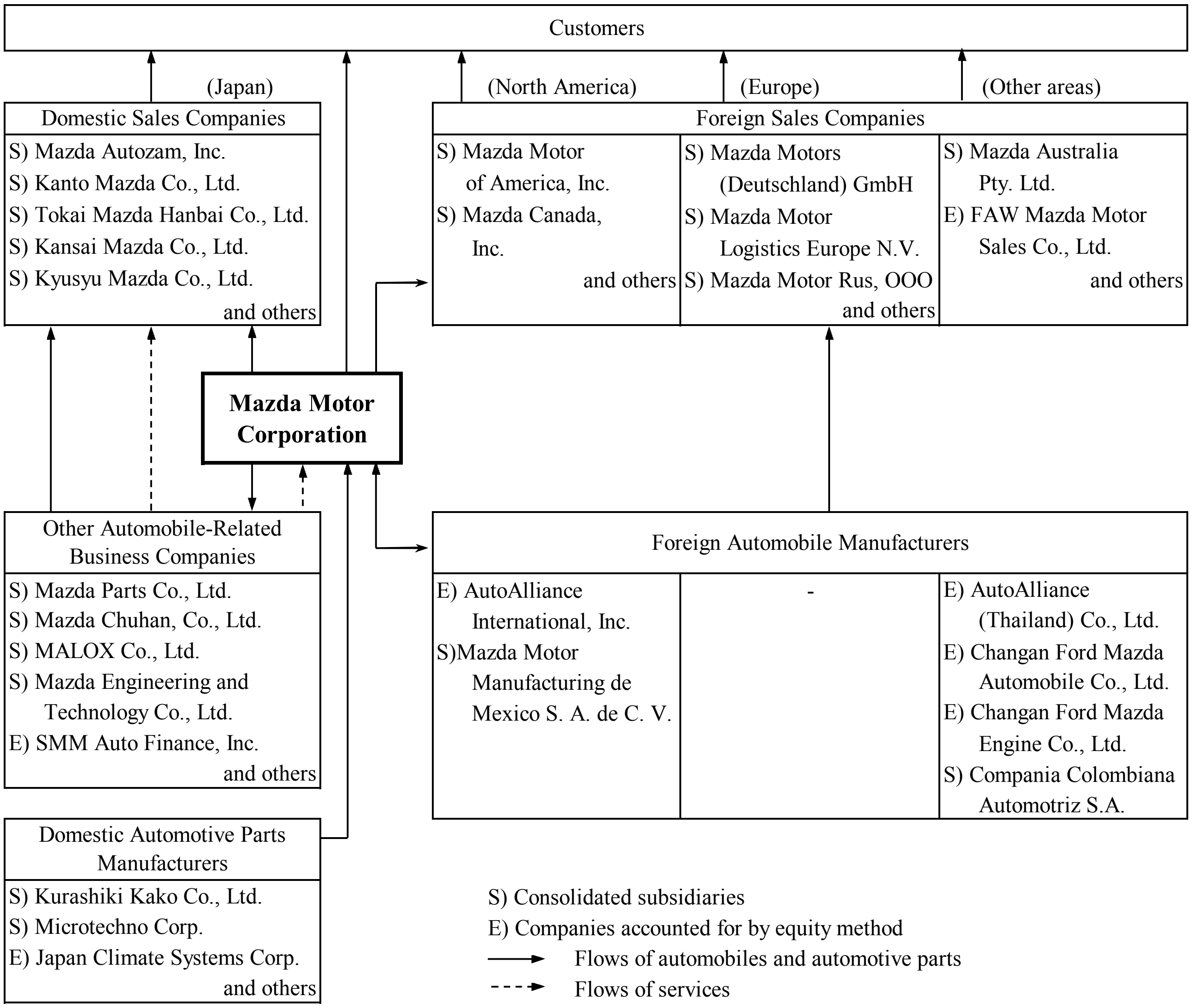
Mazda Website:
http://www.mazda.co.jp/corporate/investors/library/s_report/

2. Mazda Group of Companies

Mazda group of companies consists of Mazda Motor Corporation, 56 consolidated subsidiaries and 13 equity method-applied companies (as of March 31, 2012) and is mainly engaged in the manufacturing and sales of automobiles and automotive parts as well as in other automobile-related businesses.

In Japan, Mazda Motor Corporation manufactures automobiles. Mazda Motor Corporation, Kurashiki Kako Co., Ltd. and other companies manufacture automotive parts. Outside of Japan, AutoAlliance International, Inc. and other companies manufacture automobiles and automotive parts. The automobiles and automotive parts manufactured by our group of companies are sold to customers by our sales companies. In Japan, Mazda Autozam, Inc., Kanto Mazda Co., Ltd. and other companies sell our automobiles and automotive parts to customers. To certain corporate customers, Mazda Motor Corporation directly sells our automobiles. Outside of Japan, the sales companies that sell our automobiles and automotive parts to customers include Mazda Motor of America, Inc. in North America, Mazda Motors (Deutschland) GmbH in Europe, and Mazda Australia Pty. Ltd. in Other areas, among other companies.

The following diagram approximately illustrates the roles, and the relations with segments, of Mazda Motor Corporation and its main related companies in conducting the group's business. The segments shown are identical to those discussed in the applicable section of the footnotes to the consolidated financial statements.



3. Management Policy

(1) Basic Policy of Corporate Management

Mazda's Corporate Vision is comprised of three factors: "Vision" (corporate objectives) along with a statement of "Mission" (roles and responsibilities) and "Value" (the values Mazda seeks to produce). These principles help express what Mazda and Mazda's employees aim for, their roles and responsibilities, and the sense of worth with which they seek to achieve these aims. Through the realization of this Corporate Vision, we aim to consistently augment corporate value, which we view as leading to meeting the expectations of our stakeholders – including shareholders, customers, suppliers, employees and the community – and also leading to realizing sustainable development of society and of Mazda.

Vision: To create new value, excite and delight our customers through the best automotive products and services.

Mission: With passion, pride and speed, we actively communicate with our customers to deliver insightful automotive products and services that exceed their expectations.

Value: We value integrity, customer focus, creativity, efficient and nimble actions and respect highly motivated people and team spirit. We positively support environmental matters, safety and society. Guided by these values, we provide superior rewards to all people associated with Mazda.

(2) Target Business Indicators

In April 2010, we announced the "Framework for medium- and long-term initiatives" and we have taken the measures to implement "Brand value improvement ", "Monotsukuri Innovation", "Environmental and Safety Technologies", "Emerging Markets" and "Ford Synergies".

On the other hand, economic and business environment surrounding Mazda Group is rapidly changing, including the continuing sharp appreciation of the yen, the unstable economic conditions such as the financial crisis in European countries, large-scale disasters such as the Great East Japan Earthquake and the floods in Thailand, as well as increase in demand for automobiles in emerging markets.

Under the situation, in February 2012, we announced "Structural Reform Plan" to reinforce our "Framework for Medium- and Long-term Initiatives", in order to respond to harsh external environment and ensure future growth. The principal measures set forth in the "Structural Reform Plan" are as follows.

1. Business innovation by SKYACTIV

We aim at 30% improvement in average fuel efficiency of Mazda brand vehicles in the global markets by 2015 in comparison with 2008 through our research and development. We are launching new vehicles equipped with the new generation technology, "SKYACTIV" in series, which delivers the ultimate improvement of the base technology of the vehicles. With such base technology, we are combining electric device technologies step by step, which we call "Building Block Strategy".

"SKYACTIV" receives excellent feedback from various quarters and high reputation in the major markets and improves the brand value since the introduction to the markets. We seek to realize sales at the price without discounting taking advantage of its high brand value through "Sales Method Innovation". We plan to expand the ratio of automobiles using SKYACTIV to 20% in the fiscal year ending March 2013 and to 80% by fiscal year ending March 2016 through the introduction of eight new vehicles, commencing with the "CX-5". In addition, we plan to launch all-new models equipped with regenerative braking system called "i-ELOOP" which improves fuel economy drastically in real-world driving conditions in fiscal year ending March, 2013 and hybrid vehicles with SKYACTIV in the fiscal year ending March 2014. SKYACTIV drives not only technology reforms but will also result in structural reforms of Mazda's business itself through balancing competing goals for class-leading products, high brand value, distinctive design and cost improvements to generate profits even under strong yen environment.

2. Accelerate further cost improvement through "Monotsukuri Innovation"

It is expected that our original goal for vehicle performance and cost improvements will be achieved through the implementation of the "Common Architecture Concept based on Integrated Planning" and "Flexible Production Concept". While we have achieved the drastic cost improvement through manufacturing technology innovation, "Monotsukuri Innovation" so far, we will take stronger measures to achieve cost structure which generates a profit even in difficult circumstances such as strong yen. We will further enhance "Monotsukuri Innovation" for variable cost improvement, and will revise the goal to reduce automobile costs from the current target of 20% to a new target of 30%. In addition, we will implement additional initiatives to raise overseas sourcing ratio at domestic plants and transactions in foreign currencies from the current 20% at present to 30% or more in 2014. Also we will pursue ultimate localization of the products produced overseas. To reform fixed cost structure, we will improve efficiency of indirect departments at Mazda headquarter by 10%, raise ability of overseas sales and manufacturing by shifting indirect employees to overseas and front line, go ahead with Second Career Development Support System and reduce recruitment from the fiscal year ending March 2013. Furthermore, with regard to the sales network in overseas, we will thoroughly improve efficiency of global sales network.

3. Reinforce business in emerging countries and establish global production footprints

To aim at the increase in retail volume in emerging markets, we achieved our goals of increase in sales and expansion of production bases in the markets so far. From now on, we will reinforce business in emerging markets through further initiatives as follows.

In China, we are in progress of changing Mazda's equity of our joint venture company. Further, we will increase capacity in Nanjing plant and expand sales network for 400,000 unit sales structure by opening outlets in in-land areas and open areas in coastal regions. With commencing the local production of SKYACTIV, we will expand product line-up from six to ten models.

In Russia, we aim to establish joint venture production facilities with Sollers. In ASEAN countries, we study capacity expansion at AAT, increase local production model from three to six and open new outlets.

In Central and South America, we are in progress of construction of new plant in Mexico to support the scheduled start of operation in 2013. The vehicles built in the new Mexican plant will be sold to the countries in Central and South America by utilizing FTA, etc. Also we are studying entry into Brazilian market.

In order to build a production structure highly resistant to the foreign exchange, we plan to increase our overseas production ratio to 50% by the fiscal year ending March 2016 by means of local production in Mexico, China, ASEAN countries and Russia.

We will maintain the four production lines in Japan and aim at reform of its cost structure which generate profit even in a strong yen environment through acceleration of "Monotsukuri Innovation".

Further, Mazda will reform its profit structure both in North America and Europe. As restructuring measures of its business in North America, we will improve the profitability of the business in North America by transferring the production of new generation "Mazda6" from the facility in U.S. to Japan. Furthermore, we study maximum use of new plant in Mexico by producing "Mazda2" and "Mazda3" for North American market and ship to North America utilizing NAFTA. In Europe, we will take the countermeasures to improve volume and mix by the introduction of new generation super clean diesel engine, “SKYACTIV-D”, efficiency of sales network and volume expansion by commencing KD production in Russia.

4. Promote Global Alliance

Mazda Group is currently promoting individual business with various partners. In order to strengthen the Mazda brand, we will aggressively promote business and technical alliances with partners. We will actively pursue a strategy of global alliance for optimum complementation by product, technology, and region as well as supply of the products and technologies, including SKYACTIV powertrain.

The business indices in the Fiscal Year ending March 2016 were revised through the establishment of “Structural Reform Plan” announced February, 2012 to strengthen “Framework for medium- and long-term initiatives” as follows.

Outlook of business indices in the Fiscal Year ending March 2016

- Global sales volume: 1.7 million units
- Consolidated operating profit: 150 billion yen
- ROS (Consolidated operating return on sales): 6% or more

Please note that business indicators and other descriptions of the future are based on certain assumptions judged by Mazda Group as of March 31, 2012. Such description may differ from the actual results and the achievement of such description is not guaranteed in any way.

(3) Issues to be Addressed and the Mid- and Long-term Corporate Business Strategy

Under the unstable business environment, including the continuing sharp appreciation of the yen and economic uncertainties such as financial crisis in Europe, we will actively continue and strengthen the measures to improve the cost structure and invest in manufacturing and sales bases in Mexico, Russia and ASEAN countries, etc and environmental and safety technologies. In the medium- and long-term, as stated in (2) Target Business Indicators, we will advance “Structural Reform Plan” using SKYACTIV to reinforce “Framework for Medium- and Long-term Initiatives” and push through fundamental structural reforms so that Mazda Group may realize a steady growth in the future and profitability even in an environment with strong yen.

(4) Other Important Items for the Company’s Business Management

Mazda formed a global partnership with the Ford Motor Company in 1979, and since then both companies have further developed and strengthened their cooperative relationship. An agreement was concluded in 1996 to further bolster that relationship with an increase in Ford’s equity in Mazda’s total shares outstanding to 33.4%. On November 19, 2008, Ford sold a portion of its shareholding, reducing its stake in Mazda to 13.8%. Subsequently, Mazda carried out a capital increase by means of public offering; the payment date was October 21, 2009. Mazda also carried out a capital increase by means of third-party allotment; the payment date was November 12, 2009. As a consequence of these capital increases, Ford’s shareholding was reduced to 11.0% of Mazda’s total shares outstanding. On November 19, 2010, Ford sold a part of its stake in Mazda. As a consequence, Ford owned 3.5% of Mazda’s outstanding shares. Further, Mazda carried out a capital increase by means of public offering; the payment date was March 12, 2012. Mazda also carried out a capital increase by means of third-party allotment; the payment date was March 27, 2012. Though Ford’s stake in Mazda decreased to 2.1% as a result of aforementioned capital increase, Ford is still one of Mazda’s largest shareholders and, as such, the two companies have agreed to continue their strategic partnership. The two companies will continue to collaborate on areas of mutual benefit, such as key joint ventures, joint projects, and exchange of technology information.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	FY2011	**FY2012**
	(Millions of Yen)	
As of	March 31, 2011	**March 31, 2012**
ASSETS		
Current Assets:		
Cash and time deposits	170,228	**228,442**
Trade notes and accounts receivable	154,498	**166,008**
Securities	152,630	**249,874**
Inventories	197,011	**216,190**
Deferred taxes	58,307	**45,997**
Other	89,481	**84,643**
Allowance for doubtful receivables	(1,726)	**(1,457)**
Total current assets	820,429	**989,697**
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures (net)	139,131	**142,094**
Machinery and vehicles (net)	155,174	**157,070**
Tools, furniture, and fixtures (net)	14,751	**18,518**
Land	430,367	**426,700**
Leased assets (net)	14,510	**8,391**
Construction in progress	32,115	**31,319**
Other (net)	173	**144**
Total tangible fixed assets	786,221	**784,236**
Intangible fixed assets:		
Software	17,220	**18,463**
Other	2,884	**2,273**
Total intangible fixed assets	20,104	**20,736**
Investments and other fixed assets:		
Investment securities	90,142	**93,358**
Long-term loans receivable	5,255	**5,411**
Deferred taxes	32,558	**6,035**
Other	21,886	**20,781**
Allowance for doubtful receivables	(3,809)	**(3,787)**
Investment valuation allowance	(1,019)	**(524)**
Total investments and other fixed assets	145,013	**121,274**
Total fixed assets	951,338	**926,246**
Total Assets	1,771,767	**1,915,943**

As of	FY2011 March 31, 2011	**FY2012** **March 31, 2012**
	(Millions of Yen)	
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	208,111	**244,405**
Short-term loans payable	79,447	**65,842**
Long-term loans payable due within one year	93,905	**41,439**
Bonds due within one year	20,100	**45,100**
Lease obligations	11,799	**7,702**
Income taxes payable	9,026	**8,684**
Other accounts payable	22,738	**23,040**
Accrued expenses	123,883	**119,346**
Reserve for warranty expenses	42,556	**33,178**
Other	30,752	**34,063**
Total current liabilities	642,317	**622,799**
Fixed Liabilities:		
Bonds	95,750	**50,650**
Long-term loans payable	379,519	**563,043**
Lease obligations	12,480	**4,309**
Deferred tax liability related to land revaluation	93,431	**79,774**
Employees' and executive officers' severance and retirement benefits	78,284	**76,150**
Reserve for loss from business of affiliates	9,998	**7,671**
Reserve for environmental measures	1,474	**1,494**
Other	27,975	**35,624**
Total fixed liabilities	698,911	**818,715**
Total Liabilities	1,341,228	**1,441,514**
EQUITY		
Capital and Retained Earnings:		
Common stock	186,500	**258,957**
Capital surplus	170,192	**242,649**
Retained earnings	15,082	**(88,715)**
Treasury stock	(2,189)	**(2,190)**
Total capital and retained earnings	369,585	**410,701**
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sales securities	(167)	**(160)**
Net gain/(loss) on derivative instruments	(2,841)	**(3,529)**
Land revaluation	135,794	**143,108**
Foreign currency translation adjustments	(71,233)	**(76,833)**
Pension adjustments recognized by foreign consolidated subsidiaries	(2,326)	**(4,433)**
Total accumulated other comprehensive income/(loss)	59,227	**58,153**
Stock Acquisition Rights	460	**259**
Minority Interests in Consolidated Subsidiaries	1,267	**5,316**
Total Equity	430,539	**474,429**
Total Liabilities and Equity	1,771,767	**1,915,943**

(2) Consolidated Statements of Operations and Comprehensive Income
Consolidated Statement of Operations

(Millions of Yen)

For the years ended	FY2011 March 31, 2011	**FY2012** **March 31, 2012**
Net sales	2,325,689	**2,033,058**
Costs of sales	1,863,678	**1,662,592**
Gross profit on sales	462,011	**370,466**
Selling, general and administrative expenses	438,176	**409,184**
Operating income/(loss)	23,835	**(38,718)**
Non-operating income		
Interest income	1,852	**2,244**
Dividend income	219	**284**
Rental income	2,023	**1,885**
Equity in net income of affiliates	14,216	**9,552**
Foreign exchange gain	9,230	**2,929**
Other	3,043	**2,593**
Total	30,583	**19,487**
Non-operating expenses		
Interest expense	11,840	**11,451**
Loss on sale of receivables	1,234	**983**
Other	4,482	**5,152**
Total	17,556	**17,586**
Ordinary income/(loss)	36,862	**(36,817)**
Extraordinary profits		
Gain on sale of tangible fixed assets	729	**185**
Gain on sale of investment securities	15	**-**
Gain on sale of investments in affiliates	702	**-**
Gain on reversal of subscription rights to shares	8	**201**
Reversal of investment valuation allowance	285	**495**
Compensation for the exercise of eminent domain	2	**257**
Other	3	**-**
Total	1,744	**1,138**
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	2,637	**3,455**
Loss on impairment of fixed assets	3,416	**7,171**
Reserve for loss from business of affiliates	8,533	**-**
Reserve for environmental measures	11	**19**
Adoption of accounting standards for asset retirement obligations	2,684	**-**
Loss on disaster	5,211	**3,731**
Loss on abolishment of retirement benefit plan	-	**1,044**
Business restructuring costs	-	**4,079**
Other	33	**84**
Total	22,525	**19,583**
Income/(loss) before income taxes	16,081	**(55,262)**

	(Millions of Yen)	
	FY2011	**FY2012**
For the years ended	March 31, 2011	**March 31, 2012**
Income taxes		
Current	16,664	**15,755**
Prior year	-	**(2,158)**
Deferred	59,181	**38,759**
Total	75,845	**52,356**
Income/(loss) before minority interests	(59,764)	**(107,618)**
Minority interests in consolidated subsidiaries	278	**115**
Net income/(loss)	(60,042)	**(107,733)**

Consolidated Statement of Comprehensive Income

	(Millions of Yen)	
	FY2011	**FY2012**
For the years ended	March 31, 2011	**March 31, 2012**
Income/(loss) before minority interests	(59,764)	**(107,618)**
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	(300)	**8**
Net gain/(loss) on derivative instruments	(1,398)	**(719)**
Revaluation reserve for land	-	**11,250**
Foreign currency translation adjustments	(4,378)	**(1,494)**
Pension adjustments recognized by foreign consolidated subsidiaries	(2,247)	**(2,106)**
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(5,225)	**(3,832)**
Total	(13,548)	**3,107**
Comprehensive income/(loss)	(73,312)	**(104,511)**
Comprehensive income/(loss) attributable to:		
Owners of the parent	(73,580)	**(104,871)**
Minority interests	268	**360**

(3) Consolidated Statement of Equity

	(Millions of yen)								
	Equity								
	Capital and retained earnings					**Accumulated other comprehensive income/(loss)**	**Stock acquisition rights**	**Minority interests in consolidated subsidiaries**	**Total**
Years ended	Common stock	Capital surplus	Retained earnings	Treasury stock	Total				
March 31, 2010	186,500	170,192	80,268	(2,182)	434,778	73,131	445	1,461	509,815
Effect of changes in accounting policies applied to foreign equity-method affiliates on the beginning balance of retained earnings	-	-	(309)	-	(309)	-	-	-	(309)
Treasury stock	-	-	-	(7)	(7)	-	-	-	(7)
Cash dividends paid	-	-	(5,311)	-	(5,311)	-	-	-	(5,311)
Net loss	-	-	(60,042)	-	(60,042)	-	-	-	(60,042)
Land revaluation	-	-	366	-	366	(366)	-	-	-
Net unrealized loss on available-for-sale securities	-	-	-	-	-	(298)	-	-	(298)
Net loss on derivative instruments	-	-	-	-	-	(1,343)	-	-	(1,343)
Adjustments from translation of foreign currency financial statements	-	-	-	-	-	(9,650)	-	-	(9,650)
Pension adjustments recognized by foreign consolidated subsidiaries	-	-	-	-	-	(2,247)	-	-	(2,247)
Stock acquisition rights from granting of share-based payment	-	-	-	-	-	-	15	-	15
Minority interests in consolidated subsidiaries	-	-	-	-	-	-	-	(194)	(194)
Change of consolidation scope	-	-	110	-	110	-	-	-	110
March 31, 2011	186,500	170,192	15,082	(2,189)	369,585	59,227	460	1,267	430,539
Issuance of new common stock	**72,457**	**72,457**	**-**	**-**	**144,914**	**-**	**-**	**-**	**144,914**
Treasury stock	**-**	**-**	**-**	**(1)**	**(1)**	**-**	**-**	**-**	**(1)**
Net loss	**-**	**-**	**(107,733)**	**-**	**(107,733)**	**-**	**-**	**-**	**(107,733)**
Land revaluation	**-**	**-**	**3,936**	**-**	**3,936**	**7,314**	**-**	**-**	**11,250**
Net unrealized gain on available-for-sale securities	**-**	**-**	**-**	**-**	**-**	**7**	**-**	**-**	**7**
Net loss on derivative instruments	**-**	**-**	**-**	**-**	**-**	**(688)**	**-**	**-**	**(688)**
Adjustments from translation of foreign currency financial statements	**-**	**-**	**-**	**-**	**-**	**(5,600)**	**-**	**-**	**(5,600)**
Pension adjustments recognized by foreign consolidated subsidiaries	**-**	**-**	**-**	**-**	**-**	**(2,107)**	**-**	**-**	**(2,107)**
Stock acquisition rights from granting of share-based payment	**-**	**-**	**-**	**-**	**-**	**-**	**(201)**	**-**	**(201)**
Minority interests in consolidated subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,049**	**4,049**
March 31, 2012	**258,957**	**242,649**	**(88,715)**	**(2,190)**	**410,701**	**58,153**	**259**	**5,316**	**474,429**

(4) Consolidated Statement of Cash Flows

	(Millions of Yen)	
	FY2011	**FY2012**
For the years ended	March 31, 2011	**March 31, 2012**
Cash flows from operating activities:		
Income/(loss) before income taxes	16,081	**(55,262)**
Adjustments to reconcile income/(loss) before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	71,576	**68,791**
Loss on impairment of fixed assets	3,416	**7,171**
Adoption of accounting standards for asset retirement obligations	2,684	**-**
Allowance for doubtful receivables	(469)	**(245)**
Investment valuation allowance	(262)	**(495)**
Reserve for warranty expenses	5,627	**(9,378)**
Employees' and executive officers' severance and retirement benefits	(6,074)	**(2,134)**
Reserve for loss from business of affiliates	4,136	**(2,327)**
Reserve for environmental measures	10	**19**
Interest and dividend income	(2,071)	**(2,528)**
Interest expense	11,840	**11,451**
Equity in net loss/(income) of affiliated companies	(14,216)	**(9,552)**
Loss/(gain) on retirement and sale of tangible fixed assets	1,908	**3,270**
Loss/(gain) on sale of investment securities	(11)	**36**
Loss/(gain) on sale of investment in affiliates	(702)	**-**
Decrease/(increase) in trade notes and accounts receivable	20,679	**(15,709)**
Decrease/(increase) in inventories	4,763	**(28,185)**
Increase/(decrease) in trade notes and accounts payable	(61,124)	**37,551**
Increase/(decrease) in other current liabilities	(10,262)	**2,142**
Other	(8,947)	**7,581**
Subtotal	38,582	**12,197**
Interest and dividends received	5,351	**3,112**
Interest paid	(11,986)	**(11,267)**
Income taxes refunded/(paid)	(16,603)	**(13,140)**
Net cash provided by/(used in) operating activities	15,344	**(9,098)**
Cash flows from investing activities:		
Payments into time deposits	(10,001)	**(1,000)**
Proceeds from withdrawal of time deposits	10,013	**-**
Proceeds from sale and redemption of securities	20,000	**-**
Purchase of investment securities	(1,229)	**(12)**
Proceeds from sale and redemption of investment securities	191	**600**
Acquisition of tangible fixed assets	(32,249)	**(61,724)**
Proceeds from sale of tangible fixed assets	2,758	**1,412**
Acquisition of intangible fixed assets	(4,946)	**(8,160)**
Decrease/(increase) in short-term loans receivable	4	**(1,321)**
Long-term loans receivable made	(330)	**(319)**
Collections of long-term loans receivable	406	**219**
Sale of investments in subsidiaries affecting scope of consolidation	1,691	**-**
Other	(25)	**(12)**
Net cash used in investing activities	(13,717)	**(70,317)**

For the years ended	FY2011 March 31, 2011	**FY2012** **March 31, 2012**
	(Millions of Yen)	
Cash flows from financing activities:		
Increase/(decrease) in short-term loans payable	1,605	**(9,983)**
Proceeds from long-term loans payable	91,780	**227,550**
Repayment of long-term loans payable	(111,089)	**(96,492)**
Proceeds from issuance of bonds	19,913	**-**
Redemption of bonds	(100)	**(20,100)**
Proceeds from issuance of common stock	-	**144,656**
Proceeds from sale and leaseback transactions	2,476	**-**
Payment of lease obligations	(12,637)	**(12,858)**
Cash dividends paid	(5,311)	**-**
Proceeds from stock issuance to minority shareholders	-	**3,691**
Cash dividends paid to minority shareholders	(458)	**(1)**
Treasury stock transactions	(7)	**(1)**
Other	(532)	**-**
Net cash provided by/(used in) financing activities	(14,360)	**236,462**
Effects of exchange rate fluctuations on cash and cash equivalents	(10,721)	**(2,589)**
Net increase/(decrease) in cash and cash equivalents	(23,454)	**154,458**
Cash and cash equivalents at beginning of the period	346,303	**322,849**
Cash and cash equivalents at end of the period	322,849	**477,307**

(5) Going Concern

There are no matters to be discussed.

(6) Significant Accounting Policies in Preparing the Consolidated Financial Statements

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	56	
Overseas	31	Mazda Motor of America, Inc., Mazda Motors (Deutschland) GmbH and other
Domestic	25	15 dealers and 10 other
2) Equity Method-Applied Companies	13	
Overseas	5	AutoAlliance International, Inc., AutoAlliance (Thailand) Co., Ltd. and other
Domestic	8	2 automotive parts sales companies and 6 other

2. Changes in Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries		
(Newly added)	5	
Overseas	5	(newly founded) Mazda Motor Manufacturing de Mexico S.A.de C.V. Mazda Motor Operaciones de Mexico S.A.de C.V. Mazda America Real Estate LLC. Mazda Motor Manufacturing Rus OOO (newly acquired) Mazda Motor do Brasil Ltda
2) Equity Method-Applied Companies		
(Excluded)	1	
Domestic	1	Mazda Parts Sales Yamaguchi Co., Ltd. (All shares of Mazda Parts Sales Yamaguchi Co., Ltd. were transferred to an independent company on September 30, 2011.)

3. Accounting Periods of Consolidated Subsidiaries

The year-end consolidated balance sheet date is March 31. Among the consolidated subsidiaries, 11 companies, Compania Colombiana Automotriz S.A., Vehiculos Mazda de Venezuela C.A., Mazda Motor (China) Co., Ltd., Mazda South East Asia, Ltd., Mazda Motor de Mexico, S. de R.L de C.V., Mazda Servicios de Mexico, S. de R.L de C.V., Mazda Motor Manufacturing de Mexico S.A.de C.V.,Mazda Motor Operaciones de Mexico S.A.de C.V., Mazda Motor Rus, OOO, Mazda Motor Manufacturing Rus OOO and Mazda Motor do Brasil Ltda, have a year-end balance sheet date different from the year-end consolidated balance sheet date, all of which are December 31.

In preparing the consolidated financial statements, for 3 of the 11 companies, Mazda Motor (China) Co., Ltd., Mazda South East Asia, Ltd. and Mazda Motor do Brasil Ltda, the financial statements of each of these companies with the December 31 year-end balance sheet date are used; however, adjustments necessary in consolidation were made for material transactions that occurred between the balance sheet dates of these subsidiaries and the consolidated balance sheet date.

On the other hand, for 8 of the 11 companies, Compania Colombiana Automotriz S.A., Vehiculos Mazda de Venezuela C.A., Mazda Motor de Mexico, S. de R.L de C.V., Mazda Servicios de Mexico, S. de R.L de C.V., Mazda Motor Manufacturing de Mexico S.A.de C.V.,Mazda Motor Operaciones de Mexico S.A.de C.V.,Mazda Motor Rus, OOO, and Mazda Motor Manufacturing Rus OOO, special purpose financial statements prepared for consolidation as of the consolidated balance sheet date are used to supplement the companies’ statutory financial statements.

4. Accounting Policies

1) Valuation Standards and Methods of Significant Assets

a) Securities

Available-for-sale securities

With available fair value:	Recorded at fair value estimated based on quoted market prices on the balance sheet date, with unrealized gains and losses excluded from income and reported in a separate component of equity net of tax. The bases of cost are on a historical cost basis mainly based on a moving average method.
Without available fair value:	Recorded at cost on a historical cost basis mainly on a moving average method.
b) Derivative instruments:	Mainly a fair value method.
c) Inventories:	For inventories that are held for the purpose of sales in the normal course of business, inventories are recorded mainly on a historical cost basis based on an average method. (The carrying value in the consolidated balance sheet is determined by the lower of cost or net realizable value.)

2) Depreciation and Amortization Methods of Significant Fixed Assets

a) Tangible Fixed Assets (excluding leased assets)

Mainly a straight-line method. Useful lives and residual values are estimated by a method equivalent to the provisions of Japanese income tax law.

b) Intangible Fixed Assets (excluding leased assets)

Straight-line method with periods of useful life estimated by a method equivalent to the provisions of Japanese income tax law. Software for internal use is amortized on a straight-line basis over the period of internal use, i.e., 5 years.

c) Leased assets

For finance leases which do not transfer ownership, depreciation or amortization expense is recognized on a straight-line basis over the lease period. For leases with a guaranteed minimum residual value, the contracted residual value is considered to be the residual value for financial accounting purposes. For other leases, the residual value is zero.

3) Standards for Recognition of Reserves

a) Allowance for doubtful receivables

Allowance for doubtful receivables provides for the losses from bad debt. The amount estimated to be uncollectible is recognized. For receivables at an ordinary risk, the amount is estimated based on the past default ratio. For receivables at a high risk and receivables from debtors under bankruptcy proceedings, the amount is estimated based on the financial standing of the debtor.

b) Investment valuation allowance

Investment valuation allowance provides for losses from investments. The amount is estimated in light of the financial standings of the investee companies.

c) Reserve for warranty expenses

Reserve for warranty expenses provides for after-sales expenses of products (vehicles). The amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects into consideration.

d) Employees' and executive officers' severance and retirement benefits

Employees' and executive officers' severance and retirement benefits provide for the costs of severance and retirement benefits to employees and executive officers. For employees' severance and retirement benefits, the amount estimated to have been incurred as of the end of the current fiscal year is recognized based on the estimated amount of liabilities for severance and retirement benefits and the estimated fair value of the pension plan assets at the end of the current fiscal year. The recognition of prior service cost is deferred on a straight-line basis over a period equal to or less than the average remaining service period of employees at the time such cost is incurred (mainly 12 years). The recognition of actuarial differences is also deferred on the straight-line basis over a period equal to or less than the average remaining service period of employees at the time such gains or losses are realized (mainly 13 years). The amortization of net gains or losses starts from the fiscal year immediately following the year in which such gains or losses arise. For executive officers' retirement benefits, the liability is provided for the amount that would be required by the internal corporate policy if all the eligible executive officers retired at the balance sheet date.

(Additional Information)

From October 2011, some consolidated domestic subsidiaries shifted to defined retirement lump-sum grants benefit plan and defined contribution plan from the tax-qualified pension plan and termination allowance plan.

They adopted the Accounting Standards Board of Japan ("ASBJ") Guidance No.1 "Guidance for Accounting Standard for Transfer between Retirement Benefit Plans" and the Practical Issue Task Force ("PITF") No.2 "Practical Solution on Accounting for Transfer between Retirement Benefit Plans". The effect of adopting the above mentioned guidance and practical solution on extra-ordinary loss was ¥1,044 million.

e) Reserve for loss from business of affiliates

Reserve for loss from business of affiliates provides for losses from affiliates' businesses. The amount of loss estimated to be incurred by Mazda Motor Corporation is recognized.

f) Reserve for environmental measures

Reserve for environmental measures provides for expenditure aimed at environmental measures. The amount of future expenditure estimated as of the end of the current fiscal year is recognized.

4) Foreign Currency Translation

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate on the fiscal year end; gains and losses in foreign currency translation are included in the income of the current period. Balance sheets of consolidated foreign subsidiaries are translated into Japanese yen at the rates on the fiscal year ends of the subsidiaries' accounting periods except for equity accounts, which are translated at the historical rates. Income statements of consolidated foreign subsidiaries are translated at average rates of the subsidiaries' fiscal years, with the translation differences prorated and included in the equity as foreign currency translation adjustments and minority interests.

5) Accounting for Hedging Activities

Full-deferral hedge accounting is mainly applied. Also, for certain interest rate swap contracts that are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the interest rate swap contract was executed.

6) Amortization of Goodwill

Goodwill is amortized on a straight-line basis over a period (primarily 5 years) during which each investment is expected to generate benefits.

7) Cash and Cash Equivalents in the Consolidated Statement of Cash Flows

Cash and cash equivalents consist of cash on hand, bank deposits that can be readily withdrawn, and short-term, highly liquid investments with maturities of three months or less at the time of acquisition that present insignificant risk of changes in value.

8) Others

a) Accounting for Consumption Taxes

Tax-excluded method

b) Accounting for Material Deferred Assets

Stock delivery expenses are amortized at once when paid.

(7) Accounting Changes and Adoption of New Accounting Standards

Changes in Financial Statement Presentation

Consolidated Statement of Operations

The amount of "Extraordinary profits-Gain on reversal of subscription rights to shares" is reported in a separate component of extraordinary profits as the amount exceeded 10/100 of extraordinary profits for the fiscal year ended March 31, 2012. As the comparable amount was included in "Extraordinary profits-Other" in the consolidated statement of operations for the previous fiscal year, the amount of "Extraordinary profits-Gain on reversal of subscription" and "Extraordinary profits-Other" are retroactively restated.

As a result, ¥11 million presented in "Extraordinary profits-Other" in the previous fiscal year is separated into ¥8 million "Extraordinary profits-Gain on reversal of subscription rights to shares" and ¥3 million "Extraordinary profits-Other".

(Additional Information)

Adoption of Accounting Standard for Accounting Changes and Error Corrections

From fiscal year beginning on or after April 1, 2011, the Company and its consolidated domestic subsidiaries adopted the Accounting Standards Boards of Japan ("ASBJ") Statement No. 24 "*Accounting Standard for Accounting Changes and Error Corrections*" and ASBJ Guidance No.24 "*Guidance on Accounting Standard for Accounting Changes and Error Correction*", both issued by the ASBJ on December 4, 2009.

(8) Footnotes to the Consolidated Financial Statements

Segment Information

1) Overview of Reportable Segments

The reportable segments of the Company consist of business components for which separate financial statements are available. The reportable segments are the subject of periodical review by board of directors' meetings for the purpose of making decisions on the distribution of corporate resources and evaluating business performance.

The Company is primarily engaged in the manufacture and sale of passenger and commercial vehicles. Businesses in the Japan, North America and Europe regions are managed by the Company, Mazda Motor of America, Inc. and Mazda Motor Europe GmbH, respectively. Areas other than Japan, North America and Europe are defined as Other areas. Business deployment in countries in Other areas are managed in an integrated manner by the Company.

Accordingly, the Company consists of regional segments based on a system of managing production and sale. As such, Japan, North America, Europe and Other areas are designated as four reportable segments.

2) Measurement of Sales, Income or Loss, Assets, and Other Items by Reportable Segments

The accounting treatment of reportable segments are the same as that described under "Significant Accounting Policies in Preparing the Consolidated Financial Statements."

3) Sales, Income or Loss, Assets, and Other Items by Reportable Segments

(For the fiscal year ended March 31, 2011)

	Millions of Yen						
	Reportable Segments						
Year Ended March 31, 2011	Japan	North America	Europe	Other areas	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales:							
Outside customers	965,203	623,990	427,721	308,775	2,325,689	-	2,325,689
Inter-segment	1,034,278	7,054	10,471	1,620	1,053,423	(1,053,423)	-
Total	1,999,481	631,044	438,192	310,395	3,379,112	(1,053,423)	2,325,689
Segment income/(loss)	32,555	(31,731)	7,901	12,820	21,545	2,290	23,835
Segment assets	1,566,139	142,415	162,003	108,448	1,979,005	(207,238)	1,771,767
Other items							
Depreciation and amortization	64,923	2,356	3,000	691	70,970	-	70,970
Amortization of goodwill	50	450	106	-	606	-	606
Investments in equity method-applied affiliates	9,481	27,813	-	40,850	78,144	-	78,144
Increase in tangible and intangible fixed assets	41,121	1,621	1,324	656	44,722	-	44,722

Mazda Sales (Thailand) Co., Ltd. and P.T. Mazda Motor Indonesia, which belong to "Other areas", changed the year-end balance sheet date from December 31 to March 31. Also in "Other areas", commencing in the year ended March 31, 2011, for Compania Colombiana Automotriz S.A. and Vehiculos Mazda de Venezuela C.A., which have a December 31 year-end balance sheet date, special purpose financial statements prepared for consolidation as of the consolidated balance sheet date are used to supplement the companies' statutory financial statements. Accordingly, for these 4 companies, the consolidated operating results for the year ended March 31, 2011 consisted of 15 months of operations from January 1, 2010 to March 31, 2011. The effects of this change on the operating results of "Other areas" segment for the year ended March 31, 2011 were to increase net sales by 27,747 million yen and segment income by 1,323 million yen.

Notes:

1. Notes on Adjustment:
   (1) The adjustment on segment income/(loss) are eliminations of inter-segment transactions.
   (2) The adjustment on segment assets are mainly eliminations of inter-segment receivables and payables.
2. Segment income/(loss) is reconciled with the operating income in the consolidated statement of operations for the year ended March 31, 2011.

(For the fiscal year ended March 31, 2012)

Year Ended March 31, 2012	Millions of Yen						
	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	**824,383**	**568,340**	**347,299**	**293,036**	**2,033,058**	**-**	**2,033,058**
Inter-segment	**920,594**	**3,305**	**13,142**	**1,190**	**938,231**	**(938,231)**	**-**
Total	**1,744,977**	**571,645**	**360,441**	**294,226**	**2,971,289**	**(938,231)**	**2,033,058**
Segment income/(loss)	**(18,417)**	**(40,277)**	**5,627**	**10,072**	**(42,995)**	**4,277**	**(38,718)**
Segment assets	**1,750,262**	**162,676**	**161,487**	**126,532**	**2,200,957**	**(285,014)**	**1,915,943**
Other items							
Depreciation and amortization	**64,035**	**863**	**2,684**	**621**	**68,203**	**-**	**68,203**
Amortization of goodwill	**33**	**450**	**102**	**3**	**588**	**-**	**588**
Investments in equity method-applied affiliates	**9,615**	**29,421**	**-**	**42,953**	**81,989**	**-**	**81,989**
Increase in tangible and intangible fixed assets	**64,758**	**11,660**	**621**	**1,001**	**78,040**	**-**	**78,040**

Notes:

1. Notes on Adjustment:
   (1) The adjustment on segment income/(loss) are eliminations of inter-segment transactions.
   (2) The adjustment on segment assets are mainly eliminations of inter-segment receivables and payables.
2. Segment income/(loss) is reconciled with the operating income in the consolidated statement of operations for the year ended March 31, 2012.

Information on Amounts Per Share of Common Stock

Years ended March 31		Yen FY2011	**FY2012**
Equity per share of common stock		242.24	**156.85**
Net loss per share of common stock:	Basic	(33.92)	**(57.80)**
	Diluted	-	**-**

For the years ended March 31, 2011 and 2012, although potentially dilutive securities exist, since net loss was recorded, diluted information is not presented.

Note1. Bases of calculation of net loss per share of common stock are as follows:

Years ended March 31	Millions of Yen / Thousands of Shares FY2011	**FY2012**
Net loss as reported in the consolidated statement of operations	(60,042)	**(107,733)**
Net loss on preferred stock	-	**-**
Net loss on common stock	(60,042)	**(107,733)**
Average number of shares of common stock outstanding during the period	1,770,198	**1,863,949**

Note2. Bases of calculation of Equity per share of common stock are as follows:

Years ended March 31	Millions of Yen / Thousands of Shares FY2011	**FY2012**
Equity	430,539	**474,429**
Excluded from equity		
Stock Acquisition Rights	(460)	**(259)**
Minority Interests	(1,267)	**(5,316)**
Equity on common stock	428,812	**468,854**
Number of common stock at the year end for calculation of equity per share	1,770,182	**2,989,175**

Significant Subsequent Events

None

5. Unconsolidated Financial Statements

(1) Unconsolidated Balance Sheet

	Million of Yen	
	FY2011	**FY2012**
As of	March 31, 2011	**March 31, 2012**
ASSETS		
Current Assets:		
Cash and time deposits	97,008	**129,776**
Accounts receivable - Trade	166,897	**210,617**
Securities	151,000	**247,000**
Finished products	10,936	**26,355**
Work in process	53,072	**54,523**
Raw materials and Supplies	5,692	**6,229**
Prepaid expenses	1,717	**2,224**
Deferred taxes	36,987	**35,761**
Accounts receivable - Other	78,333	**53,642**
Short-term loans receivable	40,753	**106,035**
Other	35,247	**10,467**
Allowance for doubtful receivables	(1,056)	**(394)**
Total current assets	676,586	**882,234**
Fixed Assets:		
Tangible fixed assets:		
Buildings(net)	81,057	**83,613**
Structures(net)	16,151	**15,567**
Machinery and equipment(net)	134,608	**134,039**
Transportation equipment(net)	1,212	**1,246**
Tools, furniture and fixtures(net)	11,443	**15,121**
Land	312,670	**305,921**
Leased assets (net)	12,197	**6,942**
Construction in progress	31,225	**25,247**
Total tangible fixed assets	600,562	**587,697**
Intangible fixed assets:		
Software	13,720	**15,375**
Leased assets (net)	35	**19**
Total intangible fixed assets	13,756	**15,394**
Investments and other fixed assets:		
Investment securities	3,466	**3,084**
Investment securities for affiliates	211,124	**219,696**
Investments	4	**3**
Investment for affiliates	23,136	**23,213**
Long-term loans receivable	1,467	**1,467**
Long-term loans receivable for employees	1	**-**
Long-term loans receivable for affiliates	2,604	**2,604**
Claims in bankruptcy, rehabilitation and others	989	**989**
Long-term prepaid expenses	7,858	**4,470**
Deferred taxes	27,933	**2,647**
Other	3,850	**3,680**
Allowance for doubtful receivables	(3,130)	**(3,100)**
Investment valuation allowance	(511)	**(511)**
Total investments and other fixed assets	278,790	**258,243**
Total fixed assets	893,109	**861,333**
Total Assets	1,569,695	**1,743,567**

	Million of Yen	
	FY2011	**FY2012**
As of	March 31, 2011	**March 31, 2012**
LIABILITIES		
Current Liabilities:		
Trade notes payable	457	**553**
Accounts payable - Trade	150,827	**195,095**
Bonds due within one year	20,000	**45,000**
Long-term loans payable due within one year	92,791	**38,599**
Lease obligations	6,479	**4,080**
Accounts payable - Other	8,068	**10,467**
Accrued expenses	54,088	**48,791**
Income tax payable	641	**559**
Unearned revenue	214	**579**
Deferred revenue	254	**173**
Deposit received	20,155	**16,779**
Reserve for warranty expenses	42,405	**33,032**
Other	5,972	**10,067**
Total current liabilities	402,351	**403,774**
Fixed Liabilities:		
Bonds	95,000	**50,000**
Long-term loans payable	375,875	**556,088**
Lease obligations	6,437	**3,297**
Deferred tax liability related to land revaluation	93,431	**79,774**
Employees' and executive officers' severance and retirement benefits	58,349	**53,767**
Reserve for loss from business of subsidiaries and affiliates	42,828	**86,054**
Reserve for environmental measures	1,437	**1,454**
Guaranty money received	4,042	**3,389**
Asset retirement obligations	4,730	**4,844**
Other	2,422	**2,566**
Total fixed liabilities	684,552	**841,233**
Total Liabilities	1,086,902	**1,245,007**
EQUITY		
Capital and Retained Earnings:		
Common stock	186,500	**258,957**
Capital surplus		
Capital reserve	96,390	**168,847**
Other capital surplus	73,802	**73,802**
Total capital surplus	170,192	**242,649**
Retained earnings		
Other earned surplus		
Appropriated for deduction of fixed assets	8,152	**-**
Unappropriated retained earnings	(13,351)	**(140,785)**
Total retained earnings	(5,198)	**(140,785)**
Treasury Stock	(2,184)	**(2,185)**
Total capital and retained earnings	349,309	**358,636**
Valuation and Translation Adjustments:		
Net unrealized gain on available-for-sale securities	44	**61**
Net (loss)/gain on derivative instruments	(2,815)	**(3,505)**
Land revaluation	135,794	**143,108**
Total valuation and translation adjustments	133,023	**139,664**
Stock Acquisition Rights	460	**259**
Total Equity	482,792	**498,559**
Total Liabilities and Equity	1,569,695	**1,743,567**

(2) Unconsolidated Statement of Operations

	Million of Yen	
	FY2011	**FY2012**
For the years ended	March 31, 2011	**March 31, 2012**
Net sales	1,777,324	**1,538,578**
Cost of sales	1,531,300	**1,370,328**
Gross profit on sales	246,024	**168,250**
Selling, general and administrative expenses	241,899	**223,997**
Operating income/(loss)	4,125	**(55,747)**
Non-operating income		
Interest income	1,297	**1,802**
Interest income of securities	181	**206**
Dividends income	62,193	**1,521**
Rental income	4,821	**4,998**
Foreign Exchange gain	9,844	**3,040**
Other	479	**778**
Total	78,815	**12,347**
Non-operating expenses		
Interest expense	8,638	**8,318**
Interest paid on bonds	1,559	**1,587**
Stock issuance cost	-	**422**
Other	2,934	**3,776**
Total	13,131	**14,103**
Ordinary income/(loss)	69,809	**(57,503)**
Extraordinary profits		
Gain on sale of tangible fixed assets	20	**70**
Gain on sale of investment securities	15	**-**
Gain on sale of stock for subsidiaries and affiliates	3,000	**10**
Gain on reversal of subscription rights to shares	8	**201**
Reversal of allowance for doubtful receivables	105	**-**
Total	3,149	**282**
Extraordinary losses		
Loss on sale of tangible fixed assets	83	**440**
Loss on retirement of tangible fixed assets	1,727	**2,171**
Loss on impairment of fixed assets	1,570	**6,701**
Loss on sales of investment securities	4	**36**
Loss on sales of stock of subsidiaries and affiliates	325	**-**
Valuation loss on investment securities for subsidiaries and affiliates	7,216	**-**
Valuation loss on investments	-	**1**
Reserve for loss from business of subsidiaries and affiliates	36,800	**45,553**
Reserve for environmental measures	10	**17**
Loss on disaster	4,758	**3,654**
Adoption of accounting standards for asset retirement obligations	1,909	**-**
Total	54,402	**58,573**
Income/(loss) before income taxes	18,556	**(115,794)**
Income taxes		
Current	2,302	**1,459**
Prior year	-	**(2,048)**
Deferred	55,960	**24,318**
Total	58,263	**23,729**
Net income/(loss)	(39,707)	**(139,523)**

(3) Unconsolidated Statement of Equity

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other earned surplus*		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at March 31, 2010	**186,500**	**96,390**	**73,802**	**39,453**	**(2,177)**	**393,967**
Changes during the period:						
Cash dividends paid				(5,311)		(5,311)
Reversal for land revaluation				366		366
Net income/(loss)				(39,707)		(39,707)
Acquisition of treasury stock					(7)	(7)
Re-issuance of treasury stock			0		0	0
Net changes during the period			0	(44,651)	(7)	(44,658)
Balance at March 31, 2011	**186,500**	**96,390**	**73,802**	**(5,198)**	**(2,184)**	**349,309**

	Valuation and Translation Adjustments				Stock acquisition rights	Total Equity
	Net unrealized gain/(loss) on available-for-sale securities	Net gain/(loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at March 31, 2010	**91**	**(1,434)**	**136,160**	**134,817**	**445**	**529,229**
Changes during the period:						
Cash dividends paid				-		(5,311)
Reversal for land revaluation				-		366
Net income/(loss)				-		(39,707)
Acquisition of treasury stock				-		(7)
Re-issuance of treasury stock				-		0
Net changes in accounts other than capital and retained earnings	(47)	(1,381)	(366)	(1,794)	15	(1,779)
Net changes during the period	(47)	(1,381)	(366)	(1,794)	15	(46,437)
Balance at March 31, 2011	**44**	**(2,815)**	**135,794**	**133,023**	**460**	**482,792**

* breakdown of other earned surplus

	Reserve for deduction of fixed assets	Reserve for special depreciation	Unappropriated retained earnings	Other earned surplus
	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at March 31, 2010	**8,602**	**6**	**30,845**	**39,453**
Changes during the period:				
Cash dividends paid			(5,311)	(5,311)
Transfer from reserve (deduction of fixed assets)	(450)		450	-
Transfer from reserve (special depreciation)		(6)	6	-
Reversal for land revaluation			366	366
Net income/(loss)			(39,707)	(39,707)
Net changes during the period	(450)	(6)	(44,195)	(44,651)
Balance at March 31, 2011	**8,152**	**-**	**(13,351)**	**(5,198)**

(In Japanese yen rounded to millions)

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other earned surplus*		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at March 31, 2011	**186,500**	**96,390**	**73,802**	**(5,198)**	**(2,184)**	**349,309**
Changes during the period:						
Issuance of new common stock	**72,457**	**72,457**				**144,914**
Reversal for land revaluation				**3,936**		**3,936**
Net income/(loss)				**(139,523)**		**(139,523)**
Acquisition of treasury stock					**(1)**	**(1)**
Re-issuance of treasury stock			**(0)**		**0**	**0**
Net changes during the period	**72,457**	**72,457**	**(0)**	**(135,587)**	**(1)**	**9,327**
Balance at March 31, 2012	**258,957**	**168,847**	**73,802**	**(140,785)**	**(2,185)**	**358,636**

	Valuation and Translation Adjustments				Stock acquisition rights	Total Equity
	Net unrealized gain/(loss) on available-for-sale securities	Net gain/(loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at March 31, 2011	**44**	**(2,815)**	**135,794**	**133,023**	**460**	**482,792**
Changes during the period:						
Issuance of new common stock				**-**		**144,914**
Reversal for land revaluation				**-**		**3,936**
Net income/(loss)				**-**		**(139,523)**
Acquisition of treasury stock				**-**		**(1)**
Re-issuance of treasury stock				**-**		**0**
Net changes in accounts other than capital and retained earnings	**18**	**(690)**	**7,314**	**6,641**	**(201)**	**6,440**
Net changes during the period	**18**	**(690)**	**7,314**	**6,641**	**(201)**	**15,767**
Balance at March 31, 2012	**61**	**(3,505)**	**143,108**	**139,664**	**259**	**498,559**

* breakdown of other earned surplus

	Reserve for deduction of fixed assets	Unappropriated retained earnings	Other earned surplus
	Mil.yen	Mil.yen	Mil.yen
Balance at March 31, 2011	**8,152**	**(13,351)**	**(5,198)**
Changes during the period:			
Transfer from reserve (deduction of fixed assets)	**(8,152)**	**8,152**	**-**
Reversal for land revaluation		**3,936**	**3,936**
Net income/(loss)		**(139,523)**	**(139,523)**
Net changes during the period	**(8,152)**	**(127,435)**	**(135,587)**
Balance at March 31, 2012	**-**	**(140,785)**	**(140,785)**

(In Japanese yen rounded to millions)

(4) Going Concern

There are no matters to be discussed.

6. Other

(1) Production and Sales Information

a) Production Volume

Segment	Vehicle Type	FY2011 Year Ended March 31, 2011	**FY2012 Year Ended March 31, 2012**	Increase/ (Decrease)
		units	**units**	units
Japan	Passenger cars	850,314	**831,025**	(19,289)
	Trucks	16,678	**15,549**	(1,129)
	Total	866,992	**846,574**	(20,418)

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

	FY2011		**FY2012**		Increase/(Decrease)	
AutoAlliance International, Inc.	45,138	units	**39,546**	**units**	(5,592)	units
AutoAlliance (Thailand) Co., Ltd.	87,348		**75,630**		(11,718)	

b) Sales by Reportable Segment

Segment	FY2011 Year Ended March 31, 2011	**FY2012 Year Ended March 31, 2012**	Increase/ (Decrease)
	million yen	**million yen**	million yen
Japan	965,203	**824,383**	(140,820)
North America	623,990	**568,340**	(55,650)
Europe	427,721	**347,299**	(80,422)
Other areas	308,775	**293,036**	(15,739)
Total	2,325,689	**2,033,058**	(292,631)

Note: Inter-segment transactions are eliminated from the sales figures shown in the above table.

c) Sales by Product Type

Type	FY2011 Year Ended March 31, 2011		**FY2012 Year Ended March 31, 2012**		Increase/ (Decrease)	
	Volume	Revenue	**Volume**	**Revenue**	Volume	Revenue
	units	million yen	**units**	**million yen**	units	million yen
Vehicles	1,100,132	1,707,264	**1,016,430**	**1,510,789**	(83,702)	(196,475)
Knockdown Parts (Overseas)	-	141,875	**-**	**93,113**	-	(48,762)
Parts	-	217,224	**-**	**200,107**	-	(17,117)
Other	-	259,326	**-**	**229,049**	-	(30,277)
Total	-	2,325,689	**-**	**2,033,058**	-	(292,631)

ref.) Wholesales Volume by Market

Type		FY2011 Year Ended March 31, 2011	**FY2012 Year Ended March 31, 2012**	Increase/ (Decrease)
		units	**units**	units
Vehicles	Japan	206,156	**226,242**	20,086
	North America	367,193	**361,917**	(5,276)
	Europe	207,554	**170,771**	(36,783)
	Other	319,229	**257,500**	(61,729)
	Overseas Total	893,976	**790,188**	(103,788)
	Total	1,100,132	**1,016,430**	(83,702)

Note: As a result of the change in the accounting periods of some subsidiaries in "Other", the volume in "Other" for the Year ended March 31, 2011 was increased by 16,006 units.

Financial Summary (Consolidated)
For the Fiscal Year Ended March 31, 2012

April 27, 2012
Mazda Motor Corporation

(In 100 millions of yen) (In thousands of units) (Upper left: return on sales)		Fiscal Year Ended Mar. 2011 (Apr.'10-Mar.'11)	%	1st. Qtr.	2nd. Qtr.	3rd. Qtr.	4th. Qtr.	Fiscal Year Ended Mar.2012 (Apr.'11-Mar.'12)	%	FY 2013 Full Year Forecast (Apr.'12-Mar.'13)	%
Domestic	1	5,415	(5.8)	1,160	1,542	1,248	1,652	5,602	3.5	5,580	(0.4)
Overseas	2	17,842	12.3	2,921	3,969	3,343	4,496	14,729	(17.5)	16,420	11.5
Net sales	3	23,257	7.5	4,081	5,511	4,591	6,148	20,331	(12.6)	22,000	8.2
Operating income/(loss)	4	1.0% 238	152.0	(5.7%) (231)	0.3% 15	(7.1%) (327)	2.5% 156	(1.9%) (387)	-	1.4% 300	-
Ordinary income/(loss)	5	1.6% 369	693.8	(6.3%) (258)	(0.9%) (48)	(6.0%) (275)	3.5% 213	(1.8%) (368)	-	0.7% 150	-
Income/(loss) before income taxes	6	0.7% 161	-	(7.5%) (306)	(1.1%) (61)	(6.5%) (298)	1.8% 112	(2.7%) (553)	-	0.8% 170	-
Net income/(loss)	7	(2.6%) (600)	-	(6.3%) (255)	(2.6%) (144)	(15.9%) (729)	0.8% 51	(5.3%) (1,077)	-	0.5% 100	-
Operating income/(loss) by segment (geographic area)											
Japan	8	326		(219)	44	(246)	237	(184)			
North America	9	(317)		(79)	(144)	(108)	(72)	(403)			
Europe	10	79		31	33	5	(13)	56			
Other areas	11	128		23	35	15	28	101			
Operating profit changes											
Volume & mix	12			(317)	(67)	(181)	202	(363)		427	
Exchange rate	13			(31)	(36)	(143)	(166)	(376)		32	
Cost improvement	14			(4)	58	(2)	4	56		321	
Marketing expense	15			7	(37)	(26)	29	(27)		(55)	
Other	16			50	39	15	(19)	85		(38)	
Total	17			(295)	(43)	(337)	50	(625)		687	
Average rate for the period JPY / USD	18	86		82	78	77	79	79		80	
Average rate for the period JPY / EUR	18	113		117	110	104	104	109		105	
Transaction rate JPY / USD	19	86		82	79	78	80	79		80	
Transaction rate JPY / EUR	19	115		116	112	109	108	111		106	
Capital investment	20	447		155	158	189	278	780		900	
Depreciation and amortization	21	716		174	174	168	172	688		630	
R & D cost	22	910		252	221	226	218	917		960	
Total assets	23	17,718		17,942	18,343	16,845		19,159			
Equity	24	4,305		4,101	3,968	3,280		4,744			
Financial debt	25	6,930		7,280	7,727	7,385		7,781			
Net financial debt	26	3,702		4,137	4,232	5,015		3,008			
Free cash flow (Operating & Investing)	27	16		(461)	(53)	(773)	493	(794)			
Domestic	28	206	(6.8)	35	60	42	69	206	(0.2)	225	9.5
North America	29	342	11.7	86	96	84	106	372	8.5	390	4.9
Europe	30	212	(11.5)	44	47	38	54	183	(13.6)	185	1.2
China	31	236	20.2	53	54	58	58	223	(5.6)	255	14.5
Other	32	277	20.0	63	66	65	69	263	(4.7)	285	8.0
Overseas	33	1,067	9.7	246	263	245	287	1,041	(2.4)	1,115	7.1
Global retail volume	34	1,273	6.6	281	323	287	356	1,247	(2.0)	1,340	7.5
Domestic production volume	35	867	4.7	178	231	225	213	847	(2.4)	920	8.7
Number of employees (excluding dispatches)	36	38,117						37,617			

Note: Global retail volume refers to the total retail units of Mazda-brand vehicles sold on a global basis.
Results for FY ended Mar. 2011 include 15 months' operations of overseas subsidiaries that changed their accounting period.

Financial Summary (Unconsolidated)

For the Fiscal Year Ended March 31, 2012

April 27, 2012
Mazda Motor Corporation

(In 100 millions of yen)
(In thousands of units)
(Upper left: return on sales)

			Fiscal Year Ended March 2011		Fiscal Year Ended March 2012	
				%		%
	Domestic	1	3,367	(8.3)	3,738	11.0
	Export	2	14,406	12.2	11,648	(19.1)
Net sales		3	17,773	7.6	15,386	(13.4)
Operating income/(Loss)		4	0.2% 41	(44.0)	(3.6%) (557)	-
Ordinary income/(Loss)		5	3.9% 698	912.4	(3.7%) (575)	-
Income/(loss) before taxes		6	1.0% 186	-	(7.5%) (1,158)	-
Net income/(loss)		7	(2.2%) (397)	-	(9.1%) (1,395)	-
Average rate for the period		8	86Yen/US$ 113Yen/EUR		79Yen/US$ 109Yen/EUR	
Capital investment		9	353		552	
Depreciation & amortization		10	580		559	
R & D cost		11	869		887	
Total assets		12	15,697		17,436	
Equity		13	4,828		4,986	
Financial debt		14	5,977		6,971	
Net financial debt		15	3,497		3,213	
	Domestic	16	211	(8.0)	234	10.8
	North America	17	350	21.9	353	0.8
	Europe	18	213	(3.0)	176	(17.5)
	Others	19	272	31.8	211	(22.3)
Wholesales (units)		20	1,046	11.0	974	(6.9)
Domestic production units		21	867	4.7	847	(2.4)
Number of employees (excluding dispatchees)		22	20,825		20,863	