Consolidated Financial Results
For the Fiscal Year Ended March 31, 2015

Prepared in Conformity with Generally Accepted Accounting Principles in Japan

English Translation from the Original Japanese-Language Document

April 24, 2015

Company Name	:	**Mazda Motor Corporation** (Tokyo Stock Exchange / Code No. 7261)
URL	:	http://www.mazda.com/
Representative Person	:	Masamichi Kogai, Representative Director and President
Contact Person	:	Masahiro Takeda, General Manager, Accounting Department, Financial Services Division Phone 082-282-1111
General Meeting of the Shareholders	:	Scheduled for June 23, 2015
Payment of Dividends	:	Scheduled for June 24, 2015
Filing of *Yuka Shoken Hokokusho* , annual securities report	:	Scheduled for June 24, 2015
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, 2014 through March 31, 2015)

(1) Consolidated Financial Results

(Percentage indicates change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2015	**3,033,899**	12.7	**202,888**	11.4	**212,566**	51.1	**158,808**	17.0
FY2014	2,692,238	22.1	182,121	237.7	140,651	325.1	135,699	295.6

Note: Comprehensive income **FY2015 214,706 millions of yen (28.3 %)**
FY2014 167,339 millions of yen (489.0 %)

	Net Income Per Share	Net Income Per Share (Diluted)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Sales
	yen	yen	%	%	%
FY2015	**265.64**	**-**	**20.8**	**9.0**	**6.7**
FY2014	226.99	-	23.5	6.7	6.8

Reference: Equity in net income of affiliates (for the fiscal years ended March 31) **FY2015 17,216 millions of yen**
FY2014 9,677 millions of yen

Note: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net income per share are calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2015	**2,473,287**	**891,326**	**35.2**	**1,454.61**
As of Mar. 31, 2014	2,246,036	676,837	29.4	1,105.21

Reference: Net assets excluding minority interests (as of March 31) **FY2015 869,595 millions of yen**
FY2014 660,722 millions of yen

Note: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net assets per share are calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Cash & Cash Equivalents
	millions of yen	millions of yen	millions of yen	millions of yen
FY2015	**204,459**	**(95,548)**	**(62,776)**	**529,148**
FY2014	136,379	(120,057)	10,483	479,754

2. Dividends

	Dividends per Share					Total Amount of Annual Dividends	Dividends Payout Ratio (Consolidated)	Ratio of Dividends to Net Assets (Consolidated)
	1st.Qtr.	2nd.Qtr.	3rd.Qtr.	Year-End	Full Year			
	yen	yen	yen	yen	yen	millions of yen	%	%
FY2014	-	0.00	-	1.00	1.00	2,989	2.2	0.5
FY2015	**-**	**0.00**	**-**	**10.00**	**10.00**	**5,978**	**3.8**	**1.2**
FY2016 (Forecast)	-	15.00	-	15.00	30.00		12.8	

Note: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Dividends per share for the fiscal year ended March 2014 show the actual dividend amount before the consolidation of shares.

3. Consolidated Financial Forecast (April 1, 2015 through March 31, 2016)

(Percentage indicates change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the parent		Net Income Per Share
FY2016	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
First Half	1,600,000	10.1	95,000	(8.6)	100,000	(6.6)	60,000	(35.7)	100.36
Full Year	3,250,000	7.1	210,000	3.5	215,000	1.1	140,000	(11.8)	234.18

*Notes

(1) Changes in Significant Subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

Newly added subsidiaries: None   Excluded subsidiaries: None

(2) Changes in accounting policies / Changes in accounting estimates / Restatement:

1) Changes in accounting policies with accompanying revision of accounting standards	Yes
2) Voluntary changes in accounting policies except 1)	None
3) Changes in accounting estimates	None
4) Restatement	None

Note: Please refer to "5.Consolidated Financial Statements (5)Footnotes to the Consolidated Financial Statements" on page 27 of the attachment.

(3) Number of outstanding shares (Common stock)

1) Outstanding shares at period-end (including treasury stock)	**As of March 31, 2015**	**599,875,479** shares
	As of March 31, 2014	599,875,479 shares
2) Treasury stock at period-end	**As of March 31, 2015**	**2,055,369** shares
	As of March 31, 2014	2,048,249 shares
3) Average number of outstanding shares during the period	**Year ended March 31, 2015**	**597,823,079** shares
	Year ended March 31, 2014	597,829,995 shares

Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Number of outstanding shares, number of treasury stock, and average number of outstanding shares are calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

(Reference)

Unconsolidated Financial Highlights (April 1, 2014 through March 31, 2015)

(1) Unconsolidated Financial Results

(Percentage indicates change from the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2015	**2,334,421**	**13.5**	**122,625**	**(20.1)**	**123,255**	**(17.2)**	**106,168**	**(36.0)**
FY2014	2,057,014	21.4	153,476	109.4	148,818	207.2	166,009	-

	Net Income Per Share	Net Income Per Share (Diluted)
	yen	yen
FY2015	**177.59**	**-**
FY2014	277.68	-

Note: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net income per share are calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

(2) Unconsolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets Per Share
	millions of yen	millions of yen	%	yen
As of Mar. 31, 2015	**1,890,780**	**792,849**	**41.9**	**1,326.22**
As of Mar. 31, 2014	1,797,190	678,265	37.7	1,134.54

Reference: Net Assets (as of March 31)   **FY2015   792,849 millions of yen**
FY2014   678,265 millions of yen

Note: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net assets per share are calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

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 and Other Notes

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, and are not contemplated to ensure the fulfillment thereof.
Accordingly, the actual financial performance may vary significantly due to various factors.
For detail such as precondition of the financial forecast, please refer to "1.Financial Results and Financial Position - (1)Analysis of Financial Results" on page 2 of the attachment.

Attachment

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1. Financial Results and Financial Position

(1) Analysis of Financial Results

(Financial Results for the Fiscal Year Ended March 31, 2015)

With regard to the business environment surrounding the Mazda Group for the fiscal year ended March 31, 2015, although there were many uncertainties, such as an economic downturn in emerging countries due to the fluctuations in the price of crude oil and instability in foreign exchange markets, overall global economy was on a gradual recovery trend. Overseas, although growth in the Chinese economy slowed, the U.S. economy showed steady improvement, and signs of recovery were also seen in the European economy as a result of monetary easing policy. Personal consumption in Japan remains weak as a result of the hike in the consumption tax, but the economy is on the way to a solid recovery.

Amid these circumstances, the Mazda Group pushed ahead with structural reform, leveraging its new-generation "SKYACTIV Technology" (hereinafter "SKYACTIV"), and strove to improve its brand value by offering appealing, uniquely Mazda products and service.

In addition to the continued strong sales of the "Mazda CX-5" and the "Mazda Axela (called Mazda3 in overseas markets)", with the launch of the "Mazda Demio (called Mazda2 in overseas markets)", global sales volume was up 5.0% year on year at 1,397 thousand units. Cars with SKYACTIV technology have received high marks. The all-new "Demio" was named "2014-2015 Car of the Year Japan", and the all-new "Demio" and other SKYACTIV products are contributing to the growth in global sales volume.

By market, retail volume in Japan for the fiscal year ended March 31, 2015 was 225 thousand units, down 7.8% year on year, partly as a result of the hike in the consumption tax. But due to the strong sales of all-new "Demio" and with the introduction of all-new "Mazda CX-3", which was launched in February of this year, sales are recovering. In North America, retail volume was 425 thousand units, up 8.9% year on year with increased volume in the U.S. on strong sales of major models such as the "CX-5", "Mazda6 (called Mazda Atenza in Japan)" and "Mazda3" and record sales in Mexico. In Europe, with the contribution of strong sales of the "Mazda3", sales were up 10.8% year on year at 229 thousand units. Sales in the key markets of Germany and the United Kingdom exceeded the growth in those markets. In China the locally manufactured "CX-5" and "Mazda3" drove sales, which were up 9.2% year on year at 215 thousand units. In other markets, the sales environment was difficult in some markets such as Thailand, where demand was sluggish. But sales of the "CX-5" and "Mazda3" were strong, and retail volume was up 3.4% year on year at 303 thousand units.

As for financial performance on a consolidated basis, net sales amounted to ¥3,033.9 billion, an increase of ¥341.7 billion or 12.7% over last fiscal year, owing to increasing sales of SKYACTIV models in global markets. Operating income amounted to ¥202.9 billion, an increase of ¥20.8 billion or 11.4% over last fiscal year, owing to improvements in volume and product mix as well as ongoing cost improvements through "Monotsukuri Innovation". Ordinary income amounted to ¥212.6 billion, an increase of ¥71.9 billion or 51.1% over last fiscal year. Net income amounted to ¥158.8 billion, an increase of ¥23.1 billion or 17.0% over last fiscal year.

Financial results by reportable segment were as follows.

In Japan, net sales amounted to ¥2,528.1 billion, an increase of ¥264.9 billion or 11.7% over last fiscal year and operating income by segment (hereinafter referred to as "segment income") amounted to ¥142.4 billion, a decrease of ¥31.1 billion or 17.9%. In North America, net sales amounted to ¥1,256.1 billion, an increase of ¥412.5 billion or 48.9%, and segment income amounted to ¥37.9 billion, an increase of ¥36.6 billion. In Europe, net sales amounted to ¥622.9 billion, an increase of ¥82.4 billion or 15.2%, and segment income amounted to ¥14.9 billion, an increase of ¥6.5 billion or 76.3%. In other areas, net sales amounted to ¥483.4 billion, an increase of ¥69.2 billion or 16.7%, and segment income amounted to ¥13.5 billion, an increase of ¥7.7 billion or 132.5%.

Business overview of Mazda Group by activity for the fiscal year ended March 31, 2015 was as follows.

In terms of products, the all-new “Demio”, the fourth in Mazda’s line-up of new-generation models that adopt the full range of SKYACTIV technology and the “KODO-Soul of Motion” design language, was launched globally, starting in Japan. The all-new “Demio” was developed with the aim of shattering the commonly accepted notion that a vehicle’s value is directly proportional to its size, and care was taken to ensure the highest quality in every area, resulting in a compact car that embodies all of Mazda’s new technologies and design concepts. The all-new “Demio” has earned high marks from the public, and in October of last year it was named the “2014-2015 Car of the Year Japan” by the Japan Car of the Year Committee. This marks the fifth time Mazda has won this award and the first time since the “CX-5” won in 2012.
Also, sales of the all-new “CX-3”, the fifth model in Mazda’s line-up of new-generation vehicles, got underway, starting in Japan. The all-new “CX-3” combines a high-quality, stylish design; a size and clever packaging that make it easy to use in any situation; and performance that makes driving genuinely fun. The compact crossover SUV is slated to be launched globally.
In the domestic market, all-new versions of the “Mazda Carol”, “Mazda Scrum wagon” and “Mazda Scrum van” were introduced. Featuring a lighter body and improved efficiency of its powertrain, the all-new “Carol” is a simple, stylish minicar with outstanding fuel efficiency and high safety performance. The all-new “Scrum wagon” and “Scrum van” are both spacious, easy-to-drive vehicles with low fuel consumption.

In the sales area, in Japan, total sales of vehicles equipped with the new-generation “SKYACTIV-D” clean diesel engine surpassed 100 thousand units. Since the launch of the “CX-5”, the company has expanded sales of vehicles with the “SKYACTIV-D” engine, and Mazda now holds the lead in the rapidly expanding domestic market for passenger cars with diesel engines. In the sales structure area, we began phasing in our new-concept, new-generation stores. By creating a comfortable space and exercising ingenuity with the lighting and interior design to show off the appeal of Mazda’s cars, we are making use of these shops to communicate the Mazda brand and allow customers to experience it. Overseas, Mazda strengthened its sales structure in emerging markets, which are expected to grow. The company opened its first dealership in Myanmar, meaning that Mazda vehicles are now on sale in all 10 member countries of the Association of Southeast Asian Nations (ASEAN). National sales companies were opened in Colombia, Taiwan and South Africa.

In the research and development area, the new small-displacement “SKYACTIV-D 1.5” clean diesel engine was developed and used in the all-new “Demio”. This engine offers superior environmental performance without the use of an expensive nitrous oxide after-treatment device. At the same time it provides maximum torque equivalent to a 2.5-liter gasoline engine and outstanding fuel efficiency. The “SKYACTIV-D 1.5” clean engine in the all-new “CX-3” for the Japanese market features a “Natural Sound Smoother,” which greatly reduces diesel knock sounds. By absorbing the piston vibration that causes the knocking, this noise, which is often heard when starting out, is reduced. This technology is the first of its kind in the world. In the safety technology area, Mazda developed “Adaptive LED Headlights”, a next-generation headlamp system using LED array glare-free high beam technology, which is being used on the “Atenza” and “CX-5”. With an LED array, the LED light source for the high beams is divided into four blocks which can be switched on and off independently. This makes it possible to drive with the high beams on at all times, significantly improving visibility when driving at night without blinding drivers of oncoming vehicles or vehicles ahead.

In the production area, we are pushing ahead with the restructuring of our global production, a key initiative of our “Structural Reform Plan”. Total production at our new plant in Mexico has passed the 100 thousand unit mark, and in response to growing demand the company will increase production capacity at the plant to 250 thousand units annually by the fiscal year ending in March 2016. The engine machining plant that had been under construction was completed and has begun operating. This plant employs the same latest production and manufacturing technologies used at Mazda’s Hiroshima plant, resulting in both greater efficiency and diversification simultaneously. In January mass production of new “SKYACTIV-DRIVE” automatic transmissions began at the new transmission plant in

Thailand. Construction of the new engine plant at the facility is proceeding, and assembly of the "SKYACTIV-D 1.5" clean diesel engine is slated to begin in the third quarter of the fiscal year ending March 2016. In Malaysia, in an effort to strengthen the local production framework, a Mazda-exclusive body shop was constructed on the premises of a plant operated by Inokom, which produces Mazda vehicles on a consignment basis, and mass production of the "CX-5" has begun.

(Financial Forecast for the Year Ending March 31, 2016)

With regard to the future outlook, although the overall global economy is expected to make a gradual recovery, the business environment surrounding the Mazda Group remains uncertain, due to movement towards the shift in monetary easing in the U.S., trends in the economies of emerging countries, and fluctuations in foreign exchange rates and the price of crude oil, etc. Amid these circumstances, using the SKYACTIV as leverage in the promotion of structural reforms, the Mazda Group will continue its focus on the steady implementation of the key initiatives of "Structural Reform Plan" in fiscal year ending March 2016, the plan's final year.

The outlook for the fiscal year ending March 31, 2016 is as follows.

Consolidated Financial Forecast (April 1, 2015 through March 31, 2016)

	First Half	vs. Prior Year	Full Year	vs. Prior Year
Sales	1,600 billion yen	10.1 %	3,250 billion yen	7.1 %
Operating Income	95	(8.6)	210	3.5
Ordinary Income	100	(6.6)	215	1.1
Net Income Attributable to Owners of the parent	60	(35.7)	140	(11.8)
Exchange rate (Yen)				
USD	120	17	120	10
EUR	130	(9)	130	(9)

Global Retail Volume Forecast (April 1, 2015 through March 31, 2016)

	First Half	vs. Prior Year	Full Year	vs. Prior Year
Japan	126 thousand units	39.3 %	240 thousand units	6.9 %
North America	236	4.4	449	5.6
Europe	114	(0.3)	240	4.7
China	99	4.9	220	2.5
Other	160	11.4	341	12.3
Total	735	9.9	1,490	6.6

Note: The forecast stated above is based on management's judgment and views in the light of information presently available. By nature, such forecasts are subject to risks and uncertainties, and are not contemplated to ensure the fulfillment thereof. 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, the economic environments surrounding our business areas and fluctuations in yen-to-dollar and other exchange rates.

(2) Analysis on the Financial Position

(Assets, Liabilities and Net Assets)

As of March 31, 2015, total assets amounted to ¥2,473.3 billion, an increase of ¥227.3 billion from the end of the last fiscal year, mainly reflecting increases in cash and time deposits, inventories, and tangible fixed assets.

Total liabilities amounted to ¥1,582.0 billion, an increase of ¥12.8 billion from the end of the last fiscal year, mainly reflecting an increase in account payable. Interest-bearing debt amounted to ¥701.0 billion, a decrease of ¥41.7 billion from the end of the last fiscal year. After subtracting cash and cash equivalents from the interest-bearing debt, net interest-bearing debt decreased ¥91.1 billion, to ¥171.9 billion. The net debt-to-equity ratio improved 20.0 percentage points, to 19.8% (Percentage after consideration of the equity credit attributes of the subordinated loan was 15.1%).

Net Assets amounted to ¥891.3 billion, an increase of ¥214.5 billion from the end of the last fiscal year, due mainly to ¥158.8 billion of net income. Equity ratio increased 5.8 percentage points from the end of the last fiscal year, to 35.2% (Percentage after consideration of the equity credit attributes of the subordinated loan was 36.6%).

(Cash Flows)

Cash and cash equivalent as of March 31, 2015 amounted to ¥529.1 billion, an increase of ¥49.4 billion from the end of the last fiscal year.

Net cash provided by operating activities was ¥204.5 billion, reflecting income before income taxes of ¥209.3 billion, depreciation and amortization of ¥68.9 billion, increase in inventories and payment of income taxes and others. (For the last fiscal year, net cash provided by operating activities was ¥136.4 billion.) Net cash used in investing activities was ¥95.5 billion, mainly reflecting capital expenditure for the acquisition of tangible fixed assets of ¥123.4 billion. (For the last fiscal year, net cash used in investing activities was ¥120.1 billion.) As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥108.9 billion. (For the previous fiscal year, consolidated free cash flow was positive ¥16.3 billion.) Net cash used in financing activities was ¥62.8 billion, mainly reflecting the payment of loans payable. (For the last fiscal year, net cash provided by financing activities was ¥10.5 billion.)

(Trends of cash flow data)

	As of / Year Ended March 31, 2011	As of / Year Ended March 31, 2012	As of / Year Ended March 31, 2013	As of / Year Ended March 31, 2014	As of / Year Ended March 31, 2015
Equity Ratio (1) Equity Ratio (2)	24.2% -	24.5% 26.3%	25.1% 26.9%	29.4% 31.0%	35.2% 36.6%
Fair Value Equity Ratio	18.3%	22.6%	42.5%	61.0%	59.0%
Cash Flow to Total Debt Ratio	45.2	-	14.7	5.4	3.4
Interest Coverage Ratio	1.3	-	3.6	10.2	14.5

Equity Ratio (1): Equity/Total Assets

Equity Ratio (2): Equity (after consideration of the 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 calculated based on the total number of outstanding shares excluding treasury stock.
3) Cash flows from operating activities are used as “Cash Flow” for calculation purpose.
4) Total Debt includes all debts that interests are paid on among debts booked in consolidated balance sheet.

(3) Dividend Policy

Mazda’s policy regarding the stock dividend is to determine the amount of dividend payments, taking into account current fiscal year’s financial results, business environment, and financial condition, etc. And Mazda is striving for realization of a stable shareholder returns and its future steady increase.

With regard to the dividend for the fiscal year ended March 31, 2015, we plan to declare ¥10 per share. Also, our policy on earnings retained in the company is to utilize the financial resources in order to achieve further growth in the future, e.g. investments in research and development and capital investments in facilities and equipment.
For the next fiscal year ending March 31, 2016, our current forecast for dividends is ¥30 per share (comprised of an interim dividend of ¥15 and a year-end dividend of ¥15), an increase of ¥20 compared with the preceding fiscal year.

(4) Business Risks

Significant risks that could affect the Mazda Group's business results and financial position include those listed below.
This list, however, shows the main risks anticipated at the end of the fiscal year ended March 31, 2015 and does not represent a comprehensive list of all the risks faced by the Group. The forward-looking statements in this section are based on the judgments of the Group as of the end of the fiscal year ended March 31, 2015.

1. Economic Conditions Impacting the Mazda Group

Selling its products in Japan and other parts of the world, including in North America, Europe, and Asia, the Group is greatly impacted by economic trends and fluctuations in demand in each of its markets. Therefore, the Group's business results and financial position could be adversely affected by, for example, an economic downturn, recession, changes in demand structure, declining demand, and intensifying price competition in its main markets.

2. Fluctuations in exchange rates

The Group is engaged in business activities on a global scale. The Group not only exports products from Japan to other parts of the world, but also exports products manufactured at overseas plants to other markets in the world. These transactions are conducted in various currencies and consequently its business results and financial position are exposed to the effects of fluctuations in exchange rates. In addition, as overseas assets and liabilities denominated in local currencies are translated into yen, there could be an adverse effect on shareholders' equity through foreign currency translation adjustments due to exchange rate fluctuations.
The Group uses forward-exchange contracts and other instruments to minimize the impact of short-term exchange rate risk. However, depending on the circumstances of fluctuations in exchange rates, loss of opportunity could be generated.

3. Alliances and Joint Ventures

The Group is performing or examining joint activities with other companies under technology alliances, joint ventures, and in other forms with respect to the development, production, and sales of products. These joint activities are designed to optimize resources, facilitate their prioritization, and generate synergies. However, in the event of a disagreement over management, financial, or other matters between the parties involved, or in the event that the expected results were not produced due to such factors as changes to or terminations of alliances and joint ventures, the Group's business results and financial position could be adversely affected. In addition, unintended changes to or terminations of alliances and joint ventures could have an adverse effect on the Group's business results and financial position.

4. Statutory Regulations Covering the Environment

In addition to being subject to environmental regulations pertaining to fuel consumption and exhaust emissions, automobile safety, and the pollutant emission levels from manufacturing plants, the Group's operations in each country where it does business are also subject to various statutory regulations, such as labor regulations. Going forward, the Group's business results and financial position could be adversely affected by the increased costs associated with more stringent statutory regulations.

5. Market Competitiveness

The Group competes with a large number of companies in automobile markets in all parts of the world. Maintaining and enhancing the Group's ability to compete in these markets, which includes maintaining and developing Mazda brand value, is crucial to ensuring growth. Consequently, the Group is implementing a range of initiatives to boost its competitiveness in product development, manufacturing, sales, and other areas. However, the Group's business results and financial position could be affected in the event that it fails to launch appealing products at opportune times, due to a failure to accurately ascertain market trends or as a result of issues related to technological capabilities and manufacturing. The same holds true if the Group fails to take effective steps to respond to customer values or changes thereof, including declines in market share or product prices, through its dealership network or sales methods.

6. Procurement of Materials and Components

The Group relies on numerous suppliers outside the Group for the procurement of materials and components. For that reason, the Group may face difficulties in procuring the necessary level of materials and components for volume production, due to supply constraints or reduced logistics functions in the event of these suppliers being affected by a disaster, due to tight supply balances, or due to changes to and breaches of supply contracts. Should the Group be unable to absorb the effects of any increases in the prices of the materials being procured by the Company—for example, by making internal efforts to boost productivity or passing on price rises to customers— or should procured materials and components be of insufficient quality, the possibility exists of a deterioration in output or higher costs, which could adversely affect the Group's business results and financial position.

7. International Business Activities

In addition to Japan, the Group sells its products and carries out business activities in markets in all parts of the world, including the United States and Europe, as well as developing and emerging markets overseas. In these international markets, the Group is subject to the following potential risks, which could affect the Group's business results and financial position if manifested:

- Adverse political and economic developments
- Impediments arising from changes in laws and regulations
- Import/export regulations, such as tariffs, detrimental taxes and other regulations
- Difficulties in attracting and securing personnel
- Undeveloped infrastructure
- Strikes and other labor disputes
- Terrorist incidents, war, disease, and other factors leading to social disorder

8. Protection of Intellectual Property

In order to maintain competitiveness, the Group is working to accumulate and protect technologies and expertise that help it to develop unique products. At the same time, the Group is taking steps to prevent the infringement of third-party intellectual property rights. Nonetheless, should differences in recognition or opinion lead to a disputed infringement of third-party intellectual property rights that results in the Group being forced to halt the production and sale of products, or needing to pay damages, this could also adversely affect the Group's business results and financial position.

The Group's intellectual property is not subject to complete protection in certain regions. In the event that third parties use the Group's intellectual property rights on an unauthorized basis to produce similar products, the Group may have to pay substantial expenses for litigation, or experience a decline in sales due to an inability to offer unique products. This could adversely affect the Group's business results and financial position.

9. Product Quality

While striving to improve the quality of its products to meet the requirements of the market, the Group also does its utmost to ensure the safety of its products. However, should a defect develop in a product due to unforeseen circumstances or a large-scale recall occur, this could adversely affect the Group's business results and financial position due to such factors as the incurring of significant costs, the Group's diminished brand image, and loss of market trust.

10. Natural Disasters and Accidents

In addition to measures to protect its manufacturing sites and other important facilities against fire and earthquakes, the Group has concluded natural disaster insurance contracts and taken other steps to minimize the financial risk of such events. However, the ability of the Group to supply products may be severely disrupted in the event of a major natural disaster, such as an earthquake, typhoon, or flood, or fire or other accident, which could adversely affect the Group's business results and financial position.

11. Dependence on information technology

In the course of various business activities such as development, production, and sales of products, the Group utilizes information technology, networks, and systems. The Group's products are also equipped with these technologies, including driving support system, etc. Despite countermeasures implemented in information technology, networks, and systems to allow safe operations, such factors as failures in infrastructure, cyberattacks, and infection by computer viruses may result in suspension of business activities, loss of data, and deterioration in product functions. Should these events occur, the Group's business results and financial position could be adversely affected due to the incurring of costs associated with countermeasures, loss of product credibility, and damage to the brand image, etc.

12. Financial Accounting

Including the financial accounting factors set out below, the Group's operating results and financial position could be affected by financial accounting assessment of its assets and liabilities as well as changes in or new applications of accounting standards.

(i) Deferred Tax Assets

Provided on deductible temporary differences, deferred tax assets are recorded by assessing the likelihood of recovery based on expectations of future taxable income. However, the amount of deferred tax assets could be reduced by, for example, the recording of valuation allowances against deferred tax assets in the event that they are judged to be unrecoverable due to a deterioration in business conditions or in the event of tax reforms that include changes in tax rates. This could adversely affect the Group's business results and financial position.

(ii) Impairment of Long-Lived Assets

With regard to long-lived assets, should the carrying amount be considered to be unrecoverable due, for example, to a deterioration in business conditions, an impairment loss against the carrying value of assets will be recorded. This could adversely affect the Group's business results and financial position.

(iii) Retirement Benefits

Liability for retirement benefits changes in accordance with trends in retirement benefit obligations and pension assets. However, in the event of changes being made to the actuarial prerequisites or of a deterioration in fair value of plan assets caused by lower returns, the Group's business results and financial position could be adversely affected.

13. Changes in Financing Procurement Environment and Interest Rate Fluctuations

In addition to loans from banks, the Group has been raising funds by issuing its shares and bonds. However, in the event of turmoil in financial market tax reforms, institutional changes being made to government-affiliated financial organizations, or the downgrading of the Group's credit rating, the Group's business results and financial position could be adversely affected due to such factors as the increased funding costs and the difficulties associated with raising money for the amount of funds required. Moreover, factoring in the effect of interest rate changes on the Group's interest-bearing debt, were the costs of financing to increase due to a rise in interest rates, the Group's business results and financial position could also be adversely affected. In the event that any deterioration in the Group's financial standing were to infringe the financial covenants of some of the loans and lead to the forfeiture of the benefit of time, the Group's business results and financial position could be adversely affected.

14. Compliance and Reputation

Commencing with information security efforts to protect personal information and confidential information, the Group has taken preventive measures regarding compliance, such as compliance with the law. In addition, in the event of a compliance-related incident being detected, the Group has a rapid response system in place to prevent any impact on the Group's social credibility and reputation. However, the Group cannot guarantee that there is no possibility of a legal violation occurring in the future. Should there be evidence of an illegal act or should the rapidity and content of the response prove insufficient, the Group's social credibility and reputation could be harmed, and the Group's business results and financial position could be adversely affected.

15. Forecasts

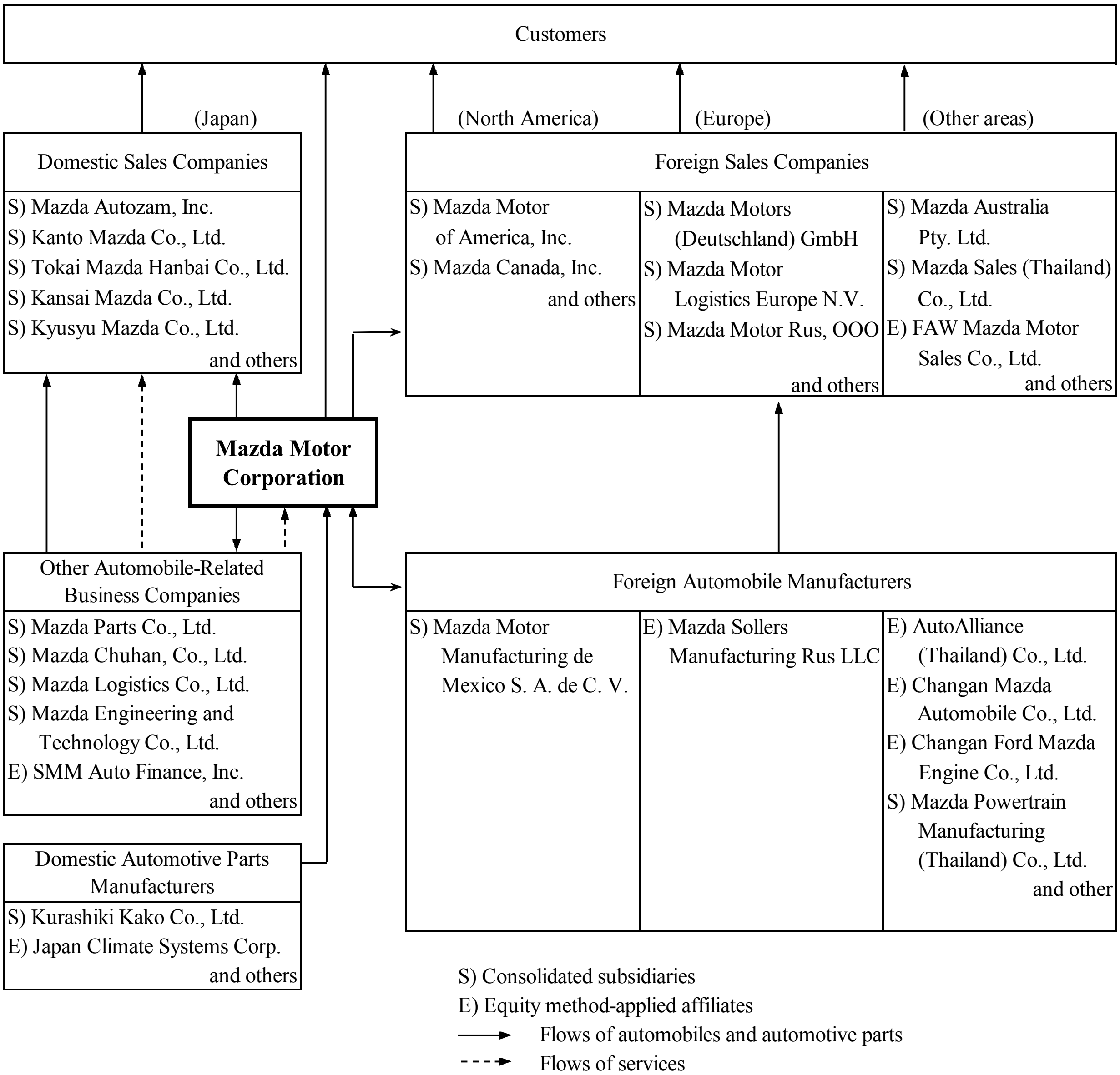
The Group formulated its "Structural Reform Plan" and "Structural Reform Stage 2" in order to respond to the change in external environment and ensure future growth. In implementing the plans, however, in the event of external environment changes that differ greatly from assumptions or progress not being made according to plan, the expected outcome would not be realized and the Group's business results and financial position could be adversely affected.

2. Overview of Mazda Group

The Mazda group consists of Mazda Motor Corporation, 59 consolidated subsidiaries and 14 equity method-applied affiliates (as of March 31, 2015) 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. In overseas, Mazda Motor Manufacturing de Mexico S.A. de C.V., AutoAlliance (Thailand) Co., Ltd. and other companies manufacture automobiles and automotive parts. The automobiles and automotive parts manufactured by the Mazda group are sold to customers by sales companies. In Japan, Mazda Autozam, Inc., Kanto Mazda Co., Ltd. and other companies sell automobiles and automotive parts to customers. To certain corporate customers, Mazda Motor Corporation directly sells automobiles. In overseas, sales companies that sell 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) Issues to be Addressed and the Mid- and Long-term Corporate Business Strategy and Target Business Indicators

<u>"Structural Reform Plan"</u>

In February 2012, the Mazda Group announced a "Structural Reform Plan" to strengthen our "Framework for Medium- and Long-term Initiatives" in order to respond to the harsh external environment and ensure future growth.
Since then, we have aggressively promoted structural reforms by using SKYACTIV as leverage and have worked to achieve a stable earnings structure while continuing to make growth investments for the future.
In light of changes in the external environment, including the sales environment and the currency fluctuations of the emerging countries, we have revised our business indices for the fiscal year ending March 2016 as shown below:

Forecast of business indices for the fiscal year ending March 2016

- Global sales volume : 1.49 million units
- Consolidated operating profit : ¥210 billion
- Consolidated operating return on sales : 6.5%

(Based on an exchange rate of ¥120/1 dollar and ¥130/1 euro)

The principal measures set forth in the "Structural Reform Plan" and its progress are as follows:

1. Business innovation through SKYACTIV
   We are launching new vehicles equipped with our new-generation technology, SKYACTIV, which delivers the ultimate improvement in the vehicle's base technologies.

Since their introduction to the market, the "CX-5", "Atenza", "Axela", "Demio" and "CX-3" that feature SKYACTIV technology have had a tremendous response and earned high marks from all quarters and have contributed to boosting brand value. In terms of sales as well, retail volume has increased globally, and, relying on our products' high marketability, we have been able to sell them at the right price, minimizing incentives and thereby significantly contributing to profitability.

2. Accelerate further cost improvement through "Monotsukuri Innovation"
The Mazda Group has undertaken "Monotsukuri Innovation" to create common development methods and production processes and to develop and produce a variety of models more efficiently through integrated planning that transcends models, classes, and segments. The "CX-5" and other new-generation products that fully incorporate this Monotsukuri Innovation are highly cost-competitive while offering outstanding driving performance and fuel economy. Other new-generation products subsequently introduced are also performing up to expectations.

3. Reinforce business in emerging countries and establish global production footprints
We have achieved steady results in our effort to increase retail volume in emerging markets, reinforcing our business in emerging countries by expanding our production bases and strengthening sales capabilities. At the same time, we are working to restructure our global production system. Production at our new plant in Mexico began in January 2014, and we have steadily expanded production volume since then. In Thailand as well operations began at our new transmission plant in January of this year, and we have announced construction of an engine plant. We have created new production systems in Russia, Malaysia and Vietnam and are reinforcing our business in emerging nations. In Japan, while maintaining domestic production, we will steadily promote the establishment of a well-balanced, global production and supply system.

4. Promote Global Alliance
In order to strengthen the Mazda brand, we are actively pursuing an alliance strategy that will mutually complement our products, technologies, and regions. This summer we will start production and distribution of a compact car for Toyota at our Mexico plant. We also plan to start production of an open-top two-seater sports car for Fiat Chrysler Automobiles at our Hiroshima plant in Japan.

<u>"Structural Reform Stage 2"</u> (Fiscal year ending March 2017 through fiscal year ending March 2019)

In order to address the major changes in the business environment that have occurred since the formulation of our "Structural Reform Plan", the Mazda group formulated a "Structural Reform Stage 2" to achieve further "qualitative growth" in the future.
In addition to raising the key initiatives of the "Structural Reform Plan" to a higher level, strengthening the business foundation, further enhancing brand value and building a solid financial base, we will work to improve shareholder returns steadily.
The projected financial indicators for the fiscal year ending March 2019, the plan's final year, are as follows:

Outlook of business indices for the fiscal year ending March 2019

- Global sales volume : 1.65 million units
- Consolidated operating return on sales : 7% or more

- Equity ratio : 45% or more
- Dividend payout ratio : 20% or more

(Based on an exchange rate of ¥120/1 dollar and ¥130/1 euro)

The key initiatives of the "Structural Reform Stage 2" are outlined below.

1. Product and R&D
   Throughout continuous evolution of the SKYACTIV products in terms of its technology and design, we plan to introduce new models, which deriver both "driving pleasure" and "excellent environmental safety performance" and embody the Mazda brand. With regard to the technological development for next generation products, we will emphasis on environmental and safety measures, and realize the optimum common architecture through global integrated planning which is the joint effort of engineering, manufacturing and sourcing.

2. Global sales and network reinforcement
   We will work to strengthen our sales capacity with full lineup of SKYACTIV products. By enhancing the showroom lineup with models equipped with the latest technologies and design, we will provide our customers with Mazda vehicles that meet the needs of each customer. We will also drive reform at sales frontline so as to thoroughly implement our sales strategies, such as realization of right-price sales and communication strategy that focus on the appeal of brand value.

3. Global production and cost improvement
   We will roll out "Monotsukuri Innovation", which has produced significant results at domestic production bases, to all global bases including supply chain, in the pursuit of the optimization of the production efficiency and acceleration of the cost improvement. Also, to respond to the strong sales demand for SKYACTIV-equipped models, we will increase our production to 1.65 million units and realize the volume growth through taking full advantage of our overseas production bases in Mexico, Thailand, etc.

4. Financial structure reinforcement and shareholder returns
   In order to build a solid financial base for stable and sustainable growth, we will work to reduce our interest-bearing debt and increase our equity. We will also make efficient use of our management resources and make disciplined investments in growth with an awareness of the need to enhance the efficiency of capital in research and development and facilities investment.
   With regard to the shareholder returns, we will basically implement dividends on the basis of our performance. Along with the reinforcement of our financial base, we will work to improve the dividend payout ratio.

Note: Business indicators and other descriptions of the future are based on certain assumptions judged by Mazda Group as of March 31, 2015. Such description may differ from the actual results and the achievement of such description is not guaranteed in any way.

(3) 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%. As a consequence of subsequent sales by Ford of parts of its stake in Mazda and capital increases by Mazda by means of public offerings, Ford's stake in Mazda decreased to 2.1%. However, Ford is still one of Mazda's largest shareholders and, as such, the two companies have agreed to continue their strategic partnership. Mazda and Ford will continue to collaborate on areas of mutual benefit, such as key joint ventures, joint projects, and exchange of technology information.

4. Basic Rationale for the Selection of Accounting Standards

We are planning to apply International Financial Reporting Standards (IFRS) voluntarily, in order to enhance the international comparability of its financial information, quality of Group management and corporate governance. We are now reviewing the timing of its application.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of Yen)

As of	FY2014 March 31, 2014	**FY2015 March 31, 2015**
ASSETS		
Current Assets:		
Cash and time deposits	328,154	**377,923**
Trade notes and accounts receivable	180,544	**215,161**
Securities	152,738	**151,364**
Inventories	323,677	**379,502**
Deferred tax assets	54,897	**76,758**
Other	93,365	**114,483**
Allowance for doubtful receivables	(848)	**(763)**
Total current assets	1,132,527	**1,314,428**
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures (net)	155,386	**170,480**
Machinery and vehicles (net)	197,356	**234,773**
Tools, furniture, and fixtures (net)	43,998	**66,121**
Land	411,886	**414,347**
Leased assets (net)	4,291	**4,364**
Construction in progress	53,040	**52,939**
Total tangible fixed assets	865,957	**943,024**
Intangible fixed assets:		
Software	20,648	**27,177**
Other	2,178	**2,184**
Total intangible fixed assets	22,826	**29,361**
Investments and other fixed assets:		
Investment securities	148,352	**134,225**
Long-term loans receivable	6,551	**6,036**
Asset for retirement benefits	2,046	**3,323**
Deferred tax assets	54,189	**25,784**
Other	16,777	**20,325**
Allowance for doubtful receivables	(2,940)	**(2,970)**
Investment valuation allowance	(249)	**(249)**
Total investments and other fixed assets	224,726	**186,474**
Total fixed assets	1,113,509	**1,158,859**
Total Assets	2,246,036	**2,473,287**

(Millions of Yen)

As of	FY2014 March 31, 2014	**FY2015** **March 31, 2015**
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	331,678	**379,358**
Short-term loans payable	105,283	**116,677**
Long-term loans payable due within one year	87,496	**74,313**
Bonds due within one year	20,100	**20,100**
Lease obligations	2,119	**1,719**
Income taxes payable	3,476	**16,398**
Other accounts payable	38,469	**41,019**
Accrued expenses	155,781	**173,992**
Reserve for warranty expenses	32,080	**45,763**
Other	35,591	**34,720**
Total current liabilities	812,073	**904,059**
Fixed Liabilities:		
Bonds	20,450	**20,350**
Long-term loans payable	504,446	**464,597**
Lease obligations	2,841	**3,263**
Deferred tax liability related to land revaluation	75,195	**68,134**
Reserve for loss from business of affiliates	44,249	**8,955**
Reserve for environmental measures	1,584	**1,090**
Liability for retirement benefits	70,149	**62,669**
Other	38,212	**48,844**
Total fixed liabilities	757,126	**677,902**
Total Liabilities	1,569,199	**1,581,961**
NET ASSETS		
Capital and Retained Earnings:		
Common stock	258,957	**258,957**
Capital surplus	242,649	**242,650**
Retained earnings	89,424	**248,094**
Treasury stock	(2,204)	**(2,222)**
Total capital and retained earnings	588,826	**747,479**
Accumulated Other Comprehensive Income/(Loss):		
Net unrealized gain/(loss) on available-for-sales securities	1,152	**3,681**
Deferred gains/(losses) on hedges	(1,223)	**668**
Land revaluation	135,541	**142,586**
Foreign currency translation adjustments	(55,586)	**(21,376)**
Accumulated adjustments for retirement benefit	(7,988)	**(3,443)**
Total accumulated other comprehensive income/(loss)	71,896	**122,116**
Minority Interests in Consolidated Subsidiaries	16,115	**21,731**
Total Net Assets	676,837	**891,326**
Total Liabilities and Net Assets	2,246,036	**2,473,287**

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

(Millions of Yen)

For the years ended	FY2014 March 31, 2014	**FY2015 March 31, 2015**
Net sales	2,692,238	**3,033,899**
Costs of sales	1,993,643	**2,247,720**
Gross profit on sales	698,595	**786,179**
Selling, general and administrative expenses	516,474	**583,291**
Operating income	182,121	**202,888**
Non-operating income		
Interest income	2,523	**3,852**
Dividend income	323	**416**
Rental income	2,910	**1,927**
Equity in net income of affiliates	9,677	**17,216**
Foreign exchange gain	-	**432**
Other	3,553	**4,243**
Total	18,986	**28,086**
Non-operating expenses		
Interest expense	12,975	**13,706**
Loss on sale of receivables	972	**1,091**
Foreign exchange loss	42,215	**-**
Other	4,294	**3,611**
Total	60,456	**18,408**
Ordinary income	140,651	**212,566**
Extraordinary profits		
Gain on sale of tangible fixed assets	777	**308**
Gain on reversal of reserve for loss from business of subsidiaries and affiliates	-	**6,131**
Subsidy income	224	**-**
Compensation for the exercise of eminent domain	123	**41**
Other	19	**-**
Total	1,143	**6,480**
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	5,007	**5,957**
Loss on impairment of fixed assets	2,754	**2,495**
Loss on business of subsidiaries and affiliates	-	**1,149**
Reserve for loss from business of subsidiaries and affiliates	36,616	**-**
Reserve for environmental measures	8	**107**
Other	-	**3**
Total	44,385	**9,711**
Income before income taxes	97,409	**209,335**

(Millions of Yen)

For the years ended	FY2014 March 31, 2014	**FY2015** **March 31, 2015**
Income taxes		
Current	15,655	**29,379**
Deferred	(51,745)	**18,295**
Total	(36,090)	**47,674**
Income before minority interests	133,499	**161,661**
Minority interests in consolidated subsidiaries	(2,200)	**2,853**
Net income	135,699	**158,808**

Consolidated Statements of Comprehensive Income

(Millions of Yen)

For the years ended	FY2014 March 31, 2014	**FY2015 March 31, 2015**
Income before minority interests	133,499	**161,661**
Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available-for-sale securities	751	**2,523**
Deferred gains/(losses) on hedges	13,689	**1,900**
Revaluation reserve for land	-	**7,055**
Foreign currency translation adjustments	1,206	**4,059**
Adjustments for retirement benefit	1,369	**4,643**
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	16,825	**32,865**
Total	33,840	**53,045**
Comprehensive income/(loss)	167,339	**214,706**
Comprehensive income/(loss) attributable to:		
Owners of the parent	168,266	**209,038**
Minority interests	(927)	**5,668**

(3) Consolidated Statements of Changes in Net Assets

(For the Year Ended March 31, 2014)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2013	**258,957**	**242,649**	**(46,299)**	**(2,192)**	**453,115**	**409**	**(15,064)**
Cumulative effects of changes in accounting policies							
Restated balance	**258,957**	**242,649**	**(46,299)**	**(2,192)**	**453,115**	**409**	**(15,064)**
Changes during the period:							
Dividends paid							
Net income			**135,699**		**135,699**		
Purchase of treasury stock				**(12)**	**(12)**		
Sale of treasury stock							
Land revaluation			**24**		**24**		
Changes in items other than capital and retained earnings, net						**743**	**13,841**
Total changes during the period	**-**	**-**	**135,723**	**(12)**	**135,711**	**743**	**13,841**
Balance at March 31, 2014	**258,957**	**242,649**	**89,424**	**(2,204)**	**588,826**	**1,152**	**(1,223)**

	Accumulated Other Comprehensive Income/(Loss)					Stock acquisition rights	Minority Interests in Consolidated Subsidiaries	Total Net Assets
	Land revaluation	Foreign currency translation adjustments	Pension adjustments recognized by foreign consolidated subsidiaries	Accumulated adjustments for retirement benefit	Total			
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2013	**135,565**	**(72,200)**	**(5,513)**	**-**	**43,197**	**6**	**16,908**	**513,226**
Cumulative effects of changes in accounting policies								
Restated balance	**135,565**	**(72,200)**	**(5,513)**	**-**	**43,197**	**6**	**16,908**	**513,226**
Changes during the period:								
Dividends paid								
Net income								**135,699**
Purchase of treasury stock								**(12)**
Sale of treasury stock								
Land revaluation								**24**
Changes in items other than capital and retained earnings, net	**(24)**	**16,614**	**5,513**	**(7,988)**	**28,699**	**(6)**	**(793)**	**27,900**
Total changes during the period	**(24)**	**16,614**	**5,513**	**(7,988)**	**28,699**	**(6)**	**(793)**	**163,611**
Balance at March 31, 2014	**135,541**	**(55,586)**	**-**	**(7,988)**	**71,896**	**-**	**16,115**	**676,837**

(For the Year Ended March 31, 2015)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	**258,957**	**242,649**	**89,424**	**(2,204)**	**588,826**	**1,152**	**(1,223)**
Cumulative effects of changes in accounting policies			**2,841**		**2,841**		
Restated balance	**258,957**	**242,649**	**92,265**	**(2,204)**	**591,667**	**1,152**	**(1,223)**
Changes during the period:							
Dividends paid			**(2,989)**		**(2,989)**		
Net income			**158,808**		**158,808**		
Purchase of treasury stock				**(18)**	**(18)**		
Sale of treasury stock		**1**		**0**	**1**		
Land revaluation			**10**		**10**		
Changes in items other than capital and retained earnings, net						**2,529**	**1,891**
Total changes during the period	**-**	**1**	**155,829**	**(18)**	**155,812**	**2,529**	**1,891**
Balance at March 31, 2015	**258,957**	**242,650**	**248,094**	**(2,222)**	**747,479**	**3,681**	**668**

	Accumulated Other Comprehensive Income/(Loss)					Stock acquisition rights	Minority Interests in Consolidated Subsidiaries	Total Net Assets
	Land revaluation	Foreign currency translation adjustments	Pension adjustments recognized by foreign consolidated subsidiaries	Accumulated adjustments for retirement benefit	Total			
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	**135,541**	**(55,586)**	**-**	**(7,988)**	**71,896**	**-**	**16,115**	**676,837**
Cumulative effects of changes in accounting policies							**(52)**	**2,789**
Restated balance	**135,541**	**(55,586)**	**-**	**(7,988)**	**71,896**	**-**	**16,063**	**679,626**
Changes during the period:								
Dividends paid								**(2,989)**
Net income								**158,808**
Purchase of treasury stock								**(18)**
Sale of treasury stock								**1**
Land revaluation								**10**
Changes in items other than capital and retained earnings, net	**7,045**	**34,210**		**4,545**	**50,220**		**5,668**	**55,888**
Total changes during the period	**7,045**	**34,210**	**-**	**4,545**	**50,220**	**-**	**5,668**	**211,700**
Balance at March 31, 2015	**142,586**	**(21,376)**	**-**	**(3,443)**	**122,116**	**-**	**21,731**	**891,326**

(4) Consolidated Statements of Cash Flows

(Millions of Yen)

For the years ended	FY2014 March 31, 2014	**FY2015 March 31, 2015**
Cash flows from operating activities:		
Income before income taxes	97,409	**209,335**
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	57,656	**68,872**
Loss on impairment of fixed assets	2,754	**2,495**
Allowance for doubtful receivables	(1,364)	**(20)**
Reserve for warranty expenses	3,454	**13,683**
Reserve for loss from business of subsidiaries and affiliates	37,292	**(6,131)**
Reserve for environmental measures	8	**(484)**
Liability for retirement benefits	(1,546)	**(2,596)**
Interest and dividend income	(2,846)	**(4,268)**
Interest expense	12,975	**13,706**
Equity in net loss/(income) of affiliates	(9,677)	**(17,216)**
Loss/(gain) on retirement and sale of tangible fixed assets	4,107	**5,608**
Decrease/(increase) in trade notes and accounts receivable	(1,416)	**(30,252)**
Decrease/(increase) in inventories	(47,058)	**(49,403)**
Increase/(decrease) in trade notes and accounts payable	48,068	**46,568**
Increase/(decrease) in other current liabilities	10,006	**24,710**
Other	(48,572)	**(45,467)**
Subtotal	161,250	**229,140**
Interest and dividends received	3,149	**4,898**
Interest paid	(13,324)	**(14,081)**
Income taxes refunded/(paid)	(14,696)	**(15,498)**
Net cash provided by/(used in) operating activities	136,379	**204,459**
Cash flows from investing activities:		
Decrease/(increase) in time deposits	11	**988**
Purchase of investment securities	(1,823)	**(1,907)**
Proceeds from sale and redemption of investment securities	152	**40,810**
Acquisition of tangible fixed assets	(110,830)	**(123,370)**
Proceeds from sale of tangible fixed assets	1,841	**1,476**
Acquisition of intangible fixed assets	(8,263)	**(12,758)**
Decrease/(increase) in short-term loans receivable	4	**(784)**
Long-term loans receivable made	(1,235)	**(592)**
Collections of long-term loans receivable	274	**1,075**
Other	(188)	**(486)**
Net cash provided by/(used in) investing activities	(120,057)	**(95,548)**

(Millions of Yen)

For the years ended	FY2014 March 31, 2014	**FY2015 March 31, 2015**
Cash flows from financing activities:		
Increase/(decrease) in short-term loans payable	(1,100)	**11,909**
Proceeds from long-term loans payable	116,048	**18,592**
Repayment of long-term loans payable	(91,692)	**(87,811)**
Proceeds from issuance of bonds	-	**19,913**
Redemption of bonds	(10,100)	**(20,100)**
Payment of lease obligations	(2,802)	**(2,273)**
Proceeds from stock issuance to minority shareholders	356	**-**
Cash dividends paid	-	**(2,989)**
Cash dividends paid to minority shareholders	(215)	**-**
Treasury stock transactions	(12)	**(17)**
Net cash provided by/(used in) financing activities	10,483	**(62,776)**
Effects of exchange rate fluctuations on cash and cash equivalents	8,074	**3,259**
Net increase/(decrease) in cash and cash equivalents	34,879	**49,394**
Cash and cash equivalents at beginning of the period	444,875	**479,754**
Cash and cash equivalents at end of the period	479,754	**529,148**

(5) Footnotes to the Consolidated Financial Statements

(Note on the Assumptions as Going Concern)

Not applicable

(Significant Accounting Policies in Preparing the Consolidated Financial Statements)

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	59	
Overseas	36	Mazda Motor of America, Inc. Mazda Motors (Deutschland) GmbH and others
Domestic	23	15 dealers and 8 others
2) Equity Method-Applied Affiliates	14	
Overseas	5	AutoAlliance (Thailand) Co., Ltd. Changan Mazda Automobile Co., Ltd. and others
Domestic	9	2 automotive parts sales companies and 7 others

2. Changes in Consolidation Scope and Application of Equity Method

The changes in Consolidation Scope and Application of Equity Method are as follow.

1) Equity Method-Applied Affiliates

(Excluded)	1	
Overseas	1	(Due to transfer of equity shares) AutoAlliance International, Inc.

3. Accounting Periods of Consolidated Subsidiaries

The year-end consolidated balance sheet date is March 31. Among the consolidated subsidiaries, the following subsidiaries have a year-end balance sheet date (in its statutory financial statements) different from the year-end consolidated balance sheet date.

(Company name)	(Balance sheet date)	
Compania Colombiana Automotriz S.A.	December 31	(Note 1)
Vehiculos Mazda de Venezuela C.A.	December 31	(Note 1)
Mazda Motor (China) Co., Ltd.	December 31	(Note 2)
Mazda South East Asia, Ltd.	December 31	(Note 2)
Mazda Motor de Mexico, S. de R.L de C.V.	December 31	(Note 1)
Mazda Servicios de Mexico, S. de R.L de C.V.	December 31	(Note 1)
Mazda Motor Manufacturing de Mexico S.A.de C.V.	December 31	(Note 1)
Mazda Motor Operaciones de Mexico S.A.de C.V.	December 31	(Note 1)
Mazda Motor Rus, OOO	December 31	(Note 1)
Mazda Motor do Brasil Ltda	December 31	(Note 2)
Logistics Alliance (Thailand) Co., Ltd.	December 31	(Note 2)
Kurashiki Kako (Dalian) Co., Ltd.	December 31	(Note 2)
Mazda Malaysia Sdn. Bhd.	December 31	(Note 2)
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.	December 31	(Note 2)
Mazda de Colombia S.A.S.	December 31	(Note 1)

(Note 1) In preparing the consolidated financial statements, special purpose financial statements prepared for consolidation as of the consolidated balance sheet date are used.

(Note 2) In preparing the consolidated financial statements, adjustments necessary in consolidation were made for material transactions that occurred between the balance sheet dates (in its statutory financial statements) of these subsidiaries and the consolidated balance sheet date.

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, which represents the market prices at the balance sheet date (unrealized gains/losses on these securities are reported, net of applicable income taxes, as a separate component of accumulated other comprehensive income with equity. Realized gains/losses on the sale of such securities are computed mainly using moving-average cost.)
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 over the estimated useful lives of the assets with a residual value at the end of useful lives to be a memorandum value.

b) Intangible Fixed Assets (excluding leased assets)

Mainly a 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) 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.

e) 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) Accounting method for Retirement benefit

a) Method of attributing expected benefit to periods
In calculating the retirement benefit obligation, the method of attributing expected benefit to the accounting period is based on mainly a benefit formula basis.

b) Method of amortization of actuarial gains or losses and prior service cost
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).

5) 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. Statement of operations 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.

6) 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.

7) 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.

8) 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.

9) Others

a) Accounting for Consumption Taxes
Tax-excluded method
In addition, any non-deductible consumption taxes associated with asset purchases are recorded as an expense during the current fiscal year.

b) Adoption of Consolidated taxation system
Consolidated taxation system with domestic subsidiaries has been adopted.

(Changes in accounting policies / Changes in accounting estimates / Restatement)

(Changes in accounting policies)

Effective from the fiscal year ended March 31, 2015, the Company and its domestic subsidiaries have applied the article 35 of the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan ("ASBJ") Statement No.26, May 17, 2012 (hereinafter, the "Statement No.26")) and the article 67 of the Guidance on Accounting Standard for Retirement Benefits ASBJ Guidance No.25, May 17, 2012. As a result, the Company and its domestic subsidiaries have reviewed the determination of retirement benefit obligations and current service costs and have changed the method of attributing expected benefit to periods from a straight-line basis to a benefit formula basis. In addition, the method for determination of the discount rate has been also amended. The amended method is to use the different discount rates, which reflect the estimated timing of each benefit payment. Under the previous method, the discount rate was determined based on the average period up to the estimated timing of benefit payment.

In accordance with the article 37 of the Statement No.26, the effect of changing the determination of retirement benefit obligations and current service costs has been recognized in retained earnings, at the beginning of the current fiscal year.

As a result of the application, an asset for retirement benefits has increased by ¥221 million, a liability for retirement benefits has decreased by ¥2,861 million and retained earnings has increased by ¥2,841 million, at the beginning of the current fiscal year. In addition, operating income, ordinary income, and income before income tax for the fiscal year ended March 31, 2015 have each increased by ¥630 million.

For the effect on information on amounts per share, please refer to "Information on Amounts Per Share of Common Stock".

(Segment Information)

1) Overview of Reportable Segments

The reportable segments of Mazda Group 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.

Mazda Group is primarily engaged in the manufacture and sale of automobiles. Businesses in Japan are managed by Mazda Motor Corporation. Businesses in North America are managed by Mazda Motor of America, Inc. and Mazda Motor Corporation. And businesses in Europe regions are managed by Mazda Motor Europe GmbH and Mazda Motor Corporation. Areas other than Japan, North America and Europe are defined as Other areas, regarding it as one management unit. Business deployment in countries in Other areas are managed in an integrated manner by Mazda Motor Corporation.

Accordingly, Mazda Group 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."

Effective from the fiscal year ended March 31, 2015, the Company and its domestic subsidiaries, which are grouped in "Japan" segment, have changed the determination of retirement benefit obligations and current service costs.
As a result of this change, segment income of "Japan" for the fiscal year ended March 31, 2015 increased by 630 million yen, compared to the previous method.
In detail, please refer to "5. Consolidated Financial Statements - (5) Footnotes to the Consolidated Financial Statements - (Changes in accounting policies / Changes in accounting estimates / Restatement)" on Page 27.

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

(For the fiscal year ended March 31, 2014)

(Millions of Yen)

Year Ended March 31, 2014	Reportable Segments					Adjustments (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	925,638	832,105	529,100	405,395	2,692,238	-	2,692,238
Inter-segment	1,337,632	11,529	11,432	8,794	1,369,387	(1,369,387)	-
Total	2,263,270	843,634	540,532	414,189	4,061,625	(1,369,387)	2,692,238
Segment income	173,500	1,324	8,466	5,803	189,093	(6,972)	182,121
Segment assets	1,791,383	406,254	195,196	195,481	2,588,314	(342,278)	2,246,036
Other items							
Depreciation and amortization	50,543	2,694	3,282	1,109	57,628	-	57,628
Amortization of goodwill	28	-	-	-	28	-	28
Investments in equity method-applied affiliates	17,005	42,473	3,748	70,993	134,219	-	134,219
Increase in tangible and intangible fixed assets	70,302	54,394	1,519	7,001	133,216	-	133,216

Notes: 1. Notes on Adjustment:
(1) The adjustments on segment income are eliminations of inter-segment transactions.
(2) The adjustments on segment assets are mainly eliminations of inter-segment receivables and payables.
2. Segment income is reconciled with the operating income in the consolidated statement of operations for the fiscal year ended March 31, 2014.

(For the fiscal year ended March 31, 2015) (Millions of Yen)

Year Ended March 31, 2015	Reportable Segments Japan	North America	Europe	Other areas	Total	Adjustments (Note 1)	Consolidated (Note 2)
Net sales:							
Outside customers	**942,414**	**1,019,269**	**606,647**	**465,569**	**3,033,899**	**-**	**3,033,899**
Inter-segment	**1,585,731**	**236,877**	**16,257**	**17,811**	**1,856,676**	**(1,856,676)**	**-**
Total	**2,528,145**	**1,256,146**	**622,904**	**483,380**	**4,890,575**	**(1,856,676)**	**3,033,899**
Segment income	**142,382**	**37,881**	**14,925**	**13,491**	**208,679**	**(5,791)**	**202,888**
Segment assets	**1,973,969**	**442,361**	**209,672**	**271,156**	**2,897,158**	**(423,871)**	**2,473,287**
Other items							
Depreciation and amortization	**52,081**	**11,693**	**3,863**	**1,220**	**68,857**	**-**	**68,857**
Amortization of goodwill	**15**	**-**	**-**	**-**	**15**	**-**	**15**
Investments in equity method-applied affiliates	**20,828**	**-**	**2,440**	**92,676**	**115,944**	**-**	**115,944**
Increase in tangible and intangible fixed assets	**75,706**	**34,296**	**2,194**	**18,814**	**131,010**	**-**	**131,010**

Notes: 1. Notes on Adjustment:

(1) The adjustments on segment income are eliminations of inter-segment transactions.

(2) The adjustments on segment assets are mainly eliminations of inter-segment receivables and payables.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for the fiscal year ended March 31, 2015.

(Information on Amounts Per Share of Common Stock)

	FY2014 (April 1, 2013 to March 31, 2014)	**FY2015 (April 1, 2014 to March 31, 2015)**
Net assets per share of common stock (Yen)	1,105.21	**1,454.61**
Net income per share of common stock (Yen)	226.99	**265.64**

Note1: Since there are no dilutive potential securities, diluted information is not presented.

Note2: Mazda Motor Corporation implemented a share consolidation on its common stock with a ratio of five shares to one share on August 1, 2014. Net assets per share of common stock and net income per share of common stock are calculated based on the assumption that consolidation of shares had been carried out at the beginning of the previous fiscal year.

Note3: As described in "Changes in accounting policies", we have adopted the Accounting Standard for Retirement Benefits, etc. and we are in compliance with transitional accounting as stipulated in Article 37 of the Accounting Standard for Retirement Benefits.
As a result, net assets per share of common stock has increased by ¥4.75 and net income per share of common stock has increased by ¥1.05 for the fiscal year ended March 31, 2015.

Note4: The calculation basis of Net income per share of common stock is as follows.

	FY2014 (April 1, 2013 to March 31, 2014)	**FY2015 (April 1, 2014 to March 31, 2015)**
Net income per common stock:		
Net income (Millions of Yen)	135,699	**158,808**
Amount not attribute to common stock shareholders (Millions of Yen)	-	**-**
Net income related to common stock (Millions of Yen)	135,699	**158,808**
Average number of shares outstanding during the period (Thousands of shares)	597,829	**597,823**

Note5: The calculation basis of Net assets per share of common stock is as follows.

	FY2014 (as of March 31, 2014)	**FY2015 (as of March 31, 2015)**
Total Net assets (Millions of Yen)	676,837	**891,326**
Amount deducted from total Net assets (Millions of Yen)	16,115	**21,731**
(of which Minority Interests)	(16,115)	**(21,731)**
Net assets related to common stock (Millions of Yen)	660,722	**869,595**
Number of common stock used in the calculation of net assets per share (Thousands of shares)	597,827	**597,820**

(Significant Subsequent Events)

Not applicable

6. Unconsolidated Financial Statements
(1) Unconsolidated Balance Sheets

(Millions of Yen)

As of	FY2014 March 31, 2014	**FY2015** **March 31, 2015**
ASSETS		
Current Assets:		
Cash and time deposits	193,985	**240,272**
Accounts receivable - Trade	252,095	**278,619**
Securities	150,000	**149,000**
Finished Products	33,907	**65,175**
Work in process	81,042	**92,525**
Raw material and Supplies	4,775	**5,493**
Prepaid expenses	1,876	**2,535**
Deferred tax assets	33,640	**39,533**
Accounts receivable - Other	75,433	**63,722**
Short-term loans receivable	56,916	**47,419**
Other	10,840	**18,652**
Allowance for doubtful receivables	(285)	**(252)**
Total current assets	894,224	**1,002,693**
Fixed Assets:		
Tangible fixed assets:		
Buildings (net)	81,728	**81,783**
Structures (net)	13,577	**13,425**
Machinery and equipment (net)	142,041	**156,038**
Transportation equipment (net)	1,539	**2,002**
Tools, furniture and fixtures (net)	17,435	**22,020**
Land	286,560	**285,395**
Leased assets (net)	2,869	**3,018**
Construction in progress	31,942	**27,240**
Total tangible fixed assets	577,691	**590,921**
Intangible fixed assets:		
Software	16,495	**21,046**
Leased assets	8	**4**
Total intangible fixed assets	16,503	**21,050**
Investments and other fixed assets:		
Investment securities	4,099	**5,298**
Investment securities for subsidiaries and affiliates	251,941	**203,251**
Investments	3	**3**
Investment for subsidiaries and affiliates	34,635	**34,933**
Long-term loans receivable	1,467	**1,467**
Long-term loans receivable for employees	4	**1**
Long-term loans receivable for subsidiaries and affiliates	3,016	**23,740**
Long-term prepaid expenses	2,885	**5,148**
Deferred tax assets	10,705	**2,292**
Other	2,710	**2,830**
Allowance for doubtful receivables	(2,296)	**(2,450)**
Investment valuation allowance	(397)	**(397)**
Total investments and other fixed assets	308,772	**276,116**
Total fixed assets	902,966	**888,087**
Total Assets	1,797,190	**1,890,780**

(Millions of Yen)

As of	FY2014 March 31, 2014	**FY2015** **March 31, 2015**
LIABILITIES		
Current Liabilities:		
Trade notes payable	884	**815**
Accounts payable - Trade	255,967	**314,775**
Bonds due within one year	20,000	**20,000**
Long-term loans payable due within one year	84,323	**61,262**
Lease obligations	1,395	**1,076**
Accounts payable - Other	12,880	**16,523**
Accrued expenses	58,869	**67,036**
Income tax payable	1,928	**11,590**
Unearned revenue	563	**6,143**
Deferred revenue	347	**294**
Deposit received	29,180	**31,998**
Reserve for warranty expenses	31,931	**45,717**
Forward exchange contracts	4,377	**130**
Total current liabilities	502,644	**577,359**
Fixed Liabilities:		
Bonds	20,000	**20,000**
Long-term loans payable	391,941	**330,679**
Lease obligations	1,696	**2,235**
Deferred tax liability related to land revaluation	75,195	**68,134**
Employees' and executive officers' severance and retirement benefits	44,415	**39,781**
Reserve for loss from business of subsidiaries and affiliates	67,617	**45,753**
Reserve for environmental measures	1,523	**1,039**
Guaranty money received	3,912	**3,554**
Asset retirement obligations	6,591	**6,333**
Other	3,391	**3,064**
Total fixed liabilities	616,281	**520,572**
Total Liabilities	1,118,925	**1,097,931**
NET ASSETS		
Capital and Retained Earnings:		
Common stock	258,957	**258,957**
Capital surplus		
Capital reserve	168,847	**168,847**
Other capital surplus	73,802	**73,803**
Total capital surplus	242,649	**242,650**
Retained earnings		
Other earned surplus		
Unappropriated retained earnings	43,898	**148,700**
Total retained earnings	43,898	**148,700**
Treasury stock	(2,199)	**(2,217)**
Total capital and retained earnings	543,305	**648,090**
Valuation and Translation Adjustments:		
Net unrealized gain/(loss) on available-for-sale securities	647	**1,492**
Deferred gains/(losses) on hedges	(1,228)	**681**
Land revaluation	135,541	**142,586**
Total valuation and translation adjustments	134,960	**144,759**
Total Net Assets	678,265	**792,849**
Total Liabilities and Net Assets	1,797,190	**1,890,780**

(2) Unconsolidated Statements of Operations

(Millions of Yen)

For the years ended	FY2014 March 31, 2014	**FY2015** **March 31, 2015**
Net sales	2,057,014	**2,334,421**
Costs of sales	1,651,229	**1,918,450**
Gross profit on sales	405,785	**415,971**
Selling, general and administrative expenses	252,309	**293,346**
Operating income	153,476	**122,625**
Non-operating income		
Interest income	2,579	**1,737**
Interest income of securities	194	**229**
Dividends income	38,189	**673**
Rental income	4,954	**4,684**
Foreign exchange gain	-	**3,812**
Other	2,007	**1,115**
Total	47,923	**12,250**
Non-operating expenses		
Interest expense	10,259	**8,741**
Interest paid on bonds	579	**423**
Foreign exchange loss	39,738	**-**
Other	2,005	**2,456**
Total	52,581	**11,620**
Ordinary income	148,818	**123,255**
Extraordinary profits		
Gain on sale of tangible fixed assets	600	**21**
Gain on reversal of reserve for loss from business of subsidiaries and affiliates	14,755	**2,226**
Gain on reversal of subscription rights to shares	6	**-**
Total	15,361	**2,247**
Extraordinary losses		
Loss on sale of tangible fixed assets	587	**142**
Loss on retirement of tangible fixed assets	2,928	**4,512**
Loss on impairment of fixed assets	1,980	**1,469**
Valuation loss on investment securities for subsidiaries and affiliates	400	**-**
Valuation loss on investments securities	-	**3**
Valuation loss on investments	148	**-**
Reserve for environmental measures	8	**107**
Total	6,051	**6,233**
Income before income taxes	158,128	**119,269**
Income taxes		
Current	1,990	**11,941**
Deferred	(9,871)	**1,160**
Total	(7,881)	**13,101**
Net income	166,009	**106,168**

(3) Unconsolidated Statements of Changes in Net Assets

(For the Year Ended March 31, 2014)

	Capital and Retained Earnings					
	Common stock	Capital surplus: Capital reserve	Capital surplus: Other capital surplus	Retained earnings: Other earned surplus: Unappropriated retained earnings	Treasury stock	Total Capital and Retained earnings
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2013	**258,957**	**168,847**	**73,802**	**(122,135)**	**(2,187)**	**377,284**
Cumulative effects of changes in accounting policies						
Restated balance	**258,957**	**168,847**	**73,802**	**(122,135)**	**(2,187)**	**377,284**
Changes during the period:						
Dividends paid						
Net income				**166,009**		**166,009**
Purchase of treasury stock					**(12)**	**(12)**
Sale of treasury stock			**0**		**0**	**0**
Reversal for land revaluation				**24**		**24**
Changes in items other than capital and retained earnings, net						
Total changes during the period	**-**	**-**	**0**	**166,033**	**(12)**	**166,021**
Balance at March 31, 2014	**258,957**	**168,847**	**73,802**	**43,898**	**(2,199)**	**543,305**

	Valuation and Translation Adjustments					
	Net unrealized gain/(loss) on available-for-securities	Deferred gains/(losses) on hedges	Land revaluation	Total valuation and translation adjustments	Stock acquisition rights	Total Net Assets
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2013	**168**	**(14,878)**	**135,565**	**120,855**	**6**	**498,145**
Cumulative effects of changes in accounting policies						
Restated balance	**168**	**(14,878)**	**135,565**	**120,855**	**6**	**498,145**
Changes during the period:						
Dividends paid						
Net income						**166,009**
Purchase of treasury stock						**(12)**
Sale of treasury stock						**0**
Reversal for land revaluation						**24**
Changes in items other than capital and retained earnings, net	**479**	**13,650**	**(24)**	**14,105**	**(6)**	**14,099**
Total changes during the period	**479**	**13,650**	**(24)**	**14,105**	**(6)**	**180,120**
Balance at March 31, 2014	**647**	**(1,228)**	**135,541**	**134,960**	**-**	**678,265**

(For the Year Ended March 31, 2015)

	Capital and Retained Earnings					
		Capital surplus		Retained earnings		
				Other earned surplus		
	Common stock	Capital reserve	Other capital surplus	Unappropriated retained earnings	Treasury stock	Total Capital and Retained earnings
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	**258,957**	**168,847**	**73,802**	**43,898**	**(2,199)**	**543,305**
Cumulative effects of changes in accounting policies				**1,613**		**1,613**
Restated balance	**258,957**	**168,847**	**73,802**	**45,511**	**(2,199)**	**544,918**
Changes during the period:						
Dividends paid				**(2,989)**		**(2,989)**
Net income				**106,168**		**106,168**
Purchase of treasury stock					**(18)**	**(18)**
Sale of treasury stock			**1**		**0**	**1**
Reversal for land revaluation				**10**		**10**
Changes in items other than capital and retained earnings, net						
Total changes during the period	**-**	**-**	**1**	**103,189**	**(18)**	**103,172**
Balance at March 31, 2015	**258,957**	**168,847**	**73,803**	**148,700**	**(2,217)**	**648,090**

	Valuation and Translation Adjustments					
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Total valuation and translation adjustments	Stock acquisition rights	Total Net Assets
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2014	**647**	**(1,228)**	**135,541**	**134,960**	**-**	**678,265**
Cumulative effects of changes in accounting policies						**1,613**
Restated balance	**647**	**(1,228)**	**135,541**	**134,960**	**-**	**679,878**
Changes during the period:						
Dividends paid						**(2,989)**
Net income						**106,168**
Purchase of treasury stock						**(18)**
Sale of treasury stock						**1**
Reversal for land revaluation						**10**
Changes in items other than capital and retained earnings, net	**845**	**1,909**	**7,045**	**9,799**		**9,799**
Total changes during the period	**845**	**1,909**	**7,045**	**9,799**	**-**	**112,971**
Balance at March 31, 2015	**1,492**	**681**	**142,586**	**144,759**	**-**	**792,849**

(4) Footnotes to the Unconsolidated Financial Statements

(Note on the Assumptions as Going Concern)

There are no matters to be discussed.

7. Other

(1) Production and Sales Information

a) Production Volume by Market

		FY2014 Year Ended March 31, 2014	**FY2015 Year Ended March 31, 2015**	Increase / (Decrease)
Vehicles	Japan	units 972,533	**units 919,405**	units (53,128)
	North America	10,007	**140,089**	130,082
	Total	982,540	**1,059,494**	76,954

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 equity method-applied affiliates):

	FY2014 Year Ended March 31, 2014	**FY2015 Year Ended March 31, 2015**	Increase / (Decrease)
AutoAlliance (Thailand) Co., Ltd.	77,351 units	**84,540 units**	7,189 units

b) Sales by Reportable Segment

	FY2014 Year Ended March 31, 2014	**FY2015 Year Ended March 31, 2015**	Increase / (Decrease)
Japan	millions of yen 925,638	**millions of yen 942,414**	millions of yen 16,776
North America	832,105	**1,019,269**	187,164
Europe	529,100	**606,647**	77,547
Other areas	405,395	**465,569**	60,174
Total	2,692,238	**3,033,899**	341,661

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

c) Sales by Product Type

	FY2014 Year Ended March 31, 2014		**FY2015 Year Ended March 31, 2015**		Increase / (Decrease)	
Vehicles	units 1,114,805	millions of yen 2,180,729	**units 1,205,058**	**millions of yen 2,500,446**	units 90,253	millions of yen 319,717
Knockdown Parts (Overseas)	-	70,394	**-**	**79,018**	-	8,624
Parts	-	206,537	**-**	**231,723**	-	25,186
Other	-	234,578	**-**	**222,712**	-	(11,866)
Total	-	2,692,238	**-**	**3,033,899**	-	341,661

< Wholesales Volume by Market >

		FY2014 Year Ended March 31, 2014	**FY2015 Year Ended March 31, 2015**	Increase / (Decrease)
Vehicles	Japan	units 250,312	**units 228,701**	units (21,611)
	North America	383,152	**434,923**	51,771
	Europe	194,017	**225,567**	31,550
	Other	287,324	**315,867**	28,543
	Overseas Total	864,493	**976,357**	111,864
	Total	1,114,805	**1,205,058**	90,253

Financial Summary (Consolidated)

For the Fiscal Year Ended March 31, 2015

April 24, 2015
Mazda Motor Corporation

(In 100 millions of yen) (In thousands of units) (Upper left: return on sales)		No.	FY 2014 Full Year (Apr.'13-Mar.'14)	%	FY 2015 1st Qtr.	FY 2015 2nd Qtr.	FY 2015 3rd Qtr.	FY 2015 4th Qtr.	FY 2015 Full Year (Apr.'14-Mar.'15)	%	FY 2016 Full Year Forecast (Apr.'15-Mar.'16)	%
	Domestic	1	6,557	11.5	1,232	1,381	1,445	2,116	6,174	(5.8)	6,400	3.7
	Overseas	2	20,365	25.9	5,824	6,102	5,952	6,287	24,165	18.7	26,100	8.0
Net sales		3	26,922	22.1	7,056	7,483	7,397	8,403	30,339	12.7	32,500	7.1
Operating income		4	6.8% 1,821	237.7	8.0% 564	6.4% 476	6.5% 480	6.1% 509	6.7% 2,029	11.4	6.5% 2,100	3.5
Ordinary income		5	5.2% 1,407	325.1	7.7% 546	7.0% 525	7.2% 534	6.2% 521	7.0% 2,126	51.1	6.6% 2,150	1.1
Income before income taxes		6	3.6% 974	149.1	7.5% 528	7.2% 542	7.3% 539	5.8% 484	6.9% 2,093	114.9	6.3% 2,050	(2.1)
Net income		7	5.0% 1,357	295.6	6.9% 489	5.9% 444	5.2% 382	3.3% 273	5.2% 1,588	17.0	4.3% 1,400	(11.8)
Operating income by segment (geographic area)												
	Japan	8	1,735		424	333	387	280	1,424			
	North America	9	13		42	106	118	113	379			
	Europe	10	85		28	35	38	48	149			
	Other areas	11	58		39	45	28	23	135			
Operating profit changes												
	Volume & mix	12			220	161	7	98	486		400	
	Exchange rate	13			37	96	56	(19)	170		(340)	
	Cost improvement	14			68	47	23	37	175		155	
	Marketing expense	15			(20)	(89)	(10)	(31)	(150)		0	
	Other	16			(106)	(114)	(102)	(151)	(473)		(144)	
	Total	17			199	101	(26)	(66)	208		71	
Average rate for the period (Yen)	USD	18	100		102	104	114	119	110		120	
	EUR		134		140	138	143	134	139		130	
Transaction rate (Yen)	USD	19	95		102	102	113	120	110		120	
	EUR		126		139	138	139	135	138		130	
Capital expenditures		20	1,332		220	326	400	364	1,310		1,050	
Depreciation and amortization		21	577		160	162	177	190	689		800	
R & D cost		22	994		287	263	249	285	1,084		1,250	
Total assets		23	22,460		22,626	23,432	23,666		24,733			
Net Assets		24	6,607		7,085	7,567	8,083		8,696			
Financial debt		25	7,427		7,403	7,395	7,059		7,010			
Net financial debt		26	2,630		2,636	2,507	2,731		1,719			
Free cash flow (Operating & Investing)		27	163		16	178	(161)	1,056	1,089			
	Japan	28	244	12.6	40	50	53	82	225	(7.8)	240	6.9
	North America	29	391	4.9	110	116	94	105	425	8.9	449	5.6
	Europe	30	207	20.5	56	58	53	62	229	10.8	240	4.7
	China	31	196	12.5	44	50	62	59	215	9.2	220	2.5
	Other	32	293	(2.0)	69	76	72	86	303	3.4	341	12.3
Global retail volume		33	1,331	7.8	319	350	334	394	1,397	5.0	1,490	6.6
	Domestic	34	973	10.6	236	230	216	237	919	(5.5)	930	1.2
	Overseas	35	296	(7.5)	82	117	123	134	456	53.5		
Global production volume		36	1,269	5.8	318	347	339	371	1,375	8.3		
Number of employees (excluding dispatches)		37	40,892						44,035			

Note: Net income for FY2016 will be referred to as "Net Income Attributable to Owners of the parent".
Global retail volume refers to the total retail units of Mazda-brand vehicles sold on a global basis.
Global production volume refers to the total volume of the units produced in the domestic plant plus the units of Mazda-brand vehicles produced in Mexico, China, Thailand and other overseas plants.

Financial Summary (Unconsolidated)
For the Fiscal Year Ended March 31, 2015

April 24, 2015
Mazda Motor Corporation

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

			FY 2014 Full Year (Apr.'13-Mar.'14)		FY 2015 Full Year (Apr.'14-Mar.'15)	
	Domestic	1	4,611	% 15.2	4,345	% (5.8)
	Export	2	15,959	23.3	18,999	19.0
Net sales		3	20,570	21.4	23,344	13.5
Operating income		4	7.5% 1,535	109.4	5.3% 1,226	(20.1)
Ordinary income		5	7.2% 1,488	207.2	5.3% 1,233	(17.2)
Income before taxes		6	7.7% 1,581	1,802.9	5.1% 1,193	(24.6)
Net income		7	8.1% 1,660	1,394.6	4.5% 1,062	(36.0)
Average rate for the period (Yen)		8	USD 100 EUR 134		USD 110 EUR 139	
Capital investment		9	594		640	
Depreciation & amortization		10	419		429	
R & D cost		11	910		1,037	
Total assets		12	17,972		18,908	
Net assets		13	6,783		7,928	
Financial debt		14	5,194		4,353	
Net financial debt		15	1,764		460	
	Japan	16	253	10.5	236	(6.9)
	North America	17	386	1.7	410	6.1
	Europe	18	204	22.5	229	12.6
	Others	19	247	10.2	280	13.1
Wholesales (units)		20	1,090	9.1	1,155	5.9
Domestic production units		21	973	10.6	919	(5.5)
Number of employees (excluding dispatches)		22	20,473		20,491	