

Consolidated Financial Results

For the First Half of the Fiscal Year Ending March 31, 2016

(For the Six Months Ended September 30, 2015)



Prepared in Conformity with Generally Accepted Accounting Principles in Japan
English Translation from the Original Japanese-Language Document

November 5, 2015

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 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, 2015 through September 30, 2015)

(1) Consolidated Financial Results

(Percentage indicates change from same period of the previous fiscal year)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of the Parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
FY2016 1st Half	1,700,533	17.0	125,885	21.1	121,053	13.1	88,318	(5.3)
FY2015 1st Half	1,453,865	15.9	103,976	40.6	107,074	195.0	93,310	273.4

Note: Comprehensive income
FY2016 1st Half **83,353 millions of yen** ((14.4) %)
 FY2015 1st Half 97,344 millions of yen ((95.3) %)

	Net Income Per Share	Net Income Per Share (Diluted)
	yen	yen
FY2016 1st Half	147.73	-
FY2015 1st Half	156.08	-

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
	millions of yen	millions of yen	%
As of September 30, 2015	2,509,543	968,962	37.7
March 31, 2015	2,473,287	891,326	35.2

Reference: Net Assets excluding non-controlling interests

As of September 30, 2015 **946,052 millions of yen**
 As of March 31, 2015 869,595 millions of yen

2. Dividends

	Dividends Per Share				
	1st. Qtr.	2nd. Qtr.	3rd. Qtr.	Year End	Full-Year
	yen	yen	yen	yen	yen
FY2015	-	0.00	-	10.00	10.00
FY2016	-	15.00	-	-	-
FY2016 (Forecast)	-	-	-	15.00	30.00

Note: Revision of the dividend forecast most recently announced: None

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
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2016 Full Year	3,370,000	11.1	230,000	13.4	230,000	8.2	155,000	(2.4)	259.28

Note: Revision of the consolidated financial forecast most recently announced: Yes

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) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: None**(3) 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 "(1) Changes in accounting policies / Changes in accounting estimates / Restatement" on Page 4 of the attachment.

(4) Number of outstanding shares (Common stock)

1) Number of outstanding shares (including treasury stock)	As of September 30, 2015	599,875,479 shares
	As of March 31, 2015	599,875,479 shares
2) Number of treasury stock	As of September 30, 2015	2,056,343 shares
	As of March 31, 2015	2,055,369 shares
3) Average number of outstanding shares	For 6 months ended September 30, 2015	597,819,728 shares
	For 6 months ended September 30, 2014	597,825,103 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.

Average number of outstanding shares for 6 months ended September 30, 2014 is 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 Quarterly Review Procedures by Independent Auditors

This document is out of the scope of the quarterly review procedures based on the Financial Instruments and Exchange Act.

The quarterly review procedures for the financial statements under this Act have not been completed as of the timing of disclosure of this document.

Cautionary Statements with Respect to Forward-Looking Statements

The financial forecast and other descriptions of the future presented in this document are an outlook based on our judgments and projections.

The judgments and projections are based on information presently available. As such, the financial forecast and future descriptions are subject to uncertainties and risks, 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. Qualitative Information on Consolidated Results for the Quarterly Period - (3) Future Estimates such as Consolidated Financial Forecast" on page 4 of the attachment.

ATTACHMENT

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(Reference)

Financial Summary (Consolidated)

For the First Half of the Fiscal Year Ending March 31, 2016

1. Qualitative Information on Consolidated Results for the Quarterly period

(1) Consolidated Financial Results

The Mazda Group has pushed ahead with structural reform, leveraging its new-generation “SKYACTIV Technology” (hereinafter “SKYACTIV”), and strove to improve its brand value by offering appealing Mazda unique products and services.

Global retail volume for the first half of the fiscal year ending March 31, 2016 was 764 thousand units, up 14.2% year on year, owing to the continued strong sales of “Mazda CX-5” and commencement of the full-scale sales of all-new “Mazda CX-3” around the world, as well as with the effect of launch of all-new “Mazda Roadster (called MX-5 in overseas markets)”. These new-generation products features Mazda's latest technologies and embodies the essential value of the Mazda brand; “driving pleasure” and “outstanding environmental and safety performance”. We will strive to further enhance brand value and achieve solid growth in sales volume by these new-generation products.

Retail volume by market was as follows. In Japan, despite the drop in total market demand on a year-over-year basis, our retail volume was 120 thousand units, up 32.9% year on year, due to the solid sales of all-new “Mazda Demio (called Mazda2 in overseas markets)” and all-new “CX-3”, as well as with the effect of launch of all-new “Roadster” introduced in May this year. In North America, retail volume was 233 thousand units, up 3.1% year on year mainly due to increased volume in U.S., where the updated models of “Mazda6 (called Mazda Atenza in Japan)” and “CX-5” were good in demand. In Mexico, we achieved record-high sales volume and market share for the first six months. In Europe, retail volume was 124 thousand units, up 8.2% year on year, driven by all-new “Mazda2” and all-new “CX-3”. Despite the influence of a decline in demand in Russia, our sales exceeded the growth in overall demand, especially in major markets such as Germany and United Kingdom. In China, retail volume was 109 thousand units, up 15.9% year on year, due to the strong sales of “Mazda3 (called Mazda Axela in Japan)”, as well as with the launch of the updated models of “CX-5”. In other markets, retail volume was 178 thousand units, up 23.6% year on year, with the contribution from sales of all-new “CX-3” and “CX-5” in Australia, and with the strong sales in emerging counties such as Vietnam and Colombia.

Financial performance on a consolidated basis for the first half of the fiscal year ending March 31, 2016 was as follows. Net sales amounted to ¥1,700.5 billion, an increase of ¥246.7 billion or 17.0% compared to the corresponding period in the previous fiscal year, owing to increasing sales of SKYACTIV models in global markets. Operating income, owing to the increased sales volume and ongoing costs improvement through Monotsukuri Innovation, amounted to ¥125.9 billion, an increase of ¥21.9 billion or 21.1% compared to the corresponding period in the previous fiscal year. Ordinary income amounted to ¥121.1 billion, an increase of ¥14.0 billion or 13.1% compared to the corresponding period in the previous fiscal year. Net income attributable to owners of the parent amounted to ¥88.3 billion, a decrease of ¥5.0 billion or 5.3% compared to the corresponding period in the previous fiscal year.

Financial results by reportable segment for the first half of the fiscal year ending March 31, 2016 was as

follows. In Japan, net sales amounted to ¥1,420.0 billion, an increase of ¥227.4 billion or 19.1% compared to the corresponding period in the previous fiscal year, and operating income by segment (hereinafter referred to as “operating income”) amounted to ¥87.1 billion, an increase of ¥11.4 billion or 15.0% compared to the corresponding period in the previous fiscal year. In North America, net sales amounted to ¥754.9 billion, an increase of ¥184.7 billion or 32.4% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥24.3 billion, an increase of ¥9.6 billion or 64.9% compared to the corresponding period in the previous fiscal year. In Europe, net sales amounted to ¥335.6 billion, an increase of ¥15.9 billion or 5.0% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥4.0 billion, a decrease of ¥2.2 billion or 35.5% compared to the corresponding period in the previous fiscal year. In other areas, net sales amounted to ¥283.0 billion, an increase of ¥60.5 billion or 27.2% compared to the corresponding period in the previous fiscal year, and operating income amounted to ¥10.7 billion, an increase of ¥2.3 billion or 27.6% compared to the corresponding period in the previous fiscal year.

Note: Effective from the first quarter of the fiscal year ending March 31, 2016, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and other standards. As a result, the presentation of “Net income” has been changed to “Net income attributable to owners of the parent”.

(2) Consolidated Financial Position

(Assets, Liabilities and Net Assets)

As of September 30, 2015, total assets increased ¥36.3 billion from the end of the previous fiscal year, to ¥2,509.5 billion. Total liabilities decreased ¥41.4 billion from the end of the previous fiscal year, to ¥1,540.6 billion. Interest-bearing debt as of September 30, 2015 decreased ¥40.0 billion from the end of previous fiscal year, to ¥661.0 billion. After subtracting cash and cash equivalents from the interest-bearing debt, net interest-bearing debt decreased ¥72.4 billion, to ¥99.4 billion. The net debt-to-equity ratio improved 9.3 percentage points, to 10.5%.

Net Assets as of September 30, 2015 increased ¥77.6 billion from the end of the previous fiscal year, to ¥969.0 billion. Equity ratio increased 2.5 percentage points from the end of the previous fiscal year, to 37.7% (Percentage after consideration of the equity credit attributes of the subordinated loan was 39.1%).

(Cash Flows)

Cash and cash equivalent as of September 30, 2015 increased ¥32.4 billion from the end of the previous fiscal year, to ¥561.6 billion.

Net cash provided by operating activities for the first half of the fiscal year ending March 31, 2016 was ¥140.7 billion, reflecting income before income taxes of ¥116.3 billion and others. (For the first half of the previous fiscal year, net cash provided by operating activities was ¥82.6 billion.) Net cash used in investing activities was ¥47.3 billion, mainly reflecting capital expenditure for the acquisition of tangible fixed assets of ¥44.3 billion. (For the first half of the previous fiscal year, net cash used in investing activities was ¥63.2 billion.) As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥93.3 billion. (For the first half of the previous fiscal year, consolidated free cash flow was positive ¥19.4 billion.) Net cash used in financing activities was ¥48.3 billion, mainly reflecting payment of loans payable and dividend payment. (For the first half of the previous fiscal year, net cash used in financing activities was ¥13.2 billion.)

(3) Future Estimates such as Consolidated Financial Forecast

As a result of reviewing the global retail volume forecast and the exchange rate assumption, we revised the consolidated financial forecast for the full year of fiscal year ending March 31, 2016, as shown below. The prior forecast was released on April 24, 2015.

Consolidated Financial Forecast (Fiscal Year ending March 2016)

	Full Year	vs. Previous fiscal year
Net sales	¥3,370 billion	up 11.1 %
Operating income	¥230 billion	up 13.4 %
Ordinary income	¥ 230 billion	up 8.2 %
Net income Attributable to Owners of the Parent	¥155 billion	down 2.4 %

The exchange rate assumptions for full year forecast are ¥121 to the dollar and ¥135 to the Euro (¥120 to the dollar and ¥135 to the Euro for the second half of the fiscal year).

Global Retail Volume Forecast (Fiscal Year ending March 2016)

	Full Year	vs. Previous fiscal year
Japan	234 thousand units	up 4.2 %
North America	447 thousand units	up 5.1 %
Europe	255 thousand units	up 11.3 %
China	220 thousand units	up 2.5 %
Other	359 thousand units	up 18.2 %
Total	1,515 thousand units	up 8.4 %

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. Matters Regarding Summary Information (Notes)

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

(Changes in accounting policies)

Effective from the first quarter of the fiscal year ending March 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013, hereinafter the "Business Combinations Accounting Standard"), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013, hereinafter the "Consolidation Accounting Standard"), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013, hereinafter the "Business Divestitures Accounting Standard") and other standards. As a result, the differences

arising from the changes in equity of parent company to its subsidiaries in case where control is retained have been adjusted in capital surplus, and acquisition-related costs have been reported as expenses for the fiscal year in which such costs are incurred. For business combinations implemented on or after the beginning of the fiscal year under review, the accounting method was changed so as to reflect the adjustments to the allocated amount of acquisition costs under the finalization of provisional accounting treatment in the consolidated financial statements of the fiscal year in which the combination took place. In addition, the presentation method of net income was amended and the reference to “minority interests” was changed to “non-controlling interests”. To reflect this change in financial statement presentation, prior year’s consolidated financial statements have been reclassified to conform to this year’s presentation.

In addition, the method of presentation was changed in the Consolidated Statement of Cash Flows, and the cash flows from a purchase or a sale of shares of subsidiaries, which do not bring about a change in the scope of consolidation, are presented in "Net cash provided by (used in) financing activities", and cash flows with regard to the expenses related to a purchase of shares of subsidiaries, which bring about a change in the scope of consolidation, or the expenses related to a purchase or a sale of shares of subsidiaries, which do not lead a change in the scope of consolidation, are presented in "Net cash provided by (used in) operating activities".

The Company has applied the Business Combinations Accounting Standard and other standards effective April 1, 2015, the beginning of the fiscal year under review, in accordance with the transitional treatment set forth in article 58-2 (4) of the Business Combinations Accounting Standard, article 44-5 (4) of the Consolidation Accounting Standard and article 57-4 (4) of the Business Divestitures Accounting Standard.

As a result of the application, income before income tax for the first half of the fiscal year ending March 31, 2016 has decreased by ¥398 million, and the capital surplus at the end of the first half of the fiscal year ending March 31, 2016 has increased by ¥398 million.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(September 30 and March 31, 2015)

(Millions of Yen)

As of	FY2015 March 31, 2015	FY2016 September 30, 2015
ASSETS		
Current Assets:		
Cash and time deposits	377,923	350,718
Trade notes and accounts receivable	215,161	205,950
Securities	151,364	211,009
Inventories	379,502	394,669
Other	191,241	195,703
Allowance for doubtful receivables	(763)	(718)
Total current assets	1,314,428	1,357,331
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures (net)	170,480	173,489
Machinery and equipment (net)	234,773	250,966
Land	414,347	412,998
Leased assets (net)	4,364	4,032
Other (net)	119,060	102,731
Total tangible fixed assets	943,024	944,216
Intangible fixed assets	29,361	29,237
Investments and other fixed assets:		
Investment securities	134,225	135,831
Asset for retirement benefits	3,323	3,511
Other	52,145	42,417
Allowance for doubtful receivables	(2,970)	(3,000)
Investment valuation allowance	(249)	-
Total investments and other fixed assets	186,474	178,759
Total fixed assets	1,158,859	1,152,212
Total Assets	2,473,287	2,509,543

(Millions of Yen)

	As of	FY2015 March 31, 2015	FY2016 September 30, 2015
LIABILITIES			
Current Liabilities:			
Trade notes and accounts payable		379,358	378,796
Short-term loans payable		116,677	123,843
Bonds due within one year		20,100	20,400
Long-term loans payable due within one year		74,313	88,550
Lease obligations		1,719	1,645
Income taxes payable		16,398	22,232
Accrued expenses		173,992	169,020
Reserve for warranty expenses		45,763	52,630
Other		75,739	65,583
Total current liabilities		904,059	922,699
Long-term Liabilities:			
Bonds		20,350	20,000
Long-term loans payable		464,597	403,651
Lease obligations		3,263	2,944
Deferred tax liability related to land revaluation		68,134	68,118
Reserve for loss from business of subsidiaries and affiliates		8,955	12,414
Reserve for environmental measures		1,090	684
Other reserves		280	284
Liability for retirement benefits		62,669	60,211
Other		48,564	49,576
Total long-term liabilities		677,902	617,882
Total Liabilities		1,581,961	1,540,581
NET ASSETS			
Capital and Retained Earnings:			
Common stock		258,957	258,957
Capital surplus		242,650	243,048
Retained earnings		248,094	330,468
Treasury stock		(2,222)	(2,225)
Total capital and retained earnings		747,479	830,248
Accumulated Other Comprehensive Income/(Loss):			
Net unrealized gain/(loss) on available-for-sale securities		3,681	4,954
Deferred gains/(losses) on hedges		668	957
Land revaluation		142,586	142,553
Foreign currency translation adjustments		(21,376)	(29,428)
Accumulated adjustments for retirement benefit		(3,443)	(3,232)
Total accumulated other comprehensive income		122,116	115,804
Non-controlling Interests in Consolidated Subsidiaries		21,731	22,910
Total Net Assets		891,326	968,962
Total Liabilities and Net Assets		2,473,287	2,509,543

(2) Quarterly Consolidated Statements of Operations and Comprehensive Income
(For the first half ended September 30, 2015 and 2014)

Quarterly Consolidated Statements of Operations

(Millions of Yen)

	FY2015	FY2016
For the first half ended	September 30, 2014	September 30, 2015
Net sales	1,453,865	1,700,533
Costs of sales	1,064,743	1,274,655
Gross profit on sales	389,122	425,878
Selling, general and administrative expenses	285,146	299,993
Operating income	103,976	125,885
Non-operating income		
Interest income	1,678	1,700
Equity in net income of affiliated companies	7,365	11,904
Other	5,357	2,952
Total	14,400	16,556
Non-operating expenses		
Interest expense	6,843	6,393
Foreign exchange loss	930	11,640
Other	3,529	3,355
Total	11,302	21,388
Ordinary income	107,074	121,053
Extraordinary profits		
Gain on sales of tangible fixed assets	103	58
Gain on reversal of reserve for loss from business of subsidiaries and affiliates	3,094	-
Other	-	6
Total	3,197	64
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	1,997	3,217
Loss on impairment of fixed assets	359	81
Loss on business of subsidiaries and affiliates	811	-
Reserve for loss from business of subsidiaries and affiliates	-	1,471
Other	107	-
Total	3,274	4,769
Income before income taxes	106,997	116,348
Income taxes		
Current	12,142	25,479
Deferred	1,042	1,039
Total	13,184	26,518
Net income	93,813	89,830
Net income attributable to non-controlling interests	503	1,512
Net income attributable to owners of the parent	93,310	88,318

Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2015	FY2016
For the first half ended	September 30, 2014	September 30, 2015
Net income	93,813	89,830
Other comprehensive income/(loss):		
Net unrealized gain/(loss) on available-for-sale securities	1,263	1,274
Deferred gains/(losses) on hedges	253	314
Foreign currency translation adjustments	1,164	(8,856)
Adjustments for retirement benefit	1,362	212
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(511)	579
Total	3,531	(6,477)
Comprehensive income	97,344	83,353
Comprehensive income attributable to:		
Owners of the parent	96,106	82,039
Non-controlling interests	1,238	1,314

(For the three months ended September 30, 2015 and 2014)

Quarterly Consolidated Statements of Operations

(Millions of Yen)

	FY2015	FY2016
For the three months ended	September 30, 2014	September 30, 2015
Net sales	748,226	894,526
Costs of sales	548,355	671,824
Gross profit on sales	199,871	222,702
Selling, general and administrative expenses	152,277	150,141
Operating income	47,594	72,561
Non-operating income		
Interest income	961	756
Equity in net income of affiliated companies	4,869	7,469
Foreign exchange gain	1,744	-
Other	2,899	883
Total	10,473	9,108
Non-operating expenses		
Interest expense	3,346	3,148
Foreign exchange loss	-	9,308
Other	2,221	2,777
Total	5,567	15,233
Ordinary income	52,500	66,436
Extraordinary profits		
Gain on sales of tangible fixed assets	57	34
Gain on reversal of reserve for loss from business of subsidiaries and affiliates	3,067	-
Other	-	1
Total	3,124	35
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	946	2,727
Loss on impairment of fixed assets	335	55
Loss on business of subsidiaries and affiliates	46	-
Reserve for loss from business of subsidiaries and affiliates	-	1,246
Other	107	-
Total	1,434	4,028
Income before income taxes	54,190	62,443
Income taxes		
Current	5,463	11,698
Deferred	3,459	(1,719)
Total	8,922	9,979
Net income	45,268	52,464
Net income attributable to non-controlling interests	849	899
Net income attributable to owners of the parent	44,419	51,565

Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	FY2015	FY2016
For the three months ended	September 30, 2014	September 30, 2015
Net income	45,268	52,464
Other comprehensive income/(loss):		
Net unrealized gain/(loss) on available-for-sale securities	880	288
Deferred gains/(losses) on hedges	(460)	2,000
Foreign currency translation adjustments	1,588	(7,554)
Adjustments for retirement benefit	558	295
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	2,197	(65)
Total	4,763	(5,036)
Comprehensive income	50,031	47,428
Comprehensive income attributable to:		
Owners of the parent	48,225	46,986
Non-controlling interests	1,806	442

(3) Quarterly Consolidated Statements of Cash Flows
(For the first half ended September 30, 2015 and 2014)

(Millions of Yen)

	FY2015	FY2016
For the first half ended	September 30, 2014	September 30, 2015
Cash flows from operating activities:		
Income before income taxes	106,997	116,348
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:		
Depreciation and amortization	32,155	38,846
Loss on impairment of fixed assets	359	81
Increase/(decrease) in allowance for doubtful receivables	(65)	(23)
Increase/(decrease) in reserve for warranty expenses	13,940	6,867
Increase/(decrease) in reserve for loss from business of subsidiaries and affiliates	(6,786)	3,459
Increase/(decrease) in liability for retirement benefits	(4,974)	(2,484)
Interest and dividend income	(1,993)	(2,073)
Interest expense	6,843	6,393
Equity in net loss/(income) of affiliated companies	(7,365)	(11,904)
Loss/(gain) on retirement and sale of tangible fixed assets	1,894	3,159
Decrease/(increase) in trade notes and accounts receivable	(4,919)	9,943
Decrease/(increase) in inventories	(22,141)	(22,358)
Increase/(decrease) in trade notes and accounts payable	(802)	766
Increase/(decrease) in other current liabilities	1,178	(3,851)
Other	(22,318)	9,307
Subtotal	92,003	152,476
Interest and dividends received	2,608	13,285
Interest paid	(6,981)	(6,557)
Income taxes refunded/(paid)	(5,051)	(18,544)
Net cash provided by/(used in) operating activities	82,579	140,660
Cash flows from investing activities:		
Purchase of investment securities	(549)	(99)
Proceeds from sales and redemption of investment securities	62	-
Acquisition of tangible fixed assets	(58,241)	(44,314)
Proceeds from sale of tangible fixed assets	623	417
Acquisition of intangible fixed assets	(5,305)	(3,406)
Net decrease/(increase) in short-term loans receivable	(5)	2
Payment of long-term loans receivable	(501)	(313)
Collections of long-term loans receivable	740	399
Other	(14)	(14)
Net cash provided by/(used in) investing activities	(63,190)	(47,328)
Cash flows from financing activities:		
Net increase/(decrease) in short-term loans payable	7,070	5,287
Proceeds from long-term loans payable	15,974	11,350
Repayment of long-term loans payable	(51,803)	(58,206)
Proceeds from issuance of bonds	19,913	-
Redemption of bonds	(50)	(50)
Repayment of lease obligations	(1,331)	(933)
Proceeds from stock issuance to non-controlling shareholders	-	297
Cash dividends paid	(2,989)	(5,978)
Cash dividends paid to non-controlling shareholders	-	(36)
Net decrease/(increase) in treasury stock	(13)	(2)
Net cash provided by/(used in) financing activities	(13,229)	(48,271)
Effect of exchange rate fluctuations on cash and cash equivalents	2,876	(12,623)
Net increase/(decrease) in cash and cash equivalents	9,036	32,438
Cash and cash equivalents at beginning of the period	479,754	529,148
Cash and cash equivalents at end of the period	488,790	561,586

(4) Footnotes to the Quarterly Consolidated Financial Statements

(Note on the Assumptions as Going Concern)

None

(Significant Changes in the Amount of Equity)

None

(Segment Information)

I. FY2015 First Half (April 1, 2014 through September 30, 2014)

1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2015 First Half Ended September 30, 2014	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	437,376	489,887	312,849	213,753	1,453,865	-	1,453,865
Inter-segment	755,257	80,369	6,846	8,737	851,209	(851,209)	-
Total	1,192,633	570,256	319,695	222,490	2,305,074	(851,209)	1,453,865
Segment income	75,735	14,760	6,275	8,377	105,147	(1,171)	103,976

Notes: 1. The adjustment on segment income are eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2015 first half ended September 30, 2014.

2) Impairment Loss on Fixed Assets and Goodwill by Reportable Segment

Impairment losses on fixed assets, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

II. FY2016 First Half (April 1, 2015 through September 30, 2015)

1) Sales and Income or Loss by Reportable Segments

(Millions of Yen)

FY2016 First Half Ended September 30, 2015	Reportable Segments					Adjustment (Note 1)	Consolidated (Note 2)
	Japan	North America	Europe	Other areas	Total		
Net sales:							
Outside customers	514,638	595,574	327,750	262,571	1,700,533	-	1,700,533
Inter-segment	905,397	159,348	7,865	20,384	1,092,994	(1,092,994)	-
Total	1,420,035	754,922	335,615	282,955	2,793,527	(1,092,994)	1,700,533
Segment income	87,108	24,343	4,046	10,691	126,188	(303)	125,885

Notes: 1. The adjustment on segment income are eliminations of inter-segment transactions.

2. Segment income is reconciled with the operating income in the consolidated statement of operations for FY2016 first half ended September 30, 2015.

2) Impairment Loss on Fixed Assets and Goodwill by Reportable Segment

Impairment losses on fixed assets, gains from negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

4. Supplementary Information

Production and Sales Information

a) Production Volume

		FY2015 First Half Ended September 30, 2014	FY2016 First Half Ended September 30, 2015	Increase / (Decrease)
Vehicles		units	units	units
	Japan	466,230	476,968	10,738
	North America	50,613	107,933	57,320
Total		516,843	584,901	68,058

Note: Mazda-brand vehicles produced by the following equity method applied affiliate are counted among wholesales, but are not included in the production volume:

	FY2015 First Half Ended September 30, 2014	FY2016 First Half Ended September 30, 2015	Increase / (Decrease)
AutoAlliance (Thailand) Co., Ltd.	28,524 units	62,912 units	34,388 units

b) Sales by Reportable Segment

		FY2015 First Half Ended September 30, 2014	FY2016 First Half Ended September 30, 2015	Increase / (Decrease)
		millions of yen	millions of yen	millions of yen
Japan		437,376	514,638	77,262
North America		489,887	595,574	105,687
Europe		312,849	327,750	14,901
Other areas		213,753	262,571	48,818
Total		1,453,865	1,700,533	246,668

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

c) Sales by Product Type

		FY2015 First Half Ended September 30, 2014		FY2016 First Half Ended September 30, 2015		Increase / (Decrease)	
Vehicles		units	millions of yen	units	millions of yen	units	millions of yen
		577,114	1,180,235	646,222	1,430,005	69,108	249,770
Knockdown Parts (Overseas)		-	50,566	-	39,305	-	(11,261)
Parts		-	113,907	-	120,841	-	6,934
Other		-	109,157	-	110,382	-	1,225
Total		-	1,453,865	-	1,700,533	-	246,668

< Wholesales Volume by Market >

		FY2015 First Half Ended September 30, 2014	FY2016 First Half Ended September 30, 2015	Increase / (Decrease)
Vehicles		units	units	units
	Japan	89,868	118,185	28,317
	North America	221,158	224,579	3,421
	Europe	115,067	125,045	9,978
	Other areas	151,021	178,413	27,392
	Overseas Total	487,246	528,037	40,791
Total		577,114	646,222	69,108

Note: The wholesales volume does not include vehicles which are sold by other brands.

Financial Summary (Consolidated)

For the First Half of the Fiscal Year Ending March 31, 2016

(For the Six Months Ended September 30, 2015)

November 5, 2015

Mazda Motor Corporation

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

		FY 2015 First Half (Apr.'14-Sep.'14)		1st Qtr.	2nd Qtr.	FY 2016 First Half (Apr.'15-Sep.'15)		FY 2015 Full Year Ended March 31, 2015	FY 2016 Full Year Forecast Ending March 31, 2016
			%				%		%
	Domestic	1	2,613	(14.4)	1,655	1,738	3,393	29.9	3.7
	Overseas	2	11,926	25.7	6,405	7,207	13,612	14.1	13.0
Net sales		3	14,539	15.9	8,060	8,945	17,005	12.7	11.1
Operating income		4	7.2%	40.6	6.6%	8.1%	7.4%	6.7%	6.8%
			1,040		533	726	1,259	2,029	2,300
Ordinary income		5	7.4%	195.0	6.8%	7.4%	7.1%	7.0%	6.8%
			1,071		546	665	1,211	2,126	2,300
Income before income taxes		6	7.4%	215.5	6.7%	7.0%	6.8%	6.9%	6.5%
			1,070		539	624	1,163	2,093	2,200
Net income attributable to owners of the parent		7	6.4%	273.4	4.6%	5.8%	5.2%	5.2%	4.6%
			933		368	515	883	1,588	1,550
Operating income by segment (geographic area)									
Japan		8	757		290	581	871	1,424	
North America		9	148		138	105	243	379	
Europe		10	63		18	22	40	149	
Other areas		11	84		46	61	107	135	
Operating profit changes									
Volume & mix		12			70	196	266		570
Exchange rate		13			(57)	(58)	(115)		(356)
Cost improvement		14			65	91	156		314
Marketing expense		15			(53)	(3)	(56)		0
Other		16			(56)	24	(32)		(257)
Total		17			(31)	250	219		271
Average rate for the period (Yen)	USD	18	103		121	122	122	110	121
	EUR		139		134	136	135	139	135
Transaction rate (Yen)	USD	19	102		122	122	122	110	121
	EUR		138		133	136	135	138	135
Capital expenditures		20	546		167	202	369	1,310	1,050
Depreciation and amortization		21	322		192	196	388	689	800
R & D cost		22	550		270	280	550	1,084	1,250
Total assets		23	23,432		24,643		25,095	24,733	
Net Assets		24	7,567		8,991		9,461	8,696	
Financial debt		25	7,395		6,531		6,610	7,010	
Net financial debt		26	2,507		1,479		994	1,719	
Free cash flow (Operating & Investing)		27	194		365	568	933	1,089	
	Japan	28	90	(18.2)	57	63	120	225	(7.8)
	North America	29	226	13.6	116	117	233	425	8.9
	Europe	30	114	18.4	54	70	124	229	10.8
	China	31	94	18.8	57	52	109	215	9.2
	Other	32	145	(1.1)	86	92	178	303	3.4
Global retail volume		33	669	6.0	370	394	764	1,397	5.0
	Domestic	34	466	0.7	226	251	477	919	(5.5)
	Overseas	35	199	41.7	144	147	291	456	53.5
Global production volume		36	665	10.2	370	398	768	1,375	8.3

Note: Net income attributable to owners of the parent for FY2015 are referred to as "Net income".

Note: 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 and Mexico plant (including other brands) plus the units of Mazda-brand vehicles produced in other overseas plants (mainly in China and Thailand).