

Consolidated Financial Results

For the Year Ended March 31, 2010



English Translation from the Original Japanese-Language Document

April 27, 2010

Company Name : **Mazda Motor Corporation** (Tokyo Stock Exchange/Code No. 7261)
 URL : <http://www.mazda.co.jp>
 Representative Person : Takashi Yamanouchi, Representative Director, President and CEO
 Contact Person : Shinji Maeda, General Manager, Accounting Department, Financial Services Division
 Phone (082) 282-1111
 General Meeting of the Shareholders : Scheduled for June 24, 2010
 Payment of Dividends : Scheduled to start from June 25, 2010
 Filing of *Yuka Shoken Hokokusho*, statutory annual business and financial report : Scheduled for June 25, 2010

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

1. Consolidated Financial Highlights (April 1, 2009 through March 31, 2010)

(1) Consolidated Financial Results

Years ended March 31	Sales		Operating Income/(Loss)		Ordinary Income/(Loss)		Net Income/(Loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
2010	2,163,949	(14.7)	9,458	-	4,644	-	(6,478)	-
2009	2,535,902	(27.0)	(28,381)	-	(18,680)	-	(71,489)	-

Note: Changes in sales, operating income, ordinary income, and net income from the previous periods are shown in percentage.

Years ended March 31	Net Income/(Loss)	Net Income	Return on Equity	Ordinary Income/(Loss)	Operating Income/
	Per Share	Per Share (Diluted)		To Total Assets	(Loss) to Sales
	yen	yen	%	%	%
2010	(4.26)	-	(1.4)	0.2	0.4
2009	(52.13)	-	(14.8)	(1.0)	(1.1)

Note: Equity in net income of affiliated companies (for the years ended March 31)

2010 **8,667** **million yen**
 2009 (2,665) million yen

(2) Consolidated Financial Position

As of March 31	Total Assets	Equity	Equity Ratio	Equity per Share
	million yen	million yen	%	yen
2010	1,947,769	509,815	26.1	286.92
2009	1,800,981	414,731	22.9	314.98

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

- Equity for calculation of equity ratio and equity per share **2010** **507,909** million yen 2009 413,119 million yen
- The minority interests in consolidated subsidiaries are presented as a separate component of the equity; however, the minority interests are excluded from the calculation of the equity ratio and the equity per share.
- The fair value of stock option is recognized, as stock acquisition rights, in the equity as a separate component for the amounts amortized in expense. However, the stock acquisition rights are excluded from the calculation of the equity ratio and the equity per share.

(3) Consolidated Cash Flows

Years ended March 31	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Cash & Cash Equivalents
	million yen	million yen	million yen	million yen
2010	111,646	(44,252)	60,951	346,303
2009	(67,418)	(61,826)	137,008	220,724

2. Dividends

Years ended / ending March 31	Dividends per Share					Total Amount of Annual Dividends	Dividends Payout Ratio	Ratio of Dividends to Equity
	1st.Qtr.	2nd.Qtr.	3rd.Qtr.	Year-End	Full Year			
	yen	yen	yen	yen	yen			
2009	-	3.00	-	0.00	3.00	4,225	-	0.8
2010	-	0.00	-	3.00	3.00	5,311	-	1.0
2011 (Forecast)	-	0.00	-	3.00	3.00		106.2	

3. Consolidated Financial Forecast (April 1, 2010 through March 31, 2011)

Year ending March 31	Sales		Operating Income/(Loss)		Ordinary Income/(Loss)		Net Income/(Loss)		Net Income/(Loss) Per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
2011									
First Half	1,130,000	14.1	10,000	-	8,000	-	1,000	-	0.56
Full Year	2,270,000	4.9	30,000	217.2	29,000	524.5	5,000	-	2.82

Note: Changes in sales, operating income, ordinary income, and net income from the previous periods are shown in percentage.

4. Other

(1) Significant Changes in Consolidation scope: None

(2) Accounting Changes:

- 1) Adoption of new accounting standards Yes
 2) Other No

Note: See page 19, Accounting Changes and Adoption of New Accounting Standards, in the notes to the consolidated financial statements.

(3) Common Stock (As of March 31)

- 1) Shares issued (including treasury shares) **2010** **1,780,377,399** shares 2009 1,418,509,399 shares
 2) Treasury shares **2010** **10,165,073** shares 2009 106,954,832 shares

Note: For the number of shares of common stock used for the calculation of net income per share (consolidated), please refer to the Information on Amounts Per Share of Common Stock on page 25.

(Reference)

1. Unconsolidated Financial Highlights (April 1, 2009 through March 31, 2010)

(1) Unconsolidated Financial Results

Years ended March 31	Sales		Operating Income/(Loss)		Ordinary Income/(Loss)		Net Income/(Loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
2010	1,651,525	(9.3)	7,369	-	6,895	-	(16,480)	-
2009	1,820,781	(26.1)	(97,949)	-	(57,457)	-	(71,793)	-

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

Years ended March 31	Net Income/(Loss) Per Share	Net Income/(Loss) Per Share (Diluted)
	yen	yen
2010	(10.84)	-
2009	(52.35)	-

(2) Unconsolidated Financial Position

As of March 31	Total Assets	Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	yen
2010	1,774,151	529,229	29.8	298.71
2009	1,523,166	452,180	29.7	344.50

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

- 1) Equity for calculation of equity ratio and equity per share **2010** **528,784 million yen** 2009 451,840 million yen
 2) The fair value of stock option is recognized, as stock acquisition rights, in the equity as a separate component for the amounts amortized in expense. However, the stock acquisition rights are excluded from the calculation of the equity ratio and the equity per share.

Cautionary Statements with Respect to Forward-Looking Statements:

The financial forecast is the judgment of our management based on the information presently available. By nature, such financial forecast is subject to uncertainty and a risk. Therefore, we advise against making an investment decision by solely relying on this forecast. Variables that could affect the actual financial results include, but are not limited to, economic environments related to our business areas and fluctuations in yen-to-dollar and other exchange rates. For further information on the above financial forecast, please refer to page 5.

1. Financial Results

(1) Analysis of Financial Results

(Financial Results for the Year Ended March 31, 2010)

In the year ended March 31, 2010, the business environments surrounding Mazda, its consolidated subsidiaries, and equity method-applied affiliates (hereinafter referred to collectively as the “Mazda Group”) started with the recessions triggered by the financial crisis in the United States but later have shown signs of the bottom with the impacts of economic stimulus programs by the governments of various countries. Yet, the business environments still remained challenging. In particular, the recovery of automotive industry demands still lacks momentum, except in China and other emerging markets where the robust demand is observed. In addition, the trend of stronger yen has continued.

Under the situation, Mazda Group implemented measures to improve profitability. We enhanced our efforts to change our business structure to be lean and muscular. For example, we completed optimizing the inventory level in the first quarter and accelerated cost reduction to cut fixed costs by over ¥100 billion. Such efforts enabled us to develop cost structure to secure a profit even when domestic plants are operating at 80% utilization under the current level of yen’s appreciation.

The retail volume in Japan went up to 221,000 units, 1% year-over-year growth, because of the introduction of New Axela (Mazda3), even though sales volume of existing models declined. On the other hand, in overseas, sales in North America declined by 12% to 307,000 units. European retail reduced to 239,000 units, 26% down from the prior year, primarily due to lower sales in Russia. In China, where sales of Mazda6 (called Atenza in Japan) and other models are very strong, the retail volume was 196,000 units, 46% up year-over-year. In other regions, the retail volume was down by 4% to 230,000 units. As a result, the global retail volume was 1,193,000 units, down 5% from the prior year.

Turning to financial performance on the consolidated basis for the year ended March 31, 2010, net sales amounted to ¥2,163.9 billion, down ¥372.0 billion or 15% from the last year, due to lower volume, appreciation of yen against other major currencies, and other factors. Operating results improved by ¥37.8 billion year-on-year to an operating profit of ¥9.5 billion. The impacts of lower volume and higher yen were more than offset by cost reduction. Ordinary income was ¥4.6 billion, while net results amounted to a loss of ¥6.5 billion. While full year net results remained at a loss mainly due to the recognition of two reserves, one for loss from business of affiliates and the other for environmental measures, in extraordinary loss, Mazda’s financial performance turned profitable at all levels in the second quarter (three months ended September 30, 2009). Since the second quarter, Mazda has been reporting an increasing profit at all levels and demonstrated a solid recovery in financial performance.

In the first quarter, we launched the refreshed Mazda3 (called Axela in Japan) to the global markets successfully. The new Mazda3 delivers excellent driving performance and advanced environmental and safety performance. In December last year the new Mazda3 won the first prize in Mid Compact Car Section of “2010 Residual Value Award” by US Automotive Lease Guide (ALG). Moreover, in September last year, new Mazda3 won a “Top Safety Pick 2009”, the best rating in the crash tests of IIHS, a U.S. non-profit organization funded by auto insurers. In November the same year, it was given the five-star maximum rating by the European New Car Assessment Programme (Euro NCAP) in its 2009 combined safety performance test. Thus, the safety of this model was recognized as the world’s top-level.

Besides, we used the “i-stop”, our unique idling stop system to dramatically improve fuel efficiency, for the new Mazda3 for the first time. The “i-stop” was acclaimed not only by customers but also by the third party organizations. In Japan, it received “2010 RJC Technology of the Year Award”, “The 6th Eco-Products Award” and “2009 Combustion Society of Japan Technology Award”. This “i-stop” system was also applied to our minivan Biante and also to the new minivan Mazda5 (or Premacy in Japan) which made its first global debut at Geneva Motor Show in March this year. We plan to start to sell the new minivan Mazda5 in Europe this fall.

In December of 2009, we fully updated and commenced the sales of the Carol micro-mini for the Japanese market. The Carol offers new interior and exterior design and provides improved eco-friendliness and even better value for money. Also, we announced our plan to introduce the Mazda2 (Demio in Japan) into the U.S. and Canadian markets, commencing in July of 2010. Being highly acclaimed around the world, Mazda2 has been recognized as Car of the Year in more than 20 countries. In the Chinese market, we also announced our plan to introduce the Mazda8 (MPV in Japan). Mazda8 offers outstanding driving performance and a premium, functional and comfortable cabin.

In R&D, we made the first global announcement on the Next PT Development Concept “Mazda SKY Concept”^{*} at Tokyo Motor Show in October last year, which is our powertrain development concept to be introduced from 2011 onward, including the next generation engines and transmissions with drastically improved fuel and driving performance. Also, we publicized “Mazda Kiyora” for the first time in Japan as the next generation compact car concept intended to achieve ultra-low fuel consumption with the next generation powertrain technology based on the “Mazda SKY Concept”^{*} and the vehicle weight reducing technology. We made a significant progress in this fiscal year in developing hydrogen vehicles. We started the world’s first commercial lease of our hydrogen hybrid vehicle “Premacy Hydrogen RE Hybrid” which has hybrid system to drastically improve performance, and delivered total 5 units to municipalities and energy-related companies.

Mazda announced its long-term vision of technology development “Sustainable Zoom-Zoom” to offer “driving pleasure” and “excellent environment and safety performance” to all the customers and committed ourselves to improving average fuel efficiency of Mazda vehicles to be sold globally by 30% from the 2008 level by 2015. Specifically, we will be developing environment and safety technologies by promoting the “Building Block Strategy” where we pursue improvement in basic vehicle performance through the development of the next generation power train (engines and transmissions) based on the “Mazda SKY Concept”^{*} and vehicle weight reduction; and then gradually combine the basics with electric devices from idling stop and regenerative braking technology to hybrid system. As part of this approach, in June last year, we newly set up Electric Drive System Development Office to reinforce our effort to develop electric drive system including hybrid, and in March this year, we reached a license agreement with Toyota Motor Corporation on Prius hybrid technology. With the combination of this hybrid system and the next generation engine based on the “Mazda SKY Concept”^{*}, we are aiming to develop and produce a hybrid vehicle in Japan and to commence sales of a hybrid vehicle starting in Japan by 2013. Also, we are participating in the Tsukuba Environmental Style Test Project, a joint project to test a low-carbon transport system which uses clean energy. Through participation in the joint project, we aim to further strengthen the base of our future R&D activities, including expertise related to electric vehicle (EV) infrastructure.

We are constantly making environmental efforts also in production area. We successfully developed Aqua-tech Paint System, an innovative water-based paint system that has the lowest environmental impact in the world and launched it at Hiroshima Plant in June last year. Looking at our production bases overseas, in October last year, we started to produce the Mazda2 for the Asia Pacific region at a new passenger car plant in Auto Alliance (Thailand) (AAT), a joint venture manufacturing facility with Ford Motor Company. The new

^{*} Concept Name for engines and transmissions that are intended for launch from 2011 onward

passenger car plant uses state-of-the-art production technologies and also eco-friendly Three Layer Wet Paint System. The opening of this new passenger car plant increased AAT's annual production capacity to 275,000 units.

In sales, our efforts to enhance brand value are bearing fruit. In terms of the ALG ranking in the United States mentioned before, Mazda brand ranking was up to third from sixth position of the previous year, its highest finishing position ever. The residual value of Mazda cars is increasing steadily in major markets.

As to sales network, in April last year, with the aim of our further growth in the Chinese market, we increased our stake from 25 to 40 percent in FAW Mazda Motor Sales Co. Ltd., a joint venture distributor of Mazda, First Auto Works and FAW Car Co. Ltd. Also, in April last year in Japan, we have combined the businesses of two wholly-owned subsidiaries, Tokai Mazda Hanbai Co. Ltd., and Shin-gifu Mazda Hanbai Co. Ltd., with Tokai Mazda as the surviving company. In addition, in July last year, we transferred the shares of Mazda Enfini Hokkaido Co., Ltd., one of our wholly-owned subsidiaries, to Hokkaido Mazda Hanbai Co., Ltd. These measures will promote efficiency in business through effective utilization of resources, strengthen sales network in each of the markets, and further enhance Mazda brand.

(Financial Forecast for the Year Ending March 31, 2011)

In terms of our business environments, while there is a sign of recovery in the economy, full-scale recovery in the automotive industry demand is yet to come. Also, appreciation of yen and material price hikes are expected. Under these circumstances, Mazda is aiming at reporting a profit at all levels in the next fiscal year by enhancing our sales efforts and continuously implementing measures to improve profitability toward developing robust cost structure.

Our global retail volume for the next fiscal year is projected to be 1,270,000 units, up 6% year-over-year. Looking at retail volume projection by market, the retail volume in Japan is projected to decrease by 5% year-to-year to 210,000 units. The retail volume in North America is projected to be at 358,000 units (up 17%), 226,000 units in Europe (down 6%), 230,000 units in China (up 17%) and 246,000 units in other markets (up 7%). The exchange rate assumption is ¥90 to the US dollar and ¥125 to the Euro.

As for the consolidated financial performance of the next fiscal year, sales revenue is projected at ¥2,270 billion, up 5% year-over-year. Operating income and net income are projected at ¥30 billion and ¥5 billion, respectively.

Consolidated Financial Forecast for the Year Ending March 31, 2011

	First Half	vs. Prior Year	Full Year	vs. Prior Year
Sales	1,130 billion yen	14.1 %	2,270 billion yen	4.9 %
Operating Income	10	-	30	217.2
Ordinary Income	8	-	29	524.5
Net Income	1	-	5	-

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

(2) Analysis on the Financial Position

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

As of March 31, 2010, total assets amounted to ¥1,947.8 billion, an increase of ¥146.8 billion compared to the end of the last year due to an increase in cash and time deposits from capital contribution. Total financial debt decreased by ¥31.2 billion from the previous year primarily due to a decrease in loans payable from improved operating funds. Total liabilities amounted to ¥1,438.0 billion, an increase of ¥51.7 billion from a year ago due to an increase in trade notes and accounts payable from recovery in production volume. Total equity amounted to ¥509.8 billion, up ¥95.1 billion compared to the prior year. Increases in common stock and capital surplus through issuance of new shares, as well as by a decrease in treasury stock through re-issuance were the main factors. Equity ratio increased by 3.2 percentage points to 26.1%.

Net cash provided by operating activities was ¥111.6 billion mainly due to improved operating funds from recovery in capacity utilization rate of domestic factories. Net cash used in investing activities amounted to ¥44.3 billion, mainly reflecting ¥20.7 billion capital investments in facilities and equipment. As a result, consolidated free cash flow (operating and investing activities) was positive ¥67.4 billion. While Mazda started this fiscal year with the target of turning to a positive consolidated free cash flow for the full year, Mazda's free cash flow has been positive continuously from the second quarter (three months ended September 30, 2009) and reported a positive free cash flow for the full year as well. Also, net cash provided by financing activities amounted to ¥61.0 billion, reflecting capital contribution from issuance of new shares and re-issuance of treasury shares.

After deducting cash and cash equivalents from financial debt, net financial debt totaled ¥375.8 billion, and the net debt-to-equity ratio was at 74%.

(Trends of cash flow data)

	As of /Year Ended March 31, 2006	As of /Year Ended March 31, 2007	As of /Year Ended March 31, 2008	As of /Year Ended March 31, 2009	As of /Year Ended March 31, 2010
Equity Ratio	22.3%	24.8%	27.8%	22.9%	26.1%
Fair Value Equity Ratio	56.0%	48.1%	25.1%	11.9%	23.9%
Cash-Flow-To-Total-Debt Ratio	4.0	4.1	4.9	-	6.5
Interest Coverage Ratio	9.8	7.1	5.3	-	8.1

Equity Ratio: $\text{Equity} / \text{Total Assets}$

Fair Value Equity Ratio: $\text{Gross Market Capitalization} / \text{Total Assets}$

Cash Flow to Total Debt: $\text{Total Debt} / \text{Operating Cash Flow}$

Interest Coverage Ratio: $\text{Operating Cash Flow} / \text{Interest Payments}$

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

(3) Our Basic Policy on Distribution of Earnings and Dividends for This and following Fiscal Year

Our policy on distribution of earnings is to declare dividends by carefully considering each fiscal year's financial results and business environment. Under this policy, we plan to declare a year-end dividend of ¥3 per share for the year ended March 31, 2010. Also, our current forecast for dividends in the year ending March 31, 2011 is ¥3 per share as a year-end dividend.

(4) Risks

For risk information, please access Mazda's English-language annual report for the year ended March 31, 2009.

Mazda Website:

<http://www.mazda.com/investors/library/annual/>

In addition, the following new item of risk information was disclosed in the *Shihanki Hokokusyo*, statutory interim business and financial report, for the nine months ended December 31, 2009 (disclosed on February 12, 2010).

The Mazda Group sells its products globally, including Japan, North America, Europe, and Asia. Therefore, a recession and a decrease in demand in each of these countries could have a negative impact on the results of operations and the financial position of the Mazda Group. In particular, buyer incentive programs, e.g., scrapping incentives[†], implemented by the federal governments of some of major countries have boosted the demand in the respective markets. However, the trend in demand after the buyer incentive programs end is difficult to predict. If there is a sudden fluctuation in demand, it can have a negative impact on the results of operations and the financial position of the Mazda Group.

2. Mazda Group of Companies

Since there are no material changes in the information on the Mazda Group of companies from that included in the Consolidated Financial Results for the year ended March 31, 2009 (disclosed on May 12, 2009), we omit the disclosure of the information at this time.

[†] A scrapping incentive is a buyer incentive program designed to help consumers purchase new (fuel efficient) vehicles by trading in old (less fuel efficient) vehicles for scrapping.

3. Management Policy

(1) Basic policy of corporate management

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

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

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

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

(2) Target business indicators

In March 2007, we announced 'Mazda Advancement Plan,' our medium-term plan, based on a long-term strategy that had a perspective of ten years into the future.

In line with that long-term strategy, we have conducted comprehensive studies on new business management measures. The objectives of such studies were to respond to the rapid changes in the economic environment, including the global and severe economic recession that started in the second half of the last fiscal year as well as appreciation of the yen, and to the changes in market structure, including the rise of the emerging markets and environmental awareness.

We have hereby formulated a 'Framework for medium- and long-term initiatives', while the economic environment continues to pose uncertainty over the future. The Framework advances and evolves the key initiatives which we have continuously worked on under the 'Mazda Advancement Plan'. Those key initiatives are: 1. Brand Value, 2. Monotsukuri Innovation, 3. Environmental and Safety Technologies, 4. Emerging Markets, and 5. Ford Synergies.

The Framework sets the outlook of business indices for the Fiscal Year ending March 2016, when these initiatives will have made progress and the full line-up of next-generation products will have been in place.

'Framework for medium- and long-term initiatives' and status of progress thereof

1. Brand Value

Measures to enhance brand value are yielding steady results. The residual values of Mazda cars are increasing in major markets. We will continue to enhance our brand by implementing measures on retail network reinforcement and brand communication strategy.

2. Monotsukuri Innovation

Monotsukuri Innovation activities are making steady progress. Through the implementation of the Common Architecture Concept and Integrated Planning, we seek to raise development efficiency significantly. We plan to reduce the cost of our next-generation vehicles by 20% compared to our existing vehicles. In addition, through establishment of the flexible production system, future capital investment in facilities and equipment is expected to become substantially more efficient.

3. Environmental and Safety Technologies

Mazda aims to offer “driving pleasure” and “excellent environment and safety performance” to all customers and committed ourselves to improving average fuel efficiency of Mazda vehicles to be sold globally by 30% from the 2008 level by 2015. We seek to advance environment and safety technology by promoting the “Building Block Strategy”. Under this strategy, we pursue improvement in basic vehicle performance through the development of the next generation power train (engines and transmissions) based on the “Mazda SKY Concept”^{*} and vehicle weight reduction; and then gradually combine the basics with electric devices, from idling stop and regenerative braking technology to hybrid system. Such product development is proceeding as planned, as shown in our signing of a license agreement with Toyota Motor Corporation on Prius hybrid technology.

4. Emerging Markets

Expansion of our overseas production base as well as enhancement of our sales network is also on track. In the ASEAN region, in October last year, we started to produce the Mazda2 (or Demio in Japan) for the Asia Pacific region at a new passenger car plant in Auto Alliance (Thailand), a joint venture manufacturing facility with Ford Motor Company. We also plan to further expand production and sales in the China market hereafter.

5. Ford Synergies

We will maintain a close strategic relationship in our alliance with Ford Motor Company, our largest shareholder. We will seek to mutually maximize synergy in development, production, joint businesses, and other areas.

Based on the status of progress in these medium- and long-term initiatives and the current business environment, including demand forecast, foreign exchange, and market share, the business indices in the Fiscal Year ending March 2016 are as follows. The outlook is based on the assumption that the medium- and long-term initiatives are fulfilled as planned.

Outlook of business indices in the Fiscal Year ending March 2016

- Global sales volume:	1.7 million units
- Consolidated operating profit:	170 billion yen
- ROS (Consolidated operating return on sales):	5% or more

Note that new strategies including those on emerging markets yet to be entered by Mazda and on responding to electric vehicles are still under study. As such, the above outlook does not include the financial effects of these ongoing strategic studies. We plan to reflect those effects in the outlook, as the new strategies become substantiated.

^{*} Concept Name for engines and transmissions that are intended for launch from 2011 onward

(3) Issues to be addressed and the mid- and long-term corporate business strategy

In response to the rapid changes in business environment surrounding the Mazda Group, in the short term, we will accelerate Cost Innovation activities in order to achieve a lean and muscular business structure. We will also enhance investment in environment and safety technology. In the medium- and long-term, we will continue to act on and develop the medium- and long-term initiatives, as described above in '(2) Target business indicators'.

(4) Other important items for the company's business management

In the current fiscal year, Mazda issued new shares of common stock by public offering; the payment date was October 21, 2009. Mazda also issued new shares of common stock by third-party allotment; the payment date was November 12, 2009. As a consequence of these issuances of shares, Ford Motor Company, which owned 13.8% of Mazda's outstanding shares prior to the issuances, now owns 11.0%. However, Ford is still the largest shareholder of Mazda, and there is no change to the strategic relationship between the two companies; Mazda will continue joint businesses with Ford as well as carry on with the sharing of platforms and powertrains.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

As of March 31	Millions of Yen	
	2009	2010
ASSETS		
Current Assets:		
Cash and time deposits	181,428	271,074
Trade notes and accounts receivable	132,355	172,489
Securities	39,318	94,683
Inventories	214,388	210,872
Deferred taxes	67,985	60,311
Other	93,939	90,071
Allowance for doubtful receivables	(2,736)	(2,263)
Total current assets	726,677	897,237
Fixed Assets:		
Tangible fixed assets:		
Buildings and structures (net)	151,975	143,217
Machinery and vehicles (net)	204,680	181,520
Tools, furniture, and fixtures (net)	22,400	18,000
Land	441,265	433,827
Leased assets (net)	36,536	29,283
Construction in progress	20,289	19,510
Other (net)	256	214
Total tangible fixed assets	877,401	825,571
Intangible fixed assets		
Software	22,852	19,820
Other	4,226	3,531
Total intangible fixed assets	27,078	23,351
Investments and other fixed assets:		
Investment securities	73,854	86,020
Long-term loans receivable	6,004	5,813
Deferred taxes	72,940	88,182
Other	22,946	27,174
Allowance for doubtful receivables	(4,346)	(4,298)
Investment valuation allowance	(1,573)	(1,281)
Total investments and other fixed assets	169,825	201,610
Total fixed assets	1,074,304	1,050,532
Total Assets	1,800,981	1,947,769

As of March 31	Millions of Yen	
	2009	2010
LIABILITIES		
Current Liabilities:		
Trade notes and accounts payable	176,504	271,118
Short-term loans payable	127,219	80,836
Long-term loans payable due within one year	44,258	70,344
Bonds due within one year	-	100
Lease obligations	17,355	14,565
Income taxes payable	10,328	8,041
Other accounts payable	16,914	17,777
Accrued expenses	158,575	153,336
Reserve for warranty expenses	37,989	36,929
Other	27,420	23,545
Total current liabilities	616,562	676,591
Fixed Liabilities:		
Bonds	95,000	95,850
Long-term loans payable	429,654	429,113
Lease obligations	39,869	31,320
Deferred tax liability related to land revaluation	93,729	93,680
Employees' and executive officers' severance and retirement benefits	90,921	84,553
Reserve for loss from business of affiliates	-	5,862
Reserve for environmental measures	-	1,464
Other	20,515	19,521
Total fixed liabilities	769,688	761,363
Total Liabilities	1,386,250	1,437,954
EQUITY		
Capital and Retained Earnings:		
Common stock	150,068	186,500
Capital surplus	133,760	170,192
Retained earnings	86,874	80,268
Treasury stock	(22,976)	(2,182)
Total capital and retained earnings	347,726	434,778
Valuation and Translation Adjustments:		
Net unrealized gain on available-for-sale securities	160	131
Net loss on derivative instruments	(1,230)	(1,498)
Land revaluation	136,032	136,160
Foreign currency translation adjustments	(69,483)	(61,583)
Pension adjustments recognized by a foreign consolidated subsidiary	(86)	(79)
Total valuation and translation adjustments	65,393	73,131
Stock Acquisition Rights	340	445
Minority Interests in Consolidated Subsidiaries	1,272	1,461
Total Equity	414,731	509,815
Total Liabilities and Equity	1,800,981	1,947,769

(2) Consolidated Statement of Operations

Years ended March 31	Millions of Yen	
	2009	2010
Net sales	2,535,902	2,163,949
Costs of sales	2,021,851	1,710,699
Gross profit on sales	514,051	453,250
Selling, general and administrative expenses	542,432	443,792
Operating (loss)/income	(28,381)	9,458
Non-operating income		
Interest income	3,327	1,936
Dividend income	225	140
Rental income	2,179	2,035
Equity in net income of affiliates	-	8,667
Foreign exchange gain	29,057	-
Other	2,785	3,143
Total	37,573	15,921
Non-operating expenses		
Interest expense	14,224	13,947
Equity in net loss of affiliates	2,665	-
Foreign exchange loss	-	807
Loss on sale of receivables	5,376	1,397
Other	5,607	4,584
Total	27,872	20,735
Ordinary (loss)/income	(18,680)	4,644
Extraordinary profits		
Gain on sale of tangible fixed assets	562	204
Gain on sale of investment securities	77	10
Gain on sale of investments in affiliates	-	440
Reversal of investment valuation allowance	-	227
Compensation for the exercise of eminent domain	251	311
Other	16	5
Total	906	1,197
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	3,269	3,216
Loss on impairment of fixed assets	28,262	2,495
Reserve for loss from business of affiliates	-	5,862
Reserve for environmental measures	-	1,464
Other	2,034	69
Total	33,565	13,106
Loss before income taxes	(51,339)	(7,265)
Income taxes		
Current	16,332	13,381
Release of provision for income taxes by a foreign subsidiary	-	(6,169)
Deferred	4,271	(8,192)
Total	20,603	(980)
Minority interests in consolidated subsidiaries	(453)	193
Net loss	(71,489)	(6,478)

(3) Consolidated Statement of Equity

Years ended	Millions of yen								
	Equity								
	Capital and retained earnings					Valuation and translation adjustments	Stock acquisition rights	Minority interests in consolidated subsidiaries	Total
Common stock	Capital surplus	Retained earnings	Treasury stock	Total					
March 31, 2008	150,068	133,838	167,332	(4,549)	446,689	105,501	209	1,755	554,154
Effect of changes in accounting policies applied to foreign subsidiaries on the beginning balance of retained earnings	-	-	(1,554)	-	(1,554)	-	-	-	(1,554)
Treasury stock	-	(78)	-	(18,427)	(18,505)	-	-	-	(18,505)
Net loss	-	-	(71,489)	-	(71,489)	-	-	-	(71,489)
Cash dividends paid	-	-	(8,453)	-	(8,453)	-	-	-	(8,453)
Land revaluation	-	-	16	-	16	(16)	-	-	-
Adjustments for prior year deferred taxes by a foreign subsidiary	-	-	1,022	-	1,022	-	-	-	1,022
Net unrealized loss on available-for-sale securities	-	-	-	-	-	(385)	-	-	(385)
Net loss on derivative instruments	-	-	-	-	-	(5,388)	-	-	(5,388)
Adjustments from translation of foreign currency financial statements	-	-	-	-	-	(35,393)	-	-	(35,393)
Pension adjustments recognized by a foreign subsidiary	-	-	-	-	-	1,074	-	-	1,074
Stock acquisition rights from granting of share-based payment	-	-	-	-	-	-	131	-	131
Minority interests in consolidated subsidiaries	-	-	-	-	-	-	-	(483)	(483)
March 31, 2009	150,068	133,760	86,874	(22,976)	347,726	65,393	340	1,272	414,731
Issuance of new common stock	36,432	36,432	-	-	72,864	-	-	-	72,864
Treasury stock	-	-	-	20,794	20,794	-	-	-	20,794
Net loss	-	-	(6,478)	-	(6,478)	-	-	-	(6,478)
Land revaluation	-	-	(128)	-	(128)	128	-	-	-
Net unrealized loss on available-for-sale securities	-	-	-	-	-	(29)	-	-	(29)
Net loss on derivative instruments	-	-	-	-	-	(268)	-	-	(268)
Adjustments from translation of foreign currency financial statements	-	-	-	-	-	7,900	-	-	7,900
Pension adjustments recognized by a foreign subsidiary	-	-	-	-	-	7	-	-	7
Stock acquisition rights from granting of share-based payment	-	-	-	-	-	-	105	-	105
Minority interests in consolidated subsidiaries	-	-	-	-	-	-	-	189	189
March 31, 2010	186,500	170,192	80,268	(2,182)	434,778	73,131	445	1,461	509,815

(4) Consolidated Statement of Cash Flows

Years ended March 31	Millions of Yen	
	2009	2010
Cash flows from operating activities:		
Loss before income taxes	(51,339)	(7,265)
Adjustments to reconcile loss before income taxes to net cash (used in)/provided by operating activities:		
Depreciation (2009) / Depreciation and amortization (2010) *	75,221	76,428
Amortization of intangible fixed assets (2009) *	8,822	-
Loss on impairment of fixed assets	28,262	2,495
Allowance for doubtful receivables	882	(457)
Investment valuation allowance	965	(225)
Reserve for warranty expenses	(13,546)	(1,060)
Employees' and executive officers' severance and retirement benefits	(10,367)	(5,815)
Reserve for loss from business of affiliates	-	5,862
Reserve for environmental measures	-	1,464
Interest and dividend income	(3,552)	(2,076)
Interest expense	14,224	13,947
Equity in net loss/(income) of unconsolidated subsidiaries and affiliates	2,665	(8,667)
Loss/(gain) on retirement and sale of tangible fixed assets	2,456	3,012
Loss/(gain) on sale of investment securities	(77)	(3)
Loss/(gain) on sale of investments in affiliates	-	(440)
Decrease/(increase) in trade notes and accounts receivable	51,972	(35,431)
Decrease/(increase) in inventories	54,309	16,230
Increase/(decrease) in trade notes and accounts payable	(158,708)	94,467
Increase/(decrease) in other current liabilities	(42,046)	(4,857)
Other	8,576	(22,077)
Subtotal	(31,281)	125,532
Interest and dividends received	7,974	4,334
Interest paid	(13,800)	(13,834)
Income taxes paid	(30,311)	(4,386)
Net cash (used in)/provided by operating activities	(67,418)	111,646
Cash flows from investing activities:		
Purchase of securities	-	(20,000)
Purchase of investment securities	(11,044)	(4,731)
Sale of investment securities	147	20
Acquisition of tangible fixed assets	(49,011)	(20,718)
Proceeds from sale of tangible fixed assets	5,424	4,229
Acquisition of intangible fixed assets	(6,463)	(4,314)
Decrease/(increase) in short-term loans receivable	(1,008)	932
Long-term loans receivable made	(213)	(141)
Collections of long-term loans receivable	234	270
Sale of investments in subsidiaries affecting scope of consolidation	-	204
Other	108	(3)
Net cash used in investing activities	(61,826)	(44,252)
Cash flows from financing activities:		
Increase/(decrease) in short-term loans payable	8,492	(47,389)
Proceeds from long-term loans payable	211,887	78,400
Repayment of long-term loans payable	(33,009)	(49,625)
Proceeds from issuance of bonds	10,000	1,000
Redemption of bonds	(20,000)	(50)
Proceeds from issuance of common stock	-	73,537
Proceeds from sale and leaseback transactions	6,929	1,483
Payment of lease obligations	(19,346)	(16,483)
Cash dividends paid	(8,453)	-
Cash dividends paid to minority shareholders	(27)	(2)
Treasury stock transactions	(18,505)	19,765
Other	(960)	315
Net cash provided by financing activities	137,008	60,951
Effects of exchange rate fluctuations on cash and cash equivalents	(16,372)	(2,766)
Net (decrease)/increase in cash and cash equivalents	(8,608)	125,579
Cash and cash equivalents at beginning of the period	223,894	220,724
Increase in cash and cash equivalents due to additional subsidiaries newly consolidated	5,438	-
Cash and cash equivalents at end of the period	220,724	346,303

* Note: See "Changes in Financial Statement Presentation" on page 19.

(5) Going Concern

There are no matters to be discussed.

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

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	52	
Overseas	26	Mazda Motor of America, Inc., Mazda Motors (Deutschland) GmbH and other
Domestic	26	16 dealers and 10 other
2) Equity Method-Applied Companies	14	
Overseas	5	AutoAlliance International, Inc., AutoAlliance (Thailand) Co., Ltd. and other
Domestic	9	3 automotive parts sales companies and 6 other

2. Changes in Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries		
(Excluded)	2	
Domestic	2	Shin-Gifu Mazda Hanbai Co., Ltd., (Shin-Gifu Mazda was merged into Tokai Mazda Hanbai Co., Ltd., another consolidated subsidiary, where Tokai Mazda is the surviving company.) Mazda Enfini Hokkaido Co., Ltd., (All the equity shares of Mazda Enfini Hokkaido were transferred to Hokkaido Mazda Hanbai Co., Ltd., an independent company.)

3. Accounting Periods of Consolidated Subsidiaries

The year-end consolidated balance sheet date is March 31. Among the consolidated subsidiaries, 9 companies, Compania Colombiana Automotriz S.A., Vehiculos Mazda de Venezuela C.A., Mazda Sales (Thailand) Co., Ltd., Mazda Motor (China) Co., Ltd., P.T. Mazda Motor Indonesia, Mazda South East Asia, Limited, Mazda Motor de Mexico, S. de R.L de C.V., Mazda Servicios de Mexico, S. de R.L de C.V., and Mazda Motor Rus, OOO have a year-end balance sheet date different from the year-end consolidated balance sheet date, all of which are December 31.

In preparing the consolidated financial statements, for 6 of the 9 companies, Compania Colombiana Automotriz S.A., Vehiculos Mazda de Venezuela C.A., Mazda Sales (Thailand) Co., Ltd., Mazda Motor (China) Co., Ltd., P.T. Mazda Motor Indonesia and Mazda South East Asia, Limited, the financial statements of each of these companies with the December 31 year-end balance sheet date are used; however, adjustments necessary in consolidation were made for material transactions that occurred between the balance sheet dates of these subsidiaries and the consolidated balance sheet date.

On the other hand, for the other 3 companies, Mazda Motor de Mexico, S. de R.L de C.V., Mazda Servicios de Mexico, S. de R.L de C.V., and Mazda Motor Rus, OOO, special purpose financial statements prepared for consolidation as of the consolidated balance sheet date are used to supplement the companies' statutory financial statements.

4. Accounting Policies

1) Valuation Standards and Methods of Significant Assets

a) Securities

Available-for-sale securities

With available fair value:

Recorded at fair value estimated based on quoted market prices on the balance sheet date, with unrealized gains and losses excluded from income and reported in a separate component of equity net of tax. The bases of cost are on a historical cost basis mainly based on a moving average method.

Without available fair value:

Recorded at cost on a historical cost basis mainly on a moving average method

b) Derivative instruments:

Mainly a fair value method

c) Inventories:

For inventories that are held for the purpose of sales in the normal course of business, inventories are recorded mainly on a historical cost basis based on an average method. (The carrying value in the consolidated balance sheet is determined by the lower of cost or net realizable value.)

2) Depreciation and Amortization Methods of Significant Fixed Assets

a) Tangible Fixed Assets (excluding leased assets)

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

b) Intangible Fixed Assets (excluding leased assets)

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

c) Leased assets

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

3) Standards for Recognition of Reserves

a) 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.

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

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

- c) 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.
- d) 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.
- e) Reserve for loss from business of affiliates
Reserve for loss from business of affiliates provides for losses from subsidiaries' and affiliates' businesses. The amount of loss estimated to be incurred by Mazda Motor Corporation is recognized.
- f) Reserve for environmental measures
Reserve for environmental measures provides for expenditure aimed at environmental measures. The amount of future expenditure estimated as of the end of the current fiscal year is recognized.

(Additional Information)

Commencing in the year ended March 31, 2010, expenses related to disposal of PCB (polychlorinated biphenyl) waste are accrued for the estimated amount of future expenditures. The effect of this recognition on the consolidated statement of operations for the year ended March 31, 2010 was to increase loss before income taxes by ¥1,464 million.

4) Foreign currency translation

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

5) Accounting for Hedging Activities

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

6) Accounting for Consumption Taxes

Tax-excluding method

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

The assets and liabilities of consolidated subsidiaries are valued at fair value at the time of acquisition and are recognized in the consolidated balance sheet in the entirety.

6. Amortization of Goodwill

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

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

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

(7) Accounting Changes and Adoption of New Accounting Standards

Adoption of Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)

Commencing in the year ended March 31, 2010, Mazda Motor Corporation and its consolidated domestic subsidiaries adopted the Accounting Standards Board of Japan (“ASBJ”) Statement No. 19, *Partial Amendments to Accounting Standards for Retirement Benefits (Part 3)*, issued by the ASBJ on July 31, 2008.

Since the amortization of actuarial differences starts from the fiscal year immediately following the year in which such differences arise, the adoption of this standard had no effects on operating income, ordinary income, and loss before income taxes in the consolidated statement of operations for the year ended March 31, 2010.

Also, the unrecognized balance of the difference in projected benefit obligation that arose as a result of adopting this standard as of March 31, 2010 amounted to ¥2,673 million.

Changes in Financial Statement Presentation

Consolidated Statement of Cash Flows

In preparing the consolidated statement of cash flows, prior to the year ended March 31, 2010, in adjusting income before income taxes to net cash flows from operating activities, amortization expense of intangible fixed assets was presented separately as "amortization of intangible fixed assets". Commencing in the year ended March 31, 2010, however, the amortization expense (that amounted to ¥7,818 million in the year ended March 31, 2010) is aggregated with depreciation expense of tangible fixed assets and presented as "depreciation and amortization".

(The consolidated statement of cash flows for the year ended March 31, 2009 presented in this material has not been reclassified; it is presented as originally disclosed in the prior year.)

(8) Footnotes to the Consolidated Financial Statements

Consolidated Balance Sheet

As of March 31	Millions of Yen	
	2009	2010
1. Accumulated depreciation on tangible fixed assets	1,082,329	1,099,281

2. In accordance with the Law to Partially Revise the Land Revaluation Law (Law No. 19, enacted on March 31, 2001), land owned by Mazda for business uses was revalued. The unrealized gains on the revaluation are included in the equity as "Land revaluation" for the amount net of deferred taxes. The deferred taxes on the unrealized gains are included in the liabilities as "Deferred tax liability related to land revaluation".

Date of revaluation: March 31, 2001

Method of revaluation:

The fair value of land is determined based on official notice prices that are assessed and published by the Commissioner of the National Tax Administration, as stipulated in Article 2-4 of the Ordinance Implementing the Law Concerning Land Revaluation (Article 119 of 1998 Cabinet Order, promulgated on March 31, 1998). Reasonable adjustments, including those for the timing of assessment, are made to the official notice prices.

The amount of difference between the aggregate fair value of the revalued land as of the end of this period and that at the time of revaluation as stipulated in Article 10 of the Land Revaluation Law is:

87,836 million yen

As of March 31	Millions of Yen	
	2009	2010
3. Assets offered as collateral and collateralized loans		
Assets offered as collateral	463,990	431,053
Collateralized loans	120,123	103,209
4. Contingent liabilities for guarantee and similar agreements	5,033	11,854
5. Notes and other receivables discounted		
Factoring of receivables with recourse	4,312	340

Consolidated Statement of Operations

Years ended March 31	Millions of Yen	
	2009	2010
Aggregate amounts of research and development expenses	95,967	85,206

Consolidated Statement of Equity

Year Ended March 31, 2009

1. Stock issued

(Thousands of shares)

Type of stock	Number of shares issued at March 31, 2008	Increases	Decreases	Number of shares issued at March 31, 2009
Common stock	1,418,509	-	-	1,418,509

2. Treasury stock

(Thousands of shares)

Type of stock	Number of treasury shares at March 31, 2008	Increases	Decreases	Number of treasury shares at March 31, 2009
Common stock	9,205	98,270	521	106,954

The number of treasury shares increased during the period due to:

Acquisition of treasury stock to meet the needs related to stock options	1,400	thousand shares
Purchase of less-than-one-unit shares from shareholders	68	
Acquisition through the off-hours trading system of the Tokyo Stock Exchange for treasury shares	96,802	

The number of treasury shares decreased during the period due to:

Re-issuance of treasury stock to meet the needs related to stock options	495	thousand shares
Re-issuance of less-than-one-unit shares on the unit basis	26	

3. Stock acquisition rights

Company name	Detail	Type of stock	Thousands of shares				Balance at Mar. 31, 2009 (Million yen)
			Number of shares at Mar. 31, 2008	Increase	Decrease	Number of shares at Mar. 31, 2009	
Mazda Motor Corporation	Stock acquisition rights granted as stock options	-	-	-	-	-	340

4. Dividends

Dividend payment

Resolution	Type of stock	Total amount of dividends (Million yen)	Dividends per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2008	Common stock	4,228	3	Mar. 31, 2008	Jun. 26, 2008
Meeting of the Board of Directors held on October 30, 2008	Common stock	4,225	3	Sep. 30, 2008	Nov. 28, 2008

Year Ended March 31, 2010

1. Stock issued

(Thousands of shares)

Type of stock	Number of shares issued at March 31, 2009	Increases	Decreases	Number of shares issued at March 31, 2010
Common stock	1,418,509	361,868	-	1,780,377

The number of common stock increased during the period due to:

New share issuance by public offering and third-party allotment 361,868 thousand shares

2. Treasury stock

(Thousands of shares)

Type of stock	Number of treasury shares at March 31, 2009	Increases	Decreases	Number of treasury shares at March 31, 2010
Common stock	106,954	21	96,810	10,165

The number of treasury shares increased during the period due to:

Purchase of less-than-one-unit shares from shareholders 21 thousand shares

The number of treasury shares decreased during the period due to:

Re-issuance of treasury stock 96,802 thousand shares
Re-issuance of less-than-one-unit shares on the unit basis 8

3. Stock acquisition rights

Company name	Detail	Type of stock	Thousands of shares				Balance at Mar. 31, 2010 (Million yen)
			Number of shares at Mar. 31, 2009	Increase	Decrease	Number of shares at Mar. 31, 2009	
Mazda Motor Corporation	Stock acquisition rights granted as stock options	-	-	-	-	-	445

4. Dividends

Dividend whose reference date is attributable to the current period but to be effective after the current period.

Resolution	Type of stock	Resource of dividends	Total amount of dividends (Million yen)	Dividends per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders to be held on June 24, 2010	Common stock	Retained earnings	5,311	3	Mar. 31, 2010	Jun. 25, 2010

Consolidated Statement of Cash Flows

Reconciliation of cash and time deposits in the consolidated balance sheet to cash and cash equivalents in the consolidated statement of cash flows

Years ended March 31	Millions of Yen	
	2009	2010
Cash and time deposits	181,428	271,074
Time deposits with original maturities that exceed three months	(22)	(23)
Securities that are short-term investments with a period of three months or less	39,318	74,683
Repos with a period of 3 months or less (included in other current assets in the consolidated balance sheet)	-	569
Cash and cash equivalents	220,724	346,303

Segment Information

1. Information by Industry Segment

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

2. Information by Geographic Areas

Year ended March 31, 2009	Millions of Yen						Consolidated
	Japan	North America	Europe	Other areas	Total	Elimination or corporate	
Net sales:							
Outside Customers	988,829	677,348	640,904	228,821	2,535,902	-	2,535,902
Inter-area	1,056,562	7,426	11,552	2,242	1,077,782	(1,077,782)	-
Total	2,045,391	684,774	652,456	231,063	3,613,684	(1,077,782)	2,535,902
Costs and expenses	2,140,405	659,286	643,856	221,357	3,664,904	(1,100,621)	2,564,283
Operating income/(loss)	(95,014)	25,488	8,600	9,706	(51,220)	22,839	(28,381)
Total identifiable assets	1,607,364	186,263	197,624	57,641	2,048,892	(247,911)	1,800,981

Year ended March 31, 2010	Millions of Yen						Consolidated
	Japan	North America	Europe	Other areas	Total	Elimination or corporate	
Net sales:							
Outside Customers	894,469	566,040	479,891	223,549	2,163,949	-	2,163,949
Inter-area	972,776	6,010	8,794	1,687	989,267	(989,267)	-
Total	1,867,245	572,050	488,685	225,236	3,153,216	(989,267)	2,163,949
Costs and expenses	1,836,457	591,353	485,180	219,859	3,132,849	(978,358)	2,154,491
Operating income/(loss)	30,788	(19,303)	3,505	5,377	20,367	(10,909)	9,458
Total identifiable assets	1,825,170	171,053	221,094	61,724	2,279,041	(331,272)	1,947,769

Note:

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

- 1) Method: Segmentation by geographic adjacency
- 2) Principal countries or regions belonging to each segment

North America:	U.S.A. and Canada
Europe:	Germany, Belgium, and U.K.
Other areas:	Australia, Colombia, and Thailand

3. Overseas Sales

Year ended March 31, 2009	Millions of Yen			
	North America	Europe	Other areas	Total
Overseas sales	697,600	653,382	564,584	1,915,566
Consolidated sales	-	-	-	2,535,902
Percentage of overseas sales to consolidated sales	% 27.5	% 25.8	% 22.2	% 75.5

Year ended March 31, 2010	Millions of Yen			
	North America	Europe	Other areas	Total
Overseas sales	574,640	477,337	536,990	1,588,967
Consolidated sales	-	-	-	2,163,949
Percentage of overseas sales to consolidated sales	% 26.5	% 22.1	% 24.8	% 73.4

Notes:

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

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

Information on Amounts Per Share of Common Stock

Years ended March 31	Yen	
	2009	2010
Equity per share of common stock	314.98	286.92
Net loss per share of common stock:		
Basic	(52.13)	(4.26)
Diluted	-	-

For the years ended March 31, 2009 and 2010, although potentially dilutive securities exist, since net loss was recorded, diluted information is not presented.

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

Years ended March 31	Millions of Yen / Thousands of Shares	
	2009	2010
Net loss as reported in the consolidated statement of operations	(71,489)	(6,478)
Net loss on common stock	(71,489)	(6,478)
Average number of shares of common stock outstanding during the period	1,371,456	1,519,652

Footnotes That Are Omitted

The following footnotes are omitted from the timely disclosure of the consolidated financial results since Mazda Motor Corporation judges the needs to include these footnotes in the timely disclosure to be less significant: lease transactions, related party information, income taxes, financial instruments, securities, derivative transactions, retirement benefits, stock options, and other.

(1) Unconsolidated Balance Sheet

As of: March 31	Million of Yen	
	2009	2010
ASSETS		
Current Assets:		
Cash and time deposits	74,991	184,149
Accounts receivable	94,506	228,776
Securities	37,000	93,000
Finished products	25,382	28,500
Work in process	22,967	51,730
Raw materials and Supplies	8,533	4,735
Prepaid expenses	4,467	2,907
Deferred taxes	40,656	35,804
Accounts receivable - Other	57,953	50,793
Short-term loans receivable	33,594	27,814
Other	14,766	11,822
Allowance for doubtful receivables	(1,603)	(1,111)
Total current assets	413,211	718,920
Fixed Assets:		
Tangible fixed assets:		
Buildings	84,406	81,222
Structures	17,713	16,775
Machinery and equipment	183,177	159,392
Transportation equipment	2,196	1,584
Tools, furniture and fixtures	16,321	13,384
Land	314,560	313,588
Leased property	25,181	16,349
Construction in progress	19,343	18,854
Total tangible fixed assets	662,897	621,148
Intangible fixed assets:		
Software	18,231	15,806
Leased property	24	37
Total intangible fixed assets	18,256	15,843
Investments and other fixed assets:		
Investment securities	3,524	3,468
Investment securities for affiliates	209,667	219,837
Investments	6	6
Investment for affiliates	19,119	19,821
Long-term loans receivable	1,467	1,467
Long-term loans receivable for employees	0	-
Long-term loans receivable for affiliates	119,988	77,363
Claims in bankruptcy, rehabilitation and others	990	1,001
Long-term prepaid expenses	5,543	10,530
Deferred taxes	68,201	84,356
Other	4,459	4,094
Allowance for doubtful receivables	(3,651)	(3,192)
Investment valuation allowance	(511)	(511)
Total investments and other fixed assets	428,802	418,240
Total fixed assets	1,109,954	1,055,231
Total Assets	1,523,166	1,774,151

As of: March 31	Million of Yen	
	2009	2010
LIABILITIES		
Current Liabilities:		
Trade notes payable	279	448
Accounts payable - Trade	126,053	221,556
Short-term loans payable	230	-
Long-term loans payable due within one year	42,067	69,054
Lease obligations	10,520	7,178
Other accounts payable	10,782	3,784
Accrued expenses	69,873	70,193
Income tax payable	18	658
Unearned revenue	338	211
Deferred revenue	1	0
Deposit received	46,730	116,918
Reserve for warranty expenses	37,885	36,722
Other	4,253	5,742
Total current liabilities	349,030	532,465
Fixed Liabilities:		
Bonds	95,000	95,000
Long-term loans payable	426,054	425,898
Lease obligations	15,738	10,072
Deferred tax liability related to land revaluation	93,729	93,680
Employees' and executive officers' severance and retirement benefits	69,838	64,852
Allowance for loss on business of subsidiaries and affiliates	16,659	16,739
Reserve for environmental measures	-	1,427
Guaranty money received	3,429	3,678
Other	1,509	1,112
Total fixed liabilities	721,956	712,457
Total Liabilities	1,070,986	1,244,922
Equity		
Capital and Retained Earnings:		
Common stock	150,068	186,500
Capital surplus		
Capital reserve	59,958	96,390
Other capital surplus	73,802	73,802
Total capital surplus	133,760	170,192
Retained earnings		
Other earned surplus		
Appropriated for deduction of fixed assets	9,218	8,602
Appropriated for special depreciation	15	6
Unappropriated retained earnings	46,829	30,845
Total retained earnings	56,062	39,453
Treasury Stock	(22,971)	(2,177)
Total capital and retained earnings	316,918	393,967
Valuation and Translation Adjustments:		
Net unrealized gain on available-for-sale securities	121	91
Net (loss)/gain on derivative instruments	(1,231)	(1,434)
Land revaluation	136,032	136,160
Total valuation and translation adjustments	134,922	134,817
Stock Acquisition Rights	340	445
Total Equity	452,180	529,229
Total Liabilities and Equity	1,523,166	1,774,151

(2) Unconsolidated Statement of Operations

Years ended March 31	Million of Yen	
	2009	2010
Net sales	1,820,781	1,651,525
Cost of sales	1,657,871	1,406,214
Gross profit on sales	162,909	245,310
Selling, general and administrative expenses	260,859	237,941
Operating income/(loss)	(97,949)	7,369
Non-operating income		
Interest received	1,306	2,577
Interest received of securities	647	170
Dividends received	7,831	11,175
Rent	4,676	4,528
Foreign Exchange gain	36,626	-
Other	623	947
Total	51,709	19,397
Non-operating expenses		
Interest expense	6,996	10,351
Interest paid on bonds	1,762	1,530
Foreign Exchange loss	-	5,693
Other	2,460	2,297
Total	11,217	19,871
Ordinary income/(loss)	(57,457)	6,895
Extraordinary profits		
Profit on sale of tangible fixed assets	9	40
Profit on sale of investment securities	-	7
Profit on sale of stock for subsidiaries and affiliates	-	255
Compensation received for the exercise of eminent domain	118	-
Gain on reversal of subscription rights to shares	1	4
Reversal of allowance for doubtful receivables	-	658
Total	129	965
Extraordinary losses		
Loss on sale of tangible fixed assets	33	52
Loss on retirement of tangible fixed assets	2,223	1,705
Loss on impairment of fixed assets	1,542	949
Loss on sales of stock of subsidiaries and affiliates	-	222
Valuation loss on investment securities	0	4
Valuation loss on investment securities for affiliates	19,274	17,541
Valuation loss on investments	3	-
Loss on restructuring of subsidiaries and affiliates	1	-
Loss on business of subsidiaries and affiliates	16,659	11,827
Environmental measures	-	1,427
Total	39,736	33,728
Income/(loss) before income taxes	(97,064)	(25,868)
Income taxes		
Current	1,762	1,806
Deferred	(27,033)	(11,194)
Total	(25,271)	(9,388)
Net income/(loss)	(71,793)	(16,480)

(3) Unconsolidated Statement of Equity

Millions of Yen						
Capital and Retained Earnings						
Years ended	Capital surplus		Retained earnings		Treasury stock	Total Capital and Retained earnings
	Common stock	Capital reserve	Other capital surplus	Other earned surplus*		
March 31, 2008	150,068	59,958	73,880	136,292	(4,544)	415,654
Changes during the period:						
Exercise of stock acquisition rights						-
Cash dividends paid				(8,453)		(8,453)
Reversal for land revaluation				16		16
Net loss				(71,793)		(71,793)
Acquisition of treasury stock					(18,683)	(18,683)
Re-issuance of treasury stock			(78)		256	177
Net changes during the period			(78)	(80,230)	(18,427)	(98,736)
March 31, 2009	150,068	59,958	73,802	56,062	(22,971)	316,918

Millions of Yen						
Valuation and Translation Adjustments						
Years ended	Net unrealized gain/(loss) on available-for-securities	Net gain/(loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments	Stock acquisition rights	Total Equity
	March 31, 2008	415	4,164	136,048	140,628	209
Changes during the period:						
Exercise of stock acquisition rights				-		-
Cash dividends paid				-		(8,453)
Reversal for land revaluation				-		16
Net loss				-		(71,793)
Acquisition of treasury stock				-		(18,683)
Re-issuance of treasury stock				-		177
Net changes in accounts other than capital and retained earnings	(295)	(5,395)	(16)	(5,706)	131	(5,575)
Net changes during the period	(295)	(5,395)	(16)	(5,706)	131	(104,311)
March 31, 2009	121	(1,231)	136,032	134,922	340	452,180

* breakdown of other earned surplus

Millions of Yen				
Years ended	Reserve for deduction of fixed assets	Reserve for special depreciation	Unappropriated retained earnings	Other earned surplus
March 31, 2008	9,980	218	126,094	136,292
Changes during the period:				
Cash dividends paid			(8,453)	(8,453)
Transfer from reserve (deduction of fixed assets)	(763)		763	-
Transfer from reserve (special depreciation)		(203)	203	-
Reversal for land revaluation			16	16
Net loss			(71,793)	(71,793)
Net changes during the period	(763)	(203)	(79,265)	(80,230)
March 31, 2009	9,218	15	46,829	56,062

Millions of Yen						
Capital and Retained Earnings						
Years ended	Capital surplus		Retained earnings		Treasury stock	Total Capital and Retained earnings
	Common stock	Capital reserve	Other capital surplus	Other earned surplus*		
March 31, 2009	150,068	59,958	73,802	56,062	(22,971)	316,918
Changes during the period:						
Exercise of stock acquisition rights	36,432	36,432				72,863
Cash dividends paid						-
Reversal for land revaluation				(128)		(128)
Net income				(16,480)		(16,480)
Acquisition of treasury stock					(5)	(5)
Re-issuance of treasury stock			0		20,799	20,799
Net changes during the period	36,432	36,432	0	(16,609)	20,794	77,049
March 31, 2010	186,500	96,390	73,802	39,453	(2,177)	393,967

Millions of Yen						
Valuation and Translation Adjustments						
Years ended	Net unrealized gain/(loss) on available-for-securities	Net gain/(loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments	Stock acquisition rights	Total Equity
	March 31, 2009	121		(1,231)		
Changes during the period:						
Exercise of stock acquisition rights				-		72,863
Cash dividends paid				-		-
Reversal for land revaluation				-		(128)
Net income				-		(16,480)
Acquisition of treasury stock				-		(5)
Re-issuance of treasury stock				-		20,799
Net changes in accounts other than capital and retained earnings	(30)	(203)	128	(105)	105	0
Net changes during the period	(30)	(203)	128	(105)	105	77,049
March 31, 2010	91	(1,434)	136,160	134,817	445	529,229

* breakdown of other earned surplus

Millions of Yen				
Years ended	Reserve for deduction of fixed assets	Reserve for special depreciation	Unappropriated retained earnings	Other earned surplus
March 31, 2009	9,218	15	46,829	56,062
Changes during the period:				
Cash dividends paid				-
Transfer from reserve (deduction of fixed assets)	(616)		616	-
Transfer from reserve (special depreciation)		(9)	9	-
Reversal for land revaluation			(128)	(128)
Net income			(16,480)	(16,480)
Net changes during the period	(616)	(9)	(15,984)	(16,609)
March 31, 2010	8,602	6	30,845	39,453

(4) Going Concern

There are no matters to be discussed.

6. Other

Production and Sales Information

1) Production Volume

Type	Years ended March 31		Increase/ (Decrease)
	2009	2010	
Passenger cars	864,704 units	805,117 units	(59,587) units
Trucks	34,744	22,793	(11,951)
Vehicles Total	899,448	827,910	(71,538)

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

Years ended March 31	2009	2010	Increase/ (Decrease)
AutoAlliance International, Inc.	74,959 units	32,065 units	(42,894) units
AutoAlliance (Thailand) Co., Ltd.	48,238	29,408	(18,830)

2) Sales Volume and Revenue

Type	Years ended March 31				Increase/ (Decrease)	
	2009		2010		(Decrease)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue
Vehicles	1,116,320 units	1,882,150 million yen	963,328 units	1,573,591 million yen	(152,992) units	(308,559) million yen
Knockdown Parts (Overseas)	-	89,097	-	124,510	-	35,413
Parts	-	272,801	-	226,374	-	(46,427)
Other	-	291,854	-	239,474	-	(52,380)
Total	-	2,535,902	-	2,163,949	-	(371,953)

Wholesales Volume by Market

Type	Years ended March 31		Increase/ (Decrease)
	2009	2010	
Japan	220,386 units	218,865 units	(1,521) units
North America	348,233	303,807	(44,426)
Europe	293,102	227,276	(65,826)
Other	254,599	213,380	(41,219)
Overseas Total	895,934	744,463	(151,471)
Total	1,116,320	963,328	(152,992)

Personnel Changes in Directors, Corporate Auditors, and/or Executive Officers

We will disclose information on personnel changes when the information is determined.

Financial Summary (Consolidated)

For the Year Ended March 31, 2010

April 27, 2010

Mazda Motor Corporation

(In 100 millions of yen)

(In thousands of units)

(Upper left: return on sales)

		Fiscal Year Ended Mar. 2009		Fiscal Year				Fiscal Year		Fiscal Year		
				1st. Qtr.	2nd. Qtr.	3rd. Qtr.	4th. Qtr.	Ended Mar. 2010	Forecast	Ending Mar. 2011	Forecast	
	Domestic	1	6,203	(29.5)%	1,204	1,597	1,271	1,678	5,750	(7.3)%	5,500	(4.3)%
	Overseas	2	19,156	(26.2)	3,078	4,024	4,305	4,482	15,889	(17.0)	17,200	8.2
	Net sales	3	25,359	(27.0)	4,282	5,621	5,576	6,160	21,639	(14.7)	22,700	4.9
	Operating income/(loss)	4	(1.1%) (284)	-	(6.5%) (280)	1.1% 59	2.0% 111	3.3% 205	0.4% 95	-	1.3% 300	217.2
	Ordinary income/(loss)	5	(0.7%) (187)	-	(7.6%) (327)	0.5% 31	1.9% 107	3.8% 235	0.2% 46	-	1.3% 290	524.5
	Income/(loss) before income taxes	6	(2.0%) (513)	-	(7.8%) (335)	0.3% 19	1.8% 102	2.3% 141	(0.3%) (73)	-	0.9% 210	-
	Net income/(loss)	7	(2.8%) (715)	-	(5.0%) (215)	0.1% 7	0.8% 44	1.6% 99	(0.3%) (65)	-	0.2% 50	-
	Operating income/(loss) by geographic area											
	Japan	8	(950)		(271)	200	105	274	308			
	North America	9	255		(14)	(43)	(24)	(112)	(193)			
	Europe	10	86		22	1	30	(18)	35			
	Other	11	97		26	7	(6)	27	54			
	Operating profit change											
	Volume & mix	12			(688)	(539)	154	467	(606)		290	
	Exchange rate	13			(293)	(267)	(220)	15	(765)		(40)	
	Cost reduction	14			108	183	184	205	680		-	
	Marketing expense	15			112	81	29	5	227		(60)	
	Other	16			198	277	206	162	843		15	
	Total	17			(563)	(265)	353	854	379		205	
	Average rate for the period											
	Yen / US\$	18	101		97	94	90	91	93		90	
	Yen / EUR		144		133	134	133	126	131		125	
	Transaction rate											
	Yen / US\$	19	104		98	96	93	90	94		90	
	Yen / EUR		159		134	133	134	132	133		126	
	Capital investment	20	818		50	109	52	87	298		600	
	Depreciation & amortization	21	752		192	192	190	190	764		730	
	R & D cost	22	960		188	209	204	251	852		1,000	
	Total assets	23	18,010		17,934	18,116	18,566		19,478			
	Equity	24	4,147		4,010	4,063	4,988		5,098			
	Financial debt	25	7,534		7,367	7,310	7,105		7,221			
	Net financial debt	26	5,326		5,469	5,216	4,184		3,758			
	Free cash flow (Operating & Investing)	27	(1,292)		(98)	200	152	420	674			
	Domestic	28	219	(14.5)	41	64	45	71	221	1.0	210	(4.9)
	North America	29	347	(14.4)	74	84	70	79	307	(11.7)	358	16.8
	Europe	30	322	(1.5)	59	64	53	63	239	(25.7)	226	(5.5)
	China	31	135	33.2	41	44	57	54	196	45.8	230	17.2
	Other	32	238	(12.8)	48	58	62	62	230	(3.5)	246	6.7
	Overseas	33	1,042	(5.9)	222	250	242	258	972	(6.7)	1,060	9.0
	Global retail volume	34	1,261	(7.5)	263	314	287	329	1,193	(5.4)	1,270	6.4
	Domestic production volume	35	899	(14.1)	166	219	218	225	828	(8.0)	878	6.1
	Number of employees (excluding dispatchees)	36	39,852						38,987			

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

Financial Summary (Unconsolidated)

For the Year Ended March 31, 2010

April 27, 2010
Mazda Motor Corporation

		(in 100 millions of yen) (in thousands of units) (Upper left: ratio on sales)		Fiscal Year		Fiscal Year	
				Ended March 2009		Ended March 2010	
	Domestic	1	3,788	(43.2)	3,673	(3.0)	
	Export	2	14,420	(19.7)	12,842	(10.9)	
Net Sales	Total	3	18,208	(26.1)	16,515	(9.3)	
	Operating income/(loss)	4	(979)	-	74	-	0.4%
	Ordinary income/(loss)	5	(575)	-	69	-	0.4%
	Income/(loss) before taxes	6	(971)	-	(259)	-	(1.6%)
	Net income/(loss)	7	(718)	-	(165)	-	(1.0%)
	Average rate for the period	8	101Yen/US\$ 144Yen/EUR		93Yen/US\$ 131Yen/EUR		
	Capital investment	9	390		200		
	Depreciation	10	558		593		
	R & D cost	11	793		792		
	Total assets	12	15,232		17,742		
	Equity	13	4,522		5,292		
	Financial debts	14	6,326		7,224		
	Net financial debts	15	5,206		4,653		
	Domestic	16	233	(14.9)	229	(1.6)	
	North America	17	303	(13.7)	287	(5.3)	
	Europe	18	292	(10.1)	220	(24.8)	
	Others	19	239	(8.4)	206	(13.8)	
	Wholesales (units)	20	1,067	(11.8)	942	(11.7)	
	Domestic production units	21	899	(14.1)	828	(8.0)	
	Number of employees (Excluding dispatchees)	22	21,195		21,101		