

FY2005 Consolidated Financial Results

For the Nine Months Ended December 31, 2005



English Translation from the Original Japanese-Language Document

February 10, 2006

Company Name : **Mazda Motor Corporation** (Headquartered in Hiroshima, Japan/Tokyo Stock Exchange/Code No. 7261)
 URL : <http://www.mazda.co.jp/>
 Representative : Hisakazu Imaki, Representative Director, President and CEO
 Contact Person : Tetsuya Fujimoto, General Manager, Accounting Department, Phone (082) 282-1111

1. Accounting Principles and Practices Used in the Preparation of the Interim Financial Results

(1) Adoption of Simplified Accounting Practices : None
 (2) Accounting Changes from Previous Fiscal Year : None
 (3) Changes in Consolidation Scope : Yes
 Consolidation: (Addition) 4 companies / (Exclusion) None Equity method: (Addition) 1 company / (Exclusion) 1 company

2. Consolidated Financial Highlights (April 1, 2005 through December 31, 2005)

(1) Consolidated Financial Results

(In Japanese yen rounded to millions)

	Net Sales		Operating Income/(Loss)		Ordinary Income/(Loss)	
	million yen	%	million yen	%	million yen	%
FY2005 Nine Months	2,093,376	4.3	83,671	30.5	67,958	23.8
FY2004 Nine Months	2,006,151	8.2	64,136	-	54,893	-
FY2004 Full Year	2,695,564		82,947		73,056	

	Net Income/(Loss)		Net Income/(Loss) per Share	Net Income/(Loss) per Share Diluted
	million yen	%	yen	yen
FY2005 Nine Months	41,283	58.3	32.51	29.25
FY2004 Nine Months	26,083	-	21.44	18.46
FY2004 Full Year	45,772		37.63	32.41

Notes:

- Average number of shares outstanding (consolidated): FY2005 nine months 1,269,877,259 shares / FY2004 nine months 1,216,556,740 shares
- The changes in sales, operating income, ordinary income, and net income from the previous period are shown in percentage.
 However, since the disclosure of operating income, ordinary income, and net income for the nine-month period started in FY2004, the changes in percentage from the prior nine-month period are not shown for FY2004 nine-month period.

[Nine-Month Consolidated Financial Results]

Wholesales for the nine months ended December 31, 2005 increased 24,000 units or 3.0% to 834,000 units compared with the same period a year ago. This higher wholesales reflected strong performance of the Mazda3 (Axela) and the new Mazda5 (Premacy) in the markets all over the world.

Net sales for the nine months ended December 31, 2005 totaled 2,093.4 billion yen, up 87.2 billion yen or 4.3%, compared to the same period of the prior year. Operating income increased by 19.6 billion yen or 30.5% to 83.7 billion yen due to higher revenues, further cost reductions and more favorable exchange rates. Ordinary income was up 13.1 billion yen or 23.8% to 68.0 billion yen, and net income was 41.3 billion yen, an increase of 15.2 billion yen or 58.3%.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Equity per Share
	million yen	million yen	%	yen
FY2005 3rd. Qtr.	1,716,042	354,542	20.7	262.14
FY2004 3rd. Qtr.	1,749,107	248,914	14.2	204.91
FY2004 Full Year	1,767,846	267,815	15.1	220.22

Notes:

Number of shares outstanding at period end (consolidated): FY2005 3rd. Qtr. 1,352,484,824 shares and FY2004 3rd. Qtr. 1,214,755,231 shares

(Reference)

FY2005 Full Year Consolidated Financial Forecast (April 1, 2005 through March 31, 2006)

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
Full Year	2,890,000	100,000	60,000

Reference: Net income per share for the full year 44.36 yen

FY2005 Full Year Unconsolidated Financial Forecast (April 1, 2005 through March 31, 2006)

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
Full Year	2,050,000	42,000	31,000

Reference: Net income per share for the full year 22.92 yen

[Full-Year Financial Forecast]

As of February 10, 2006, Mazda Motor Corporation has revised its financial forecast for the year ending March 31, 2006 both on the consolidated basis and the unconsolidated basis by taking the financial results for the nine months ended December 31, 2005 into consideration. The previous forecast was released on November 2, 2005 at the time of the announcement of financial results for the six months ended September 30, 2005.

For further information, please refer to the "Revision of Financial Projection for FY2005 Full Year" that has been released on February 10, 2006.

Cautionary Statement with Respect to Forward-Looking Statements

The financial projection is the judgment of our management based on the information presently available. By nature, such financial projection is subject to uncertainty and a risk. Therefore, we advise against making an investment decision by solely relying on this projection. 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.

Consolidated Financial Statements

(1) Consolidated Statement of Income

Nine months ended December 31, 2005

With comparative figures for the nine months ended December 31, 2004 and for the fiscal year ended March 31, 2005

		Millions of yen			
		FY2005 9 Months Dec. 31, 2005	FY2004 9 Months Dec. 31, 2004	Increase/ (Decrease)	FY2004 Full Year Mar. 31, 2005
	For the periods ended				
Net sales	1	2,093,376	2,006,151	87,225	2,695,564
Costs of sales	2	1,517,878	1,476,955	40,923	1,972,574
Gross profit on sales	3	575,498	529,196	46,302	722,990
Selling, general and administrative expenses	4	491,827	465,060	26,767	640,043
Operating income	5	83,671	64,136	19,535	82,947
Non-operating income					
Interest and dividend income	6	1,809	1,538	271	2,416
Equity in net income of unconsolidated subsidiaries and affiliates	7	8,037	7,632	405	9,963
Other	8	4,512	3,880	632	6,664
Total	9	14,358	13,050	1,308	19,043
Non-operating expenses					
Interest expense	10	8,729	10,812	(2,083)	13,786
Foreign exchange loss	11	15,218	6,550	8,668	7,443
Other	12	6,124	4,931	1,193	7,705
Total	13	30,071	22,293	7,778	28,934
Ordinary income	14	67,958	54,893	13,065	73,056
Extraordinary profits					
Profit on sale of fixed assets	15	260	230	30	214
Gain on sale of investment securities	16	1,400	1	1,399	-
Compensation received for the exercise of eminent domain	17	-	1,415	(1,415)	1,924
Insurance claim income	18	896	-	896	27,942
Gain on the transfer to the government of the substitutional portion of employee pension fund liabilities	19	57,072	-	57,072	-
Other	20	232	-	232	34
Total	21	59,860	1,646	58,214	30,114
Extraordinary losses					
Loss on retirement and sale of fixed assets	22	3,523	3,545	(22)	10,852
Loss on impairment of fixed assets	23	35,104	-	35,104	-
Loss on sale of investment securities	24	2	414	(412)	425
Loss on liquidation of a Tokumei Kumiai	25	-	2,242	(2,242)	2,226
Loss on disasters	26	-	-	-	14,831
Other	27	2,271	61	2,210	989
Total	28	40,900	6,262	34,638	29,323
Income before income taxes	29	86,918	50,277	36,641	73,847
Income taxes					
Current	30	16,888	7,040	9,848	12,343
Deferred	31	27,518	16,043	11,475	14,315
Minority interests of consolidated subsidiaries	32	1,229	1,111	118	1,417
Net income	33	41,283	26,083	15,200	45,772

(2) Consolidated Balance Sheet

December 31, 2005

With comparative figures for March 31, 2005 and December 31, 2004

		Millions of yen				
		FY2005	FY2004	Increase/ Decrease	FY2004	
		3rd. Quarter			3rd. Quarter	
As of		Dec. 31, 2005	Mar. 31, 2005	(Decrease)	Dec. 31, 2004	
ASSETS						
Current Assets:						
	Cash and time deposits	1	188,136	218,959	(30,823)	218,117
	Trade notes and accounts receivable	2	140,277	142,011	(1,734)	116,654
	Inventories	3	255,864	253,869	1,995	276,397
	Deferred taxes	4	73,003	80,133	(7,130)	69,589
	Other	5	63,790	80,655	(16,865)	70,528
	Allowance for doubtful receivables	6	(7,558)	(8,031)	473	(6,656)
	Total current assets	7	<u>713,512</u>	<u>767,596</u>	<u>(54,084)</u>	<u>744,629</u>
Fixed Assets:						
Tangible fixed assets:						
	Buildings and structures	8	145,715	147,026	(1,311)	146,681
	Machinery and vehicles	9	173,416	155,914	17,502	155,844
	Land	10	445,501	449,356	(3,855)	454,582
	Construction in progress	11	34,239	40,158	(5,919)	31,716
	Other	12	27,649	31,793	(4,144)	29,122
	Total tangible fixed assets	13	<u>826,520</u>	<u>824,247</u>	<u>2,273</u>	<u>817,945</u>
	Intangible fixed assets:	14	23,846	23,367	479	22,817
Investments and other fixed assets:						
	Investment securities	15	75,111	58,423	16,688	62,008
	Long-term loans receivable	16	8,087	8,017	70	9,926
	Deferred taxes	17	57,270	73,747	(16,477)	81,691
	Other	18	23,022	24,283	(1,261)	22,677
	Allowance for doubtful receivables	19	(10,433)	(10,820)	387	(11,775)
	Investment valuation allowance	20	(894)	(1,014)	120	(811)
	Total investments and other fixed assets	21	<u>152,163</u>	<u>152,636</u>	<u>(473)</u>	<u>163,716</u>
	Total fixed assets	22	<u>1,002,529</u>	<u>1,000,250</u>	<u>2,279</u>	<u>1,004,478</u>
	Deferred assets	23	1	-	1	-
	Total Assets	24	<u>1,716,042</u>	<u>1,767,846</u>	<u>(51,804)</u>	<u>1,749,107</u>

		Millions of yen			
		FY2005	FY2004	Increase/	FY2004
		3rd. Quarter		(Decrease)	3rd. Quarter
As of		Dec. 31, 2005	Mar. 31, 2005		Dec. 31, 2004
LIABILITIES					
Current Liabilities:					
Trade notes and accounts payable	1	270,375	290,476	(20,101)	276,475
Short-term loans payable	2	116,289	100,555	15,734	118,046
Long-term loans payable due within one year	3	73,181	82,847	(9,666)	85,536
Bonds due within one year	4	300	30,400	(30,100)	70,400
Other accounts payable	5	98,499	110,155	(11,656)	72,284
Accrued expenses	6	162,782	185,568	(22,786)	161,642
Reserve for warranty expenses	7	27,603	24,150	3,453	23,768
Other	8	51,051	53,077	(2,026)	48,847
Total current liabilities	9	800,080	877,228	(77,148)	856,998
Fixed Liabilities:					
Bonds	10	65,200	40,400	24,800	40,500
Bonds with stock acquisition rights	11	17,942	59,567	(41,625)	59,996
Long-term loans payable	12	228,159	214,376	13,783	233,507
Deferred tax liability related to land revaluation	13	93,840	91,132	2,708	90,896
Employees' and executive officers' severance and retirement benefits	14	132,900	195,892	(62,992)	196,993
Directors' and corporate auditors' retirement benefits	15	1,554	1,500	54	1,423
Other	16	12,674	11,910	764	12,295
Total fixed liabilities	17	552,269	614,777	(62,508)	635,610
Total Liabilities	18	1,352,349	1,492,005	(139,656)	1,492,608
Minority Interests in Consolidated Subsidiaries	19	9,151	8,026	1,125	7,585
SHAREHOLDERS' EQUITY					
Common stock	20	141,107	120,295	20,812	120,080
Capital surplus	21	125,141	104,435	20,706	104,221
Retained earnings/(deficit)	22	(1,611)	(34,581)	32,970	(54,283)
Land revaluation	23	135,560	130,895	4,665	131,151
Net unrealized gain/(loss) on available-for-sale securities	24	1,077	422	655	371
Foreign currency translation adjustments	25	(44,363)	(51,454)	7,091	(50,439)
Treasury stock	26	(2,369)	(2,197)	(172)	(2,187)
Total shareholders' equity	27	354,542	267,815	86,727	248,914
Total Liabilities, Minority Interests and Shareholders' Equity	28	1,716,042	1,767,846	(51,804)	1,749,107

Segment Information

1) Information by Industry Segment

The company and its consolidated subsidiaries are primarily engaged in the manufacture and sale of passenger and commercial vehicles. Net sales and operating income (loss) related to this industry have exceeded 90% of the respective consolidated amounts. Accordingly, information by industry segment is not shown.

2) Information by Geographic Area

		Millions of yen					
FY2005 Nine Months Ended December 31, 2005		Japan	North America	Europe	Other areas	Total	Elimination or corporate Consolidated
Net sales:							
Outside Customers		871,448	595,955	455,682	170,291	2,093,376	-
Inter-areas		761,001	5,136	13,383	590	780,110	(780,110)
Total		1,632,449	601,091	469,065	170,881	2,873,486	(780,110)
Operating expenses		1,567,359	587,670	463,524	163,927	2,782,480	(772,775)
Operating income (loss)		65,090	13,421	5,541	6,954	91,006	(7,335)

		Millions of yen					
FY2004 Nine Months Ended December 31, 2004		Japan	North America	Europe	Other areas	Total	Elimination or corporate Consolidated
Net sales:							
Outside Customers		837,079	568,975	472,656	127,441	2,006,151	-
Inter-areas		747,741	9,070	11,049	94	767,954	(767,954)
Total		1,584,820	578,045	483,705	127,535	2,774,105	(767,954)
Operating expenses		1,529,443	572,397	475,676	123,622	2,701,138	(759,123)
Operating income (loss)		55,377	5,648	8,029	3,913	72,967	(8,831)

		Millions of yen					
FY2004 Full Year Ended March 31, 2005		Japan	North America	Europe	Other areas	Total	Elimination or corporate Consolidated
Net sales:							
Outside Customers		1,136,102	751,506	625,277	182,679	2,695,564	-
Inter-areas		948,084	12,829	13,749	92	974,754	(974,754)
Total		2,084,186	764,335	639,026	182,771	3,670,318	(974,754)
Operating expenses		2,025,413	755,547	630,413	177,090	3,588,463	(975,846)
Operating income (loss)		58,773	8,788	8,613	5,681	81,855	1,092

Notes:

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 England
 - Other areas: Australia and Colombia

3) Overseas Sales

FY2005 Nine Months Ended December 31, 2005	Millions of yen			
	North America	Europe	Other areas	Total
Overseas sales	608,992	465,583	388,648	1,463,223
Consolidated sales	-	-	-	2,093,376
Percentage of overseas sales to consolidated sales	% 29.1	% 22.2	% 18.6	% 69.9

FY2004 Nine Months Ended December 31, 2004	Millions of yen			
	North America	Europe	Other areas	Total
Overseas sales	575,763	474,439	343,922	1,394,124
Consolidated sales	-	-	-	2,006,151
Percentage of overseas sales to consolidated sales	% 28.7	% 23.7	% 17.1	% 69.5

FY2004 Full Year Ended March 31, 2005	Millions of yen			
	North America	Europe	Other areas	Total
Overseas sales	761,684	634,233	454,027	1,849,944
Consolidated sales	-	-	-	2,695,564
Percentage of overseas sales to consolidated sales	% 28.3	% 23.5	% 16.8	% 68.6

Notes:

1. Overseas sales include exports by the Company and its domestic consolidated subsidiaries 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 and England
Other areas:	Australia, Thailand and China

Production and Sales Information

1) Production Volume

	FY2005 Nine Months Ended December 31, 2005	FY2004 Nine Months Ended December 31, 2004	Increase/ (Decrease)	FY2004 Full Year Ended March 31, 2005
	units	units	units	units
Passenger cars	613,633	567,348	46,285	759,779
Trucks	49,201	43,329	5,872	52,993
Vehicles Total	662,834	610,677	52,157	812,772

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):

	FY2005 Nine Months	FY2004 Nine Months	Increase/ (Decrease)	FY2004 Full Year
AutoAlliance International, Inc.	56,269 units	68,793 units	(12,524) units	91,342 units
AutoAlliance (Thailand) Co., Ltd.	25,312	25,910	(598)	37,847

2) Sales Volume and Revenue

	FY2005 Nine Months Ended December 31, 2005		FY2004 Nine Months Ended December 31, 2004		Increase/ (Decrease)		FY2004 Full Year Ended March 31, 2005	
	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
Vehicles	units	million yen	units	million yen	units	million yen	units	million yen
Vehicles	833,730	1,522,502	809,814	1,457,181	23,916	65,321	1,104,074	1,972,643
Knockdown Parts (Overseas)	-	91,938	-	103,318	-	(11,380)	-	123,825
Parts	-	161,327	-	142,974	-	18,353	-	194,032
Other	-	317,609	-	302,678	-	14,931	-	405,064
Total	-	2,093,376	-	2,006,151	-	87,225	-	2,695,564

<Sales Volume by Market>

	FY2005 Nine Months Ended December 31, 2005	FY2004 Nine Months Ended December 31, 2004	Increase/ (Decrease)	FY2004 Full Year Ended March 31, 2005
	units	units	units	units
Japan	204,129	205,740	(1,611)	293,798
North America	255,263	246,545	8,718	335,804
Europe	206,775	215,890	(9,115)	282,955
Other	167,563	141,639	25,924	191,517
Overseas Total	629,601	604,074	25,527	810,276
Total	833,730	809,814	23,916	1,104,074

FY2005 Financial Summary (Consolidated)
For the Nine Months Ended December 31, 2005

February 10, 2006
Mazda Motor Corporation

(In 100 millions of yen)

(In thousands of units)

(Upper left: ratio on sales)

		FY2004 9 Months		FY2005 9 Months		FY2004		FY2005		FY2005	
		Ended Dec. 31, 2004		Ended Dec. 31, 2005		Ended Mar. 31, 2005		Ending Mar. 31, 2006		Ending Mar. 31, 2006	
			%		%		%	Projection		Prior Projection	
											%
Domestic	1	6,121	0.7	6,302	3.0	8,456	(0.1)	8,700	2.9	8,900	5.2
Overseas	2	13,941	11.8	14,632	5.0	18,500	7.0	20,200	9.2	19,300	4.3
Net sales	3	20,062	8.2	20,934	4.3	26,956	4.7	28,900	7.2	28,200	4.6
Operating income	4	641	3.2%	837	4.0%	829	18.2	1,180	42.3	950	14.5
Ordinary income	5	549	2.7%	680	3.2%	731	25.9	1,000	36.9	850	16.3
Income before income taxes	6	503	2.5%	869	4.2%	738	36.6	1,100	49.0	960	30.0
Net income	7	261	1.3%	413	2.0%	458	35.0	600	31.1	550	20.2
Operating income/(loss) by geographic area											
Japan	8	554		651		588					
North America	9	56		134		88					
Europe	10	80		55		86					
Other	11	39		70		57					
Operating profit change											
Volume & mix	12			126				227		204	
Exchange rate	13			95				174		45	
Product enrichment	14			(211)				(282)		(274)	
Cost reduction	15			250				303		278	
Marketing expense	16			(40)				(40)		(40)	
Other	17			(24)				(31)		(92)	
Total	18			196				351		121	
Average rate for the period	19	109 Yen/US\$ 135 Yen/EUR		112 Yen/US\$ 137 Yen/EUR		108 Yen/US\$ 135 Yen/EUR		113 Yen/US\$ 137 Yen/EUR		109 Yen/US\$ 135 Yen/EUR	
Transaction rate	20	108 Yen/US\$ 133 Yen/EUR		108 Yen/US\$ 136 Yen/EUR		108 Yen/US\$ 134 Yen/EUR		109 Yen/US\$ 136 Yen/EUR		107 Yen/US\$ 136 Yen/EUR	
Capital investment	21	443		516		679		680		680	
Depreciation and amortization	22	290		332		400		450		450	
R & D cost	23	678		722		908		970		970	
Total assets	24	17,491		17,160		17,678					
Net worth	25	2,489		3,545		2,678					
Debt	26	6,080		5,011		5,281					
Net debt	27	3,900		3,131		3,135					
Domestic	28	206	0.9	204	(0.8)	294	0.8	293	(0.3)	303	3.1
North America	29	246	(0.3)	255	3.5	336	2.7	349	3.9	351	4.5
Europe	30	216	18.3	207	(4.2)	283	9.8	292	3.2	294	3.9
Other	31	142	(7.3)	168	18.3	191	(4.2)	218	13.8	222	15.9
Overseas	32	604	3.7	630	4.2	810	3.3	859	6.0	867	7.0
Wholesales	33	810	3.0	834	3.0	1,104	2.6	1,152	4.3	1,170	6.0

Notes:

- 1) Since the disclosure of operating income, ordinary income, income before income taxes, and net income for the nine-month period started in FY2004, the changes in percentage from the prior nine-month period are not shown for FY2004 nine months.
- 2) For net sales and wholesales of FY2004 full year, in calculating the changes in percentage from the prior year, the results of the prior year have been reclassified to exclude the impacts of the change in fiscal year (15-month operating results) by major consolidated overseas subsidiaries.