

FY2004 Interim Consolidated Financial Results

For the Nine Months Ended December 31, 2004



MEMBERSHIP
February 4, 2005

English Translation from the Original Japanese-Language Document

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

2. Consolidated Financial Highlights (April 1, 2004 through December 31, 2004)

(1) Consolidated Financial Results

(In Japanese yen rounded to millions)

	Net Sales		Operating Income/(Loss)	Ordinary Income/(Loss)
	million yen	%		
FY2004 Nine Months	2,006,151	8.2	64,136	54,893
FY2003 Nine Months	1,854,608	8.3	-	-
FY2003 Full Year	2,916,130		70,174	58,029

	Net Income/(Loss)		Net Income/(Loss) per Share	Net Income/(Loss) per Share Diluted
	million yen	yen		
FY2004 Nine Months	26,083	21.44	18.46	
FY2003 Nine Months	-	-	-	
FY2003 Full Year	33,901	27.84	23.98	

Notes:

- Average number of shares outstanding (consolidated): FY2004 nine months 1,216,556,740 shares / FY2003 full year 1,217,692,196 shares
- The change in sales from the previous period is shown in percentage.
- In the prior year, the original disclosure for the nine-month period was limited to sales results. Therefore, the financial results for the prior nine-month period and the changes in percentage from the prior nine-month period of the current disclosure are also limited to sales results.

[Nine-Month Financial Results]

Wholesales for the nine months ended December 31, 2004 totaled 810,000 units, up 3% compared with the same period a year ago. This higher wholesales reflected continuously strong performance of our products, mainly new models, including the Mazda3 (Axela). In particular, increased sales in Europe significantly contributed to the improved performance.

Sales revenue for the nine months ended December 31, 2004 totaled 2,006.2 billion yen, up 151.6 billion yen or 8% compared to the same period a year ago. Operating income, ordinary income and net income were 64.1 billion yen, 54.9 billion yen and 26.1 billion yen, respectively.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Equity per Share
	million yen	million yen	%	yen
FY2004 3rd. Qtr.	1,749,107	248,914	14.2	204.91
FY2003 3rd. Qtr.	-	-	-	-
FY2003 Full Year	1,795,573	222,605	12.4	182.91

Notes:

- Number of shares outstanding at period end (consolidated): FY2004 3rd Qtr 1,214,755,231 shares and FY2003 Year End 1,217,013,683 shares
- In the prior year, the original disclosure for the nine-month period did not include the balance sheet information. Therefore, the balance sheet information of the prior nine-month period and the changes in percentage from the prior nine-month period are not included in the current disclosure, either.

(Reference) FY2004 Consolidated Financial Forecast (April 1, 2004 through March 31, 2005)

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
Full Year	2,660,000	74,000	37,000

Reference: Net income per share for the full year 30.46 yen

[Full-Year Financial Forecast]

As to the financial forecast for the year to end March 31, 2005, lower production volume due to the fire at Ujina No.1 plant is expected to have an impact on the sales revenue. For profits, however, the prior forecast remains unchanged due to benefits from favorable exchange rates, progresses made in the activities to reduce fixed costs and other reasons, including recoveries from fire insurance proceeds.

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, 2004

With comparative figures for the fiscal year ended March 31, 2004

		Millions of yen	
		FY2004	FY2003
		Nine Months	Full Year
For the periods ended		December 31, 20004	March 31, 2004
Net sales	1	2,006,151	2,916,130
Costs of sales	2	1,476,955	2,165,160
Gross profit on sales	3	529,196	750,970
Selling, general and administrative expenses	4	465,060	680,796
Operating income	5	64,136	70,174
Non-operating income			
Interest and dividend income	6	1,538	2,517
Equity in net income of unconsolidated subsidiaries and affiliate	7	7,632	9,199
Other	8	3,880	4,887
Total	9	13,050	16,603
Non-operating expenses			
Interest expense	10	10,812	18,299
Other	11	11,481	10,449
Total	12	22,293	28,748
Ordinary income	13	54,893	58,029
Extraordinary profits			
Profit on sale of tangible fixed assets	14	230	3,682
Profit on sale of investment securities	15	1	672
Compensation received for the exercise of eminent domain	16	1,415	-
Other	17	-	248
Total	18	1,646	4,602
Extraordinary losses			
Loss on retirement and sale of tangible fixed assets	19	3,545	4,672
Loss on sale of investment securities	20	414	780
Valuation loss on investment securities	21	-	44
Valuation loss on investments	22	-	2,788
Loss on liquidation of a <i>Tokumei Kumiai</i>	23	2,242	-
Other	24	61	275
Total	25	6,262	8,559
Income before income taxes	26	50,277	54,072
Income taxes			
Current	27	7,040	13,105
Deferred	28	16,043	4,563
Minority interests of consolidated subsidiaries	29	1,111	2,503
Net income	30	26,083	33,901

(2) Consolidated Balance Sheet

December 31, 2004 and March 31, 2004

		Millions of yen		
		FY2004	FY2003	Increase/ (Decrease)
		Third Quarter		
As of		December 31, 2004	March 31, 2004	
ASSETS				
Current Assets:				
Cash and time deposits	1	218,117	282,333	(64,216)
Trade notes and accounts receivable	2	116,654	145,829	(29,175)
Inventories	3	276,397	268,317	8,080
Deferred taxes	4	69,589	74,412	(4,823)
Other	5	70,528	57,026	13,502
Allowance for doubtful receivables	6	(6,656)	(8,190)	1,534
Total current assets	7	744,629	819,727	(75,098)
Fixed Assets:				
Tangible fixed assets:				
Buildings and structures	8	146,681	144,533	2,148
Machinery and vehicles	9	155,844	151,939	3,905
Land	10	454,582	432,278	22,304
Construction in progress	11	31,716	19,180	12,536
Other	12	29,122	37,989	(8,867)
Total tangible fixed assets	13	817,945	785,919	32,026
Intangible fixed assets:	14	22,817	21,099	1,718
Investments and other fixed assets				
Investment securities	15	62,008	50,933	11,075
Long-term loans receivable	16	9,926	15,937	(6,011)
Deferred taxes	17	81,691	93,953	(12,262)
Other	18	22,677	21,113	1,564
Allowance for doubtful receivables	19	(11,775)	(12,380)	605
Investment valuation allowance	20	(811)	(731)	(80)
Total investments and other fixed assets	21	163,716	168,825	(5,109)
Total fixed assets	22	1,004,478	975,843	28,635
Deferred assets	23	-	3	(3)
Total Assets	24	1,749,107	1,795,573	(46,466)

		Millions of yen		
		FY2004	FY2003	
		Third Quarter		Increase/ (Decrease)
As of	December 31, 2004	March 31, 2004		
LIABILITIES				
Current Liabilities:				
Trade notes and accounts payable	1	276,475	284,536	(8,061)
Short-term loans payable	2	118,046	186,880	(68,834)
Long-term loans payable due within one year	3	85,536	52,422	33,114
Bonds due within one year	4	70,400	67,600	2,800
Other accounts payable	5	72,284	107,747	(35,463)
Accrued expenses	6	161,642	155,022	6,620
Reserve for warranty expenses	7	23,768	22,507	1,261
Reserve for loss on business restructuring	8	-	2,329	(2,329)
Other	9	48,847	59,573	(10,726)
Total current liabilities	10	856,998	938,616	(81,618)
Fixed Liabilities:				
Bonds	11	40,500	70,200	(29,700)
Bonds with stock acquisition rights	12	59,996	60,000	(4)
Long-term loans payable	13	233,507	193,258	40,249
Deferred tax liability related to land revaluation	14	90,896	91,113	(217)
Employees' and executive officers' severance and retirement benefits	15	196,993	198,253	(1,260)
Directors' and corporate auditors' retirement benefits	16	1,423	1,397	26
Liabilities from application of equity method	17	753	879	(126)
Other	18	11,542	10,920	622
Total fixed liabilities	19	635,610	626,020	9,590
Total Liabilities	20	1,492,608	1,564,636	(72,028)
Minority Interests in Consolidated Subsidiaries	21	7,585	8,332	(747)
SHAREHOLDERS' EQUITY				
Common stock	22	120,080	120,078	2
Capital surplus	23	104,221	104,217	4
Retained earnings/(deficit)	24	(54,283)	(78,220)	23,937
Land revaluation	25	131,151	131,470	(319)
Net unrealized gain/(loss) on available-for-sale securities	26	371	428	(57)
Foreign currency translation adjustments	27	(50,439)	(53,913)	3,474
Treasury stock	28	(2,187)	(1,455)	(732)
Total shareholders' equity	29	248,914	222,605	26,309
Total Liabilities, Minority Interests and Shareholders' Equity	30	1,749,107	1,795,573	(46,466)

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

FY2004 Nine Months Ended December 31, 2004	Millions of yen						Elimination or corporate	Consolidated
	Japan	North America	Europe	Other areas	Total			
Net sales:								
Outside Customers	837,079	568,975	472,656	127,441	2,006,151	-	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)	2,006,151	
Operating expenses	1,529,443	572,397	475,676	123,622	2,701,138	(759,123)	1,942,015	
Operating income (loss)	55,377	5,648	8,029	3,913	72,967	(8,831)	64,136	

FY2003 Full Year Ended March 31, 2004	Millions of yen						Elimination or corporate	Consolidated
	Japan	North America	Europe	Other areas	Total			
Net sales:								
Outside Customers	1,156,939	922,672	651,462	185,057	2,916,130	-	2,916,130	
Inter-areas	758,096	10,387	15,635	284	784,402	(784,402)	-	
Total	1,915,035	933,059	667,097	185,341	3,700,532	(784,402)	2,916,130	
Operating expenses	1,867,697	933,652	656,648	178,034	3,636,031	(790,075)	2,845,956	
Operating income (loss)	47,338	(593)	10,449	7,307	64,501	5,673	70,174	

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

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

FY2003 Full Year Ended March 31, 2004	Millions of yen			
	North America	Europe	Other areas	Total
Overseas sales	936,718	659,813	473,368	2,069,899
Consolidated sales	-	-	-	2,916,130
Percentage of overseas sales to consolidated sales	%	%	%	%
	32.1	22.6	16.2	71.0

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

	FY 2004 Nine Months Ended December 31, 2004	FY 2003 Nine Months Ended December 31, 2003	Increase/ (Decrease)
	units	units	units
Passenger cars	567,348	551,852	15,496
Trucks	43,329	51,428	(8,099)
Vehicles Total	610,677	603,280	7,397

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):

	FY2004 Nine Months	FY2003 Nine Months	Increase/ (Decrease)
AutoAlliance International, Inc.	68,793 units	62,994 units	5,799 units
AutoAlliance (Thailand) Co., Ltd.	25,910	21,765	4,145

2) Sales Volume and Revenue

	FY 2004 Nine Months Ended December 31, 2004	
	Volume	Revenue
Vehicles	809,814 units	1,457,181 million yen
Knockdown Parts (Overseas)	-	103,318
Parts	-	142,974
Other	-	302,678
Total	-	2,006,151

<Sales Volume by Market>

	FY 2004 Nine Months Ended December 31, 2004	FY 2003 Nine Months Ended December 31, 2003	Increase/ (Decrease)
	units	units	units
Japan	205,740	203,853	1,887
North America	246,545	247,224	(679)
Europe	215,890	182,513	33,377
Other	141,639	152,746	(11,107)
Overseas Total	604,074	582,483	21,591
Total	809,814	786,336	23,478

FY2004 Financial Summary (Consolidated)
For the Nine Months Ended December 31, 2004

February 4, 2005
Mazda Motor Corporation

(in 100 millions of yen)

(in thousands of units)

(Upper left: Ratio on sales)

		FY2004 Nine Months (Apr. 04 - Dec. 04)		FY2004 Full Year (Apr. 04 - Mar. 05) Projection		FY2003 Full Year (Apr. 03 - Mar. 04)	
			%		%		%
Domestic	1	6,121	0.7	8,500	0.5	8,462	3.4
Overseas	2	13,941	11.8	18,100	4.7	17,285	11.8
Subtotal	3	20,062	8.2	26,600	3.3	25,747	8.9
15 months effect of overseas	4	-		-		3,414	-
Net sales	5	20,062	8.2	26,600	(8.8)	29,161	23.3
Operating income/(loss)	6	641	-	780	11.2	702	38.5
Ordinary income/(loss)	7	549	-	740	27.5	580	42.5
Income/(loss) before income taxes	8	503	-	660	22.1	541	92.2
Net income/(loss)	9	261	-	370	9.1	339	40.5
Operating income/(loss) by geographic area							
Japan	10	554				473	
North America	11	56				(6)	
Europe	12	80				105	
Other	13	39				73	
Average rate for the period	14	109 Yen/US\$ 135 Yen/EUR		107 Yen/US\$ 134 Yen/EUR		113 Yen/US\$ 133 Yen/EUR	
Transaction rate	15	108 Yen/US\$ 133 Yen/EUR		107 Yen/US\$ 134 Yen/EUR		117 Yen/US\$ 131 Yen/EUR	
Capital investment	16	443		670		456	
Depreciation and amortization	17	290		410		379	
R & D cost	18	678		950		878	
Total assets	19	17,491				17,956	
Net worth	20	2,489				2,226	
Financial debt	21	6,080				6,304	
Net financial debt	22	3,900				3,581	
Wholesales							
Domestic	23	206	0.9	294	0.9	291	(0.8)
North America	24	246	(0.3)	331	1.2	327	(6.0)
Europe	25	216	18.3	284	10.2	258	28.3
Other	26	142	(7.3)	191	(4.5)	200	14.5
Overseas	27	604	3.7	806	2.7	785	8.5
Subtotal	28	810	3.0	1,100	2.2	1,076	5.8
15 months effect of overseas	29	-		-		149	-
Wholesales	30	810	3.0	1,100	(10.2)	1,225	20.4

Notes: FY2003 results include 15-month operations of major overseas subsidiaries that changed their fiscal year.
Projected wholesales and net sales for the year to end March 31, 2005 are lower than prior forecast by 30,000 units and 50.0 billion yen, respectively.

Retail Volume

(in thousands of units)

		FY2004 Nine Months (Apr. 04 - Dec. 04)		FY2004 Full Year (Apr. 04 - Mar. 05) Projection		FY2003 Full Year (Apr. 03 - Mar. 04)	
			%		%		%
Japan	1	196	1.6	285	2.0	279	3.4
USA	2	200	(4.1)	265	(2.8)	273	6.9
Europe	3	201	14.3	280	12.0	250	28.4