

Unconsolidated Financial Results for FY 2002

(April 1, 2002 through March 31, 2003)

May 12, 2003

Mazda Motor Corporation

Code No.: 7261 Listed in Tokyo, Osaka, Nagoya, Fukuoka and Sapporo Stock Exchange

Headquartered in : Hiroshima-prefecture

(URL <http://www.mazda.co.jp>)

Representative: Lewis Booth

Representative Director, President and CEO

Contact: Kiyoshi Ozaki

Executive Officer and General Manager

Financial Services Division

Phone: Hiroshima (082) 282-1111

Meeting of the Board of Directors for Account Settlement: May 12, 2003

General Meeting of Stock Holders: June 24, 2003

Adoption of Interim dividend : Adopted

Adoption of Round rot system : Adopted (One rot: 1,000stock)

1. Financial Highlights (April 1, 2002 through March 31, 2003)

(1) Financial Results

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

	Sales		Operating Income/(Loss)		Ordinary Income/(Loss)	
	Million yen	%	Million yen	%	Million yen	%
FY2002	1,537,610	12.7	29,074	11.6	24,579	(13.3)
FY2001	1,364,682	3.2	26,063	-	28,348	-

	Net Income/(Loss)		Net Income/(Loss) per share	Net Income/(Loss) per share (Diluted)	Return on Equity	Ordinary Income to Total assets	Ordinary Income to Sales
	Million Yen	%	Yen	Yen	%	%	%
FY2002	(50,202)	-	(41.14)	-	(11.9)	1.8	1.6
FY2001	13,260	-	10.85	-	3.0	2.0	2.1

Notes:

1. Average No. of shares of common stock issued: FY2002 1,220,396,253 shares
FY2001 1,221,749,932 shares

2. Accounting policy changes : Yes.

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

(2) Dividends

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

	Dividends per share			Amount of Annual Dividends	Dividends Payout Ratio	Annual Dividends per equity
	Interim	Year-end	Year-end			
FY2002	2.00	0.00	2.00	2,438	-	0.6
FY2001	2.00	0.00	2.00	2,442	18.4	0.5

(3) Financial Position

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

	Total assets	Shareholders' Equity	Equity Ratio	Equity per share
	Million yen	Million yen	%	Yen
FY2002	1,373,609	397,830	29.0	326.35
FY2001	1,373,144	447,406	32.6	366.35

Notes:

Number of issued stock Mar.31,2003 1,219,036,165 shares Mar.31,2002 1,221,266,429 shares
Number of treasury stock Mar.31,2003 3,460,490 shares Mar.31,2002 1,230,226 shares

2. FY2003 Financial forecast (April 1, 2003 through March 31, 2004)

	Sales	Ordinary Income /(Loss)	Net Income /(Loss)	Dividends per share		
	Million Yen	Million Yen	Million Yen	Interim	Year-end	Year-end
Full Year	1,590,000	16,000	5,000	0.00	2.00	2.00

Reference: Net income per share for the full year: 4.10 yen

The financial projection is the judgement of our management based on the information presently available. By nature, such financial projection is subject to uncertainty and risks. 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. For further information on the above financial projection, please refer to page 6 of Supplementary Information to Consolidated Financial Results for FY 2002.

Unconsolidated Statement of Operations
For the Years Ended March 31, 2003 and 2002

(in Japanese yen rounded down to millions)

		FY2002 (Apr.2002-Mar.2003)	FY2001 (Apr.2001-Mar.2002)	Increase/ (Decrease)
Sales	1	1,537,610	1,364,682	172,927
Cost of sales	2	1,261,184	1,121,746	139,438
Gross profit on sales	3	276,425	242,935	33,489
Selling, general and administrative expenses	4	247,351	216,872	30,478
Operating income/ (loss)	5	29,074	26,063	3,010
Non-operating income				
Interest and dividend income	6	3,112	8,004	(4,892)
Other	7	5,004	7,002	(1,998)
Total	8	8,116	15,007	(6,890)
Non-operating expenses				
Interest and discount expense	9	8,005	9,040	(1,034)
Other	10	4,605	3,681	924
Total	11	12,611	12,722	(110)
Ordinary income/ (loss)	12	24,579	28,348	(3,768)
Extraordinary profits				
Profit on sale of tangible fixed assets	13	33	151	(117)
Profit on sale of investment securities	14	4,130	4,389	(259)
Reversal of reserve for loss on restructuring of subsidiaries and affiliates	15	0	724	(724)
Other	16	54	160	(106)
Total	17	4,218	5,426	(1,208)
Extraordinary losses				
Loss on sale of tangible fixed assets	18	1,082	141	941
Loss on retirement of tangible fixed assets	19	3,010	3,097	(86)
Loss on sale of investment securities	20	594	2	592
Valuation loss on investment securities	21	48,873	1,587	47,286
Valuation loss on investments	22	2,553	0	2,553
Accrual for directors' and corporate auditors' retirement benefits	23	0	572	(572)
Loss on restructuring of subsidiaries and affiliates	24	1,302	0	1,302
Investment valuation allowance	25	0	8,136	(8,136)
Provision of allowance for doubtful receivables	26	11,535	0	11,535
Provision of allowance for business restructuring	27	2,695	0	2,695
Other	28	504	138	365
Total	29	72,151	13,674	58,477
Income/ (loss) before income taxes	30	(43,353)	20,100	(63,454)
Income taxes				
Current	31	117	31	85
Deferred	32	6,731	6,807	(76)
Net income/ (loss)	33	(50,202)	13,260	(63,462)
Retained earnings/(deficit) brought forward	34	10,613	(112,256)	122,869
Reversal of land revaluation	35	(858)	(756)	(102)
Unappropriated retained earnings/(deficit)	36	(40,447)	(99,751)	59,304

Unconsolidated Balance Sheet

As of March 31, 2003 and 2002

(in Japanese yen rounded down to millions)

		FY2002	FY2001	Increase/ (Decrease)
		(Mar. 31, 2003)	(Mar. 31, 2002)	(Decrease)
Assets				
Current assets				
Cash and time deposits	1	175,063	153,450	21,613
Trade notes	2	7	51	(43)
Accounts receivable	3	154,562	94,073	60,489
Finished products	4	24,579	23,751	827
Work in process	5	28,375	24,365	4,009
Raw materials and supplies	6	2,025	1,722	302
Accrued revenue	7	28,582	56,275	(27,693)
Deferred taxes	8	25,084	35,640	(10,556)
Other	9	17,986	5,796	12,190
Allowance for doubtful receivables	10	(6,113)	(3,915)	(2,198)
Total current assets	11	450,154	391,211	58,942
Fixed assets				
Tangible fixed assets:				
Buildings	12	75,071	76,549	(1,478)
Structures	13	16,829	16,732	96
Machinery and equipment	14	137,390	126,913	10,476
Transportation equipment	15	1,672	1,263	408
Tools, furniture and fixtures	16	23,534	22,650	883
Land	17	296,083	296,273	(189)
Construction in progress	18	18,692	29,097	(10,404)
Total tangible fixed assets	19	569,274	569,481	(206)
Intangible fixed assets:				
Software	20	10,793	8,465	2,328
Investments and other fixed assets:				
Investment securities	21	2,313	3,480	(1,167)
Investment securities for affiliates	22	237,402	177,883	59,518
Investment in affiliates	23	2,933	13,861	(10,927)
Long-term loans receivable	24	4,746	7,417	(2,671)
Long-term loans receivable for affiliates	25	28,822	139,818	(110,996)
Long-term prepaid expenses	26	4,853	3,964	888
Deferred taxes	27	79,633	75,126	4,506
Other	28	12,846	17,015	(4,168)
Allowance for doubtful receivables	29	(29,655)	(22,468)	(7,187)
Investment valuation allowance	30	(511)	(12,125)	11,614
Total investments and other fixed assets	31	343,385	403,976	(60,590)
Total fixed assets	32	923,453	981,922	(58,468)
Deferred Assets				
Discounts on bonds	33	2	10	(8)
Total assets	34	1,373,609	1,373,144	465

(in Japanese yen rounded down to millions)

		FY2002 (Mar. 31, 2003)	FY2001 (Mar. 31, 2002)	Increase/ (Decrease)
Liabilities				
Current liabilities				
Trade notes	1	1,515	4,894	(3,379)
Accounts payable	2	162,420	152,562	9,858
Short-term loans payable	3	43,980	64,080	(20,100)
Long-term loans payable due within one year	4	58,883	23,562	35,320
Bonds due within one year	5	34,846	25,000	9,846
Other accounts payable	6	9,752	13,173	(3,421)
Accrued expenses	7	56,798	57,979	(1,181)
Reserve for warranty expenses	8	17,683	14,660	3,023
Reserve for loss on restructuring of subsidiaries and affiliates	9	3,570	2,275	1,295
Reserve for loss on business restructuring	10	2,695	0	2,695
Other	11	7,770	7,457	312
Total current liabilities	12	<u>399,914</u>	<u>365,644</u>	<u>34,269</u>
Fixed liabilities				
Bonds	13	100,000	136,900	(36,900)
Bonds with stock acquisition rights	14	60,000	0	60,000
Long-term loans payable	15	173,768	183,862	(10,093)
Deferred tax liability related to land revaluation	16	90,832	93,971	(3,138)
Employees' and executive officers' severance and retirement benefits	17	148,003	141,185	6,818
Directors' and corporate auditors' retirement benefits	18	568	739	(171)
Guaranty money received	19	2,094	3,433	(1,338)
Other	20	597	1	595
Total fixed liabilities	21	<u>575,864</u>	<u>560,092</u>	<u>15,772</u>
Total liabilities	22	<u>975,779</u>	<u>925,737</u>	<u>50,041</u>
Shareholders' equity				
Common stock	23	120,078	120,078	-
Legal surplus				-
Capital surplus reserve	24	104,216	104,216	-
Total Legal surplus	25	104,216	104,216	-
Retained earnings				
Earned surplus reserve	26	15,751	15,751	-
Reserve for dividends	27	0	4,000	(4,000)
Reserve for advanced depreciation deduction of fixed assets	28	9,312	11,111	(1,799)
Reserve for special depreciation	29	32	40	(8)
Reserve for general purpose	30	60,000	167,000	(107,000)
Unappropriated retained earnings/(deficit)	31	(40,447)	(99,751)	59,304
Total retained earnings	32	<u>44,649</u>	<u>98,152</u>	<u>(53,503)</u>
Land revaluation	33	129,938	125,326	4,611
Net unrealized loss on available-for-sale securities	34	(194)	(54)	(139)
Treasury stock	35	(857)	(312)	(545)
Total shareholders' equity	36	<u>397,830</u>	<u>447,406</u>	<u>(49,576)</u>
Total liabilities and shareholders' Equity	37	<u>1,373,609</u>	<u>1,373,144</u>	<u>465</u>

On the Balance Sheet at the end of this fiscal year, the section of shareholder's equity is stated in accordance with the amendments of Standard for Financial Statements. And, the last year's Balance Sheet is stated in proportion to the statement of this fiscal year.

Appropriation of retained earnings (Draft)

For the Years Ended March 31, 2003 and 2002

(in Japanese yen rounded down to millions)

	FY 2002	FY 2001
	Mar. 31,2003	Mar. 31,2002
Unappropriated retained earnings/(deficit)	(40,447)	(99,751)
Reversal of reserve for general purpose	60,000	107,000
Reversal of reserve for dividends	-	4,000
Reversal of reserve for advanced depreciation deduction of fixed assets	663	1,799
Reversal of reserve for special depreciation	8	8
Total	20,225	13,056

They will be appropriated as follows:

Dividends	2,438	2,442
	(2 yen per share)	(2 yen per share)
Reserve for advanced depreciation deduction of fixed assets	286	-
Reserve for special depreciation	1	-
Reserve for the World Exposition	7	-
Retained earnings/(deficit) carried forward	17,492	10,613

Note:

The amount of appropriation and reversal of reserve for advanced depreciation, reserve for special depreciation and reserve for the World Exposition are based on Special Tax Treatment Law.

Significant Accounting Policies

1. Asset valuation method
 - Securities: For the “Investment securities for affiliates” and “Available-for-sale securities”, the one which doesn’t have the market value is booked on historical cost basis based on the moving average method. “Available-for-sale securities” which has the market value is booked in fair value based on the market prices, etc. as of Mar.31,2003. (The variances are all booked as “Net unrealized gain/loss on available-for-sale securities” in “Shareholder’s equity” whether they are gain or loss, and its cost of sales is calculated on moving average method).
 - Derivatives: Market value method
 - Inventories: Historical cost basis based on an average method

2. Depreciation method of tangible fixed assets
 - Tangible fixed assets
 - Straight-line method is used. The useful lives and residual value are booked on the same standard as the method prescribed in the Corporate Tax Law.
 - Intangible fixed assets
 - Software is amortized on straight-line method over the available useful lives (5years).

3. Accounting of deferred assets
 - Discount on bonds is amortized on straight-line method over the term of the bonds (5years). And the bond issue cost is recognized as the one-time cost at the payment timing.

4. Foreign currency translation
 - Foreign currencies’ denominated assets and liabilities are converted into Japanese Yen using the spot exchange rate at the end of this fiscal year, and the exchange variances are booked in “Non-operating income/ expenses”.

5. Accounting of reserves
 - (1)Reserve for warranty expenses
 - Reserve for warranty expenses provides for after-sales service expenses of products. The amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects into consideration.
 - (2)Reserve for loss on restructuring of subsidiaries and affiliates
 - Reserve for loss on restructuring of subsidiaries and affiliates provides for losses related to restructuring of subsidiaries and affiliates. The amount is estimated in light of the financial positions and other conditions of the subsidiaries and affiliates.
 - (3)Reserve for loss on business restructuring
 - Reserve for loss on business restructuring provides for losses related to the closure of a plant in accordance with Mazda’s business restructuring plan. The amount, estimated in a reasonable manner, for such losses is recognized.
 - (4)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 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 a 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 are realized. For executive officers’ retirement benefits, the liability is provided for the amount that would be required if all eligible executive officers retired at the balance sheet date.
 - (5)Directors’ and corporate auditors’ retirement benefits
 - Directors’ and corporate auditors’ retirement benefits provide for the payment of retirement benefits to directors and corporate auditors. The equivalent of the amount that would be required by the internal corporate policy if all the directors and corporate auditors retired at the end of this fiscal year is recognized.

- | | |
|--|--|
| (6) 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. |
| (7) 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 |
| 6. Accounting for leases | Lease transactions other than those finance lease with an unconditional title transfer clause are accounted for by the method equivalent to rental transactions. |
| 7. Accounting for hedging activities | Full-deferral hedge accounting is applied.
The forward exchange contract and the currency swap contract designated as hedging a foreign-currency-denominated receivable or payable are translated into yen at the fixed exchange rate stipulated in the contract. |
| 8. Accounting of consumption tax, etc. | Tax-excluding method |

Accounting Change

(1) Depreciation method of tangible fixed assets

Until the year ended March 31, 2002, Mazda Motor Corporation (the "Company") accounted for the depreciation of tangible fixed assets on a declining-balance basis, except for buildings (excluding fixtures) acquired on or after April 1, 1998 and tools that are accounted for on a straight-line basis. Commencing in the year ended March 31, 2003, however, the Company has changed its depreciation method of fixed assets from a declining balance basis to straight-line basis. The useful lives and residual value are based on the provisions of the Corporate Tax Law.

This change was made in order to improve the matching of the timing to recognize revenues and expenses in consideration of recent changes in the Company's business environment. Progress made in the concentration of production and the common utilization of same production facilities for different models have facilitated the stable use of each production facilities; as a result, the recovery of investments can be expected equally over the periods of useful lives.

The effects of this change for the year ended March 31, 2003 were to decrease depreciation expense 12,856 million yen, to increase operating income by 11,783 million yen, to increase ordinary income and income before taxes by 12,057 million yen.

(2) Financial Accounting Standard for Treasury Stock and Reduction of Legal Reserves

Commencing in the year ended March 31, 2003, Financial Accounting Standard No.1, "Accounting Standard for Treasury Stock and Reduction of Legal Reserves", has been adopted. There weren't any effects on the financial statements by adopting the new standard.

(3) Presentation of shareholders' equity on the balance sheet

For the year ended March 31, 2003, Shareholder's equity in annual balance sheet was prepared in accordance with the amendments of with the regulations concerning for financial statements.

(4) Information on Amounts Per Share of Common Stock

Commencing in the year ended March 31, 2003, "Accounting Standard for Net Profit Per Share" (Financial Accounting Standard No.2 and "Guidance for Appropriation of Accounting Standards for Net Profit Per Share" (Guidance of Financial Accounting Standard No.4) has been adopted. There wasn't any effect on the net asset per share and net profit per share.

Additional information

Real Estate Trust Contract

In September '99, the company entered into a real estate trust contract, and the beneficial ownership of property was transferred to a third party, and the real estate was leased back to the Company. The real estate includes an education facility, a research and development facility, distribution centers and stores of domestic dealers.

In addition, Mazda entered for a "Tokumei Kumiai" agreement, and made an investment in the transferee. The balance of the investment of 1,162 million yen is included in the "Other" category of the "Investment and other fixed assets".

Footnotes

Notes to Balance Sheet

	(in millions of yen)	
	FY2002 (Mar.31,2003)	FY2001 (Mar.31,2002)
1. Accumulated depreciation on tangible fixed assets	959,726	966,297
2. Assets offered as collateral	332,004	318,793
Collateralized loans	182,436	206,688
3. Subordinate loans receivable	24,618	135,092
4. Contingent liabilities for guarantee and similar agreements	243,814	251,911
5. Factoring of receivables with recourse	17,533	24,812
6. Trade notes receivables remained on the BS in spite of maturing on the last day of each fiscal year due to the holiday of financial institute.	-	15
7. In FY2000, in accordance with the Law to Partially Revise the Land Revaluation Law (Law No. 19, enacted on March 31, 2001), land owned by the Company for business uses was revalued. The deferred taxes on the unrealized gains are included in the liabilities as "Deferred Tax Liability Related to Land Revaluation". The unrealized gains on the revaluation are included in the shareholders' equity as "Land Revaluation" for the amount net of deferred taxes..		

The date of revaluation: March 31, 2001

Method of revaluation:

The fair value of land is determined based on the method that are promulgated and published by the Secretary of the National Tax Agency, 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). The method includes the revaluation of land for land-holding tax and reasonable adjustments including those for the timing of assessment.

At the end of this period, the difference between the total amount of fair value of the revaluated land and the total amount of revaluated book value of land for business based on the Article 10 of the Land Revaluation Law is 37,454 Mil. yen.

8. Restriction of Financial Activity

In the bond issue contract of unsecured bonds No.15, 16,17 and 18 (including negative pledge which ranks pari passu solely with other series of unsecured debenture or bonds), as long as the balance of the bonds exist, the company must observe the Net worth maintenance clause that the company maintains the net worth more than 289.3 Bil. yen on the balance sheet as of the end of the fiscal period after the payment date of the bonds. And in accordance with the bond issue contract of unsecured bonds (with subscription clause) No.4, as long as the outstanding balance of this bond exists, the Company must maintain the net worth more than 129.7 Bil. yen on the consolidated balance sheet of the end of each fiscal year.

Regarding the Variance of land revaluation, according to the Law of land re-valuation No.7 of the clause2-1, it is prohibited to be paid as dividends.

Notes to Statement of Operations

	(in millions of yen)	
	FY2002	FY2001
	(Apr., 02 – Mar., 03)	(Apr., 01 – Mar., 02)
1. Total amount of research and development costs	72,904	63,339
2. Breakdown of profit on sale of fixed assets		
Structures	12	
Machinery and equipment	10	
Others	10	
Land and others		151
3. Breakdown of loss on sales of tangible fixed assets		
Buildings	801	
Others	281	
Land and others		141
4. Breakdown of loss on retirement of tangible fixed assets		
Machinery and equipment	2,018	2,270
Tools, furniture and fixtures	739	557
Others	253	269

Lease transactions

	(in millions of yen)	
	FY2003	FY2002
	(Apr., 02 – Mar., 03)	(Apr., 01 – Mar., 02)
1. Finance lease transactions other than those with an unconditional title transfer clause to lessee.		
Balance of leased assets at this fiscal year end	136,320	133,648
Equivalent of acquisition costs	76,957	71,755
Equivalent of accumulated depreciation	59,363	61,892
Equivalent of net book value at this fiscal year end		
Balance of lease obligation for future payment at this fiscal year end	62,634	65,976
(Due within one year)	(19,168)	(18,635)
Lease fee paid for this fiscal year	21,597	22,109
Equivalent of depreciation	18,206	18,414
Equivalent of interest	2,613	2,961

Depreciation of leased assets is calculated 100% of acquisition costs or up to the contracted residual value for the assets, using the straight-line method over the lease term.

Interest included in lease fee is computed as difference between total lease fee and acquisition cost of the leased asset. This amount is allocated to each fiscal period by interest method.

	(in millions of yen)	
	FY2002	FY2001
	(Apr., 02 – Mar., 03)	(Apr., 01 – Mar., 02)
2. Operating lease transactions		
Balance of lease obligation for future payment at this fiscal year end	24,593	25,638
(Due within one year)	(1,069)	(1,063)

Marketable Securities

Stocks for subsidiaries and affiliates that have the market value.

	(in million of yen)	
	FY2002	FY2001
	(As of Mar. 31, 2003)	(As of Mar. 31, 2002)
Stock for affiliates		
Book Value	330	330
Market Value	274	164
Difference	(56)	(166)

Deferred Tax

1. Deferred tax assets and liabilities reflect the estimated tax effects of accumulated temporary differences between assets and liabilities for financial accounting purposes and those for tax purposes. The significant components of deferred tax assets and liabilities were as follows:

	(in millions of yen)	
	FY2002 (Mar.31,2003)	FY2001 (Mar.31,2002)
Deferred tax assets		
Allowance for doubtful receivables	13,920	9,857
Accrued employees' bonuses	6,375	6,385
Reserve for warranty claims	7,059	5,533
Reserve for retirement benefits	57,425	55,191
Loss on liquidation of affiliates	1,963	1,963
Denial of loss on evaluation of stocks	25,430	274
Deficit carried forward	7,865	24,706
Other	<u>14,832</u>	<u>13,574</u>
Sub total gross deferred tax assets	<u>134,869</u>	<u>117,483</u>
Allowance account	(24,039)	-
Total gross deferred tax assets	<u>110,830</u>	<u>117,483</u>

	FY2002 (Mar.31,2003)	FY2001 (Mar.31,2002)
Deferred tax liabilities		
Reserve for advanced depreciation deduction of fixed assets, etc.	<u>(6,113)</u>	<u>(6,716)</u>
Net deferred tax assets	<u>104,717</u>	<u>110,767</u>

Deferred tax liabilities related to land revaluation

Deferred tax liabilities related to land revaluation	(90,832)	(93,971)
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2. The effective tax rate reflected in the non-consolidated statements of income for the year ended March 31, 2003 differs from the statutory tax rate for the following reasons:

<u>Current fiscal year</u>	FY2002 (Mar.31,2003)	FY2001 (Mar 31, 2002)
Statutory tax rate	41.7%	41.7%
(Adjustments)		
Loss on revaluation of investment securities	(56.3)	-
Reduction of deferred tax asset due to change of tax rate	(4.6)	-
Dividends receivables, etc. which are not included in taxable income	1.8	(10.0)
Entertainment expenses, etc. which are not deducted from taxable income	(0.2)	0.4
Resident tax levied based on per capita basis	(0.1)	0.1
Other	1.9	1.8
Effective tax rate reflecting on the tax effect accounting	<u>(15.8)</u>	<u>34.0</u>

3. Modification of the amount of deferred tax asset/liability due to change of tax rate

For the year ended March 31,2002,the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities was 41.7%. For the year ended March 31, 2003, however , the statutory tax rate was changed due to an enacted change in tax laws. As a result, for those temporary differences expected to reverse on or before March 31,2004,the statutory tax rate applied remained at 41.7%; however, for those temporary differences expected to reverse on or after April 1,2004,the statutory tax rate was changed from 41.7% to 40.4%. The effect of this change in the statutory tax rate was to decrease deferred tax assets (net of deferred tax liabilities) by 1,986 million yen as of March 31, 2003, and to increase income tax expense for the year ended March 31, 2003 by the same amount. In addition, as of March 31,2003, deferred tax liability related to land revaluation decreased by 2,930 million yen and land revaluation increased by the same amount due to the change in the statutory tax rate.

FY2002 Financial Summary (Unconsolidated)

May 12, 2003
Mazda Motor Corporation

				FY2001		FY2002		FY2003	
				(Apr.01-Mar.02)		(Apr.02-Mar.03)		(Apr.03-Mar.04)	
(in 100 millions of yen)								Projection	
(in thousands of units)									
(Upper left : Ratio on sales)									
Net Sales	Domestic	1	5,617	(12.2)%	5,875	+4.6%	6,200	+5.5%	
	Export	2	8,029	+17.6	9,501	+18.3	9,700	+2.1	
	Total	3	13,646	+3.2	15,376	+12.7	15,900	+3.4	
Operating income/(loss)		4	260	-	290	+11.6	170	(41.5)	
Ordinary income/(loss)		5	283	-	245	(13.3)	160	(34.9)	
Income/(loss) before tax		6	201	-	(433)	-	80	-	
Net income/(loss)		7	132	-	(502)	-	50	-	
Exchange rate (Yen)		8	125 Yen/US\$ 110 Yen/EUR		122 Yen/US\$ 121 Yen/EUR		115 Yen/US\$ 125 Yen/EUR		
Capital investment		9	468		356		470		
Depreciation and amortization		10	322		239		250		
R & D cost		11	633		729		780		
Total assets		12	13,731		13,736				
Net worth		13	4,474		3,978				
Financial debts		14	4,334		4,761		4,224		
Net financial debts		15	2,800		3,061		3,043		
Sales	Registered vehicle	16	247	(16.7)	254	+2.5	266	+4.9	
	Micro-Mini vehicles	17	40	(2.1)	46	+17.2	43	(8.0)	
Domestic total		18	287	(14.9)	300	+4.5	309	+2.9	
Volume	North America	19	226	+26.9	191	(15.8)	193	+1.5	
	Europe	20	151	(4.9)	207	+37.6	209	+0.9	
	Others	21	157	+2.5	174	+11.0	169	(2.7)	
	Export total	22	534	+9.0	572	+7.1	571	(0.2)	
Grand Total		23	821	(0.8)	872	+6.2	880	+1.0	
Domestic production units		24	730	(1.1)	777	+6.4	794	+2.2	
Number of employees (Excluding dispatchees)		25	18,698		18,191				