

**FY2004 1st Quarter Consolidated Financial Results
For the Three Months Ended June 30, 2004**



July 30, 2004

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

1. Accounting Principles and Practices Used in the Preparation of the Quarterly 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) : 0 companies Equity method (Addition) : 0 companies
 (Exclusion) : 0 companies (Exclusion) : 1 company

2. Consolidated Financial Highlights (April 1, 2004 through June 30, 2004)

(1) Consolidated Financial Results

(In Japanese yen rounded to millions)

	Net Sales		Operating Income/(Loss)	Ordinary Income/(Loss)
	million yen	%		
FY2004 1Qtr	642,269	12.3	19,991	16,103
FY2003 1Qtr	571,939	-	-	-
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	yen
FY2004 1Qtr	11,609	9.54	8.22
FY2003 1Qtr	-	-	-
FY2003 Full Year	33,901	27.84	23.98

Notes:

Average number of shares outstanding (on a consolidated basis) FY2004 1Qtr: 1,217,006,879 FY2003: 1,217,692,196
 Changes in sales from the previous period are shown in percentage. Overseas revenue reflects the results during January to March in FY2003 and the results during April to June in FY2004, due to fiscal year change of major overseas subsidiaries. Except for sales, results of operations were not disclosed in the last year's first quarter and therefore are not shown here.

[Notes for Financial Results]

Retail sales for the first quarter of fiscal 2004 in the Japanese market totaled 60,000 units, a decrease of 2,000 units or 3%, compared with the same period a year ago. Mazda's retail sales in the major overseas markets (April – June, 2004) were as follows. In the U.S., Mazda's retail sales were 76,000 units, an increase of 8,000 units or 12% from the same period of the last fiscal year. In Europe, retail sales were up 12,000 units or 20% to 75,000 units. Higher sales in overseas markets reflected the impacts of new models, in particular the RX-8 and the Mazda3 (Axela).

Consolidated sales revenue for the first quarter of fiscal 2004 was 642.3 billion yen. Operating income, ordinary income and net income were 20.0 billion yen, 16.1 billion yen and 11.6 billion yen, respectively. Mazda is making a solid progress in line with its financial forecast provided in May 2004.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Equity per Share
	million yen	million yen	%	yen
FY2004 1Qtr	1,775,422	231,371	13.0	190.12
FY2003 1Qtr	-	-	-	-
FY2003 Full Year	1,795,573	222,605	12.4	182.91

Notes:

Number of shares issued and outstanding at year end (on a consolidated basis) FY2004 1Qtr: 1,216,997,311, FY2003: 1,217,013,683
 Balance sheet information was not disclosed in the last year's first quarter and therefore is not shown here.

(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	65,000	34,000

Reference: Net income per share for the full year 27.94 yen

No change from the information disclosed at the time of the prior announcement on May 13, 2004.

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.

1. Consolidated Financial Statements(1) Consolidated Income Statement

		FY2004 1st Qtr (Apr.04-Jun.04)	FY2003 (Apr.03-Mar.04)
		(in millions of yen)	(in millions of yen)
Net sales	1	642,269	2,916,130
Costs of sales	2	469,855	2,165,160
Gross profit on sales	3	172,414	750,970
Selling, general and administrative expenses	4	152,423	680,796
Operating income/(loss)	5	19,991	70,174
Non-operating income			
Interest and dividend income	6	659	2,517
Equity in earnings of affiliates	7	1,460	9,199
Other	8	1,217	4,887
Total	9	3,336	16,603
Non-operating expenses			
Interest expense	10	3,453	18,299
Other	11	3,771	10,449
Total	12	7,224	28,748
Ordinary income/(loss)	13	16,103	58,029
Extraordinary profits			
Profit on sale of tangible fixed assets	14	186	3,682
Profit on sale of investment securities	15	-	672
Other	16	-	248
Total	17	186	4,602
Extraordinary losses			
Loss on retirement/sale of tangible fixed assets	18	796	4,672
Loss on sale of investment securities	19	11	780
Valuation loss on investment securities	20	-	44
Valuation loss on investments	21	-	2,788
Other	22	-	275
Total	23	807	8,559
Income/(loss) before income taxes	24	15,482	54,072
Income Tax (Current)	25	1,752	13,105
Income Tax (Deferred)	26	1,404	4,563
Minority interests of consolidated subsidiaries	27	717	2,503
Net income/(loss)	28	11,609	33,901

(2) Consolidated Balance Sheet

		FY2004 1st Qtr (Jun. 30, 2004)	FY2003 (Mar. 31, 2004)	Inc / (Dec)
ASSETS		(in millions of yen)	(in millions of yen)	(in millions of yen)
Current Assets:				
Cash and time deposits	1	250,950	282,333	(31,383)
Trade notes and accounts receivable	2	133,237	145,829	(12,592)
Inventories	3	281,659	268,317	13,342
Deferred taxes	4	72,736	74,412	(1,676)
Other	5	60,631	57,026	3,605
Allowance for doubtful receivables	6	(6,455)	(8,190)	1,735
Total current assets	7	792,758	819,727	(26,969)
Fixed Assets:				
Tangible fixed assets:				
Buildings and structures	8	143,195	144,533	(1,338)
Machinery and vehicles	9	154,897	151,939	2,958
Land	10	432,241	432,278	(37)
Construction in progress	11	17,256	19,180	(1,924)
Other	12	38,574	37,989	585
Total tangible fixed assets	13	786,163	785,919	244
Intangible fixed assets	14	21,700	21,099	601
Investments and other fixed assets:				
Investment securities	15	59,237	50,933	8,304
Long-term loans receivable	16	13,367	15,937	(2,570)
Deferred taxes	17	94,841	93,953	888
Other	18	20,473	21,113	(640)
Allowance for doubtful receivables	19	(12,389)	(12,380)	(9)
Investment valuation allowance	20	(730)	(731)	1
Total investments and other fixed assets	21	174,799	168,825	5,974
Total fixed assets	22	982,662	975,843	6,819
Deferred assets	23	2	3	(1)
Total Assets	24	1,775,422	1,795,573	(20,151)

		FY2004 1st Qtr (Jun. 30, 2004)	FY2003 (Mar. 31, 2004)	Inc / (Dec)
LIABILITIES		(in millions of yen)	(in millions of yen)	(in millions of yen)
Current Liabilities:				
Trade notes and accounts payable	1	291,994	284,536	7,458
Short-term loans payable	2	181,028	186,880	(5,852)
Long-term loans payable due within one year	3	57,014	52,422	4,592
Bonds due within one year	4	97,600	67,600	30,000
Other accounts payable	5	74,224	107,747	(33,523)
Accrued expenses	6	170,892	155,022	15,870
Reserve for warranty expenses	7	22,953	22,507	446
Reserve for loss on business restructuring	8	2,329	2,329	-
Other	9	56,577	59,573	(2,996)
Total current liabilities	10	954,611	938,616	15,995
Fixed Liabilities				
Bonds	11	40,800	70,200	(29,400)
Bonds with stock acquisition rights	12	60,000	60,000	-
Long-term loans payable	13	179,582	193,258	(13,676)
Deferred tax liability related to land revaluation	14	91,113	91,113	-
Severance and retirement benefits	15	198,030	198,253	(223)
Directors' retirement benefits	16	1,380	1,397	(17)
Liabilities from application of equity method	17	906	879	27
Other	18	10,871	10,920	(49)
Total fixed liabilities	19	582,682	626,020	(43,338)
Total Liabilities	20	1,537,293	1,564,636	(27,343)
Minority Interests in Consolidated Subsidiaries	21	6,758	8,332	(1,574)
SHAREHOLDERS' EQUITY				
Common stock	22	120,078	120,078	-
Capital surplus	23	104,217	104,217	-
Retained earnings/(deficit)	24	(69,076)	(78,220)	9,144
Land revaluation	25	131,470	131,470	-
Net unrealized gain/(loss) on available-for-sale securities	26	388	428	(40)
Foreign currency translation adjustments	27	(54,245)	(53,913)	(332)
Treasury stock	28	(1,461)	(1,455)	(6)
Total shareholders' equity	29	231,371	222,605	8,766
Total Liabilities, Minority Interests and Shareholders' Equity	30	1,775,422	1,795,573	(20,151)

Segment Information

1. Overseas Sales

FY2004 1st Quarter (Apr. 2004 - Jun. 2004)

(in millions of yen)

	North America	Europe	Other areas	Total
Overseas sales	177,076	151,418	118,308	446,802
Consolidated sales	-	-	-	642,269
Percentage of overseas sales to consolidated sales	% 27.6	% 23.6	% 18.4	% 69.6

FY2003 (Apr. 2003 - Mar. 2004)

	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 Mazda Motor Corporation 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
 - a) Method: Segmentation by geographic adjacency
 - b) 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

Type	FY2004 1st Qtr (Apr.04-Jun.04)	FY2003 1st Qtr (Apr.03-Jun.03)	Changes
	units	units	units
Passenger cars	181,906	169,054	12,852
Trucks	14,039	18,309	(4,270)
Vehicles Total	195,945	187,363	8,582

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 1Q	FY2003 1Q	Changes
AutoAlliance International, Inc.	16,642	23,098	(6,456)
AutoAlliance (Thailand) Co., Ltd.	9,354	6,944	2,410

2. Sales Results

Type	FY2004 1st Qtr (Apr.04-Jun.04)	
	Wholesales	Revenue
Vehicles	258,150 units	454,089 million yen
Knockdown Parts	-	37,767
Parts	-	50,963
Others	-	99,450
Total	-	642,269

< Wholesales Volume by Market >

Type	FY2004 1st Qtr (Apr.04-Jun.04)	FY2003 1st Qtr (Apr.03-Jun.03)	Changes
	units	units	units
Japan	64,963	67,106	(2,143)
North America	78,420	76,604	1,816
Europe	68,655	57,214	11,441
Others	46,112	43,963	2,149
Overseas Total	193,187	177,781	15,406
Vehicles Total	258,150	244,887	13,263

Note: Overseas wholesales volume reflects the results during January to March in FY2003 and the results during April to June in FY2004, due to fiscal year change of major overseas subsidiaries.

FY2004 Financial Summary (Consolidated)

 July 30, 2004
 Mazda Motor Corporation

(in 100 millions of yen)

(in thousands of units)

(Upper left: Ratio on sales)

			FY2004 1st Qtr (Apr.04-Jun.04)	FY2003 (Apr.03-Mar.04)	FY2004 Projection (Apr.04-Mar.05)		
	Domestic	1	1,955	8,462	3.4	8,500	0.4
	Overseas	2	4,468	17,285	11.8	18,100	4.7
	Subtotal	3	6,423	25,747	8.9	26,600	3.3
	15 months effect of overseas	4	-	3,414		-	
	Net sales	5	6,423	29,161	23.3	26,600	(8.8)
	Operating income/(loss)	6	3.1% 200	2.4% 702	38.5	2.6% 700	(0.2)
	Ordinary income/(loss)	7	2.5% 161	2.0% 580	42.5	2.4% 650	12.0
	Income/(loss) before tax	8	2.4% 155	1.9% 541	92.2	2.1% 550	1.7
	Net income/(loss)	9	1.8% 116	1.2% 339	40.5	1.3% 340	0.3
	Average rate for the period	10	110 円/US\$ 132 円/EUR	113 円/US\$ 133 円/EUR		105 円/US\$ 125 円/EUR	
	Transaction rate	11	107 円/US\$ 131 円/EUR	117 円/US\$ 131 円/EUR		106 円/US\$ 128 円/EUR	
	Capital investment	12	86	456		600	
	Depreciation and amortization	13	91	379		410	
	R & D cost	14	246	878		950	
	Total assets	15	17,754	17,956			
	Net worth	16	2,314	2,226			
	Financial debts	17	6,160	6,304			
	Net financial debts	18	3,752	3,581			
	Domestic	19	65	291	(0.8)	310	6.4
	North America	20	78	327	(6.0)	385	17.7
	Europe	21	69	258	28.3	287	11.4
	Other	22	46	200	14.5	198	(1.0)
	Overseas	23	193	785	8.5	870	10.9
	Subtotal	24	258	1,076	5.8	1,180	9.7
	15 months effect of overseas	25	-	149		-	
	Wholesales volume	26	258	1,225	20.4	1,180	(3.6)

Note: FY2003 results include 15 months activities of major overseas subsidiaries that changed their fiscal year.

Retail Volume

(in thousands of units)

			FY2004 1st Qtr (Apr.04-Jun.04)	FY2003 1st Qtr (Apr.03-Jun.03)	Changes	
	Japan	1	60	62	(2)	% (2.6)
	USA	2	76	68	8	11.7
	Europe	3	75	63	12	19.7