

**Consolidated Financial Results**  
**For the First Half of the Fiscal Year Ending March 2011**  
**(For the Six Months Ended September 30, 2010)**



Prepared in Conformity with Accounting Principles Generally Accepted in Japan

English Translation from the Original Japanese-Language Document

October 29, 2010

Company Name : **Mazda Motor Corporation** (Tokyo Stock Exchange/Code No. 7261)  
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Filing of *Shihannki Hokokusho*, statutory interim business and financial report : Scheduled for November 12, 2010  
 Payment of Dividends : -  
 Supplementary Material : Yes  
 Briefing Session : Yes (Intended for securities analysts, institutional investors and media)

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

**1. Consolidated Financial Highlights (April 1, 2010 through September 30, 2010)**

**(1) Consolidated Financial Results**

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

First half ended September 30	Net Sales		Operating Income/(Loss)		Ordinary Income/(Loss)		Net Income/(Loss)	
	million yen	%	million yen	%	million yen	%	million yen	%
<b>2010</b>	<b>1,157,698</b>	16.9	<b>12,178</b>	-	<b>20,809</b>	-	<b>5,516</b>	-
2009	990,332	(37.1)	(22,058)	-	(29,590)	-	(20,809)	-

First half ended September 30	Net Income/(Loss) Per Share	Net Income Per Share (Diluted)
	yen	yen
<b>2010</b>	<b>3.12</b>	-
2009	(15.87)	-

**(2) Consolidated Financial Position**

As of	Total Assets	Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	yen
<b>September 30, 2010</b>	<b>1,873,828</b>	<b>501,829</b>	<b>26.7</b>	<b>282.37</b>
March 31, 2010	1,947,769	509,815	26.1	286.92

Notes on equity, equity ratio and equity per share:

- Equity for calculation of equity ratio and equity per share: As of **September 30, 2010** **499,855 million yen**  
 March 31, 2010 **507,909 million yen**
- Presentation of the minority interests in consolidated subsidiaries: The minority interests 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.
- Recognition of the stock acquisition rights in the equity: 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.

**2. Dividends**

Years ended / ending March 31	Dividends Per Share				
	1st. Qtr	2nd. Qtr	3rd. Qtr	Year End	Full-Year
	yen	yen	yen	yen	yen
2010	-	0.00	-	3.00	3.00
<b>2011</b>	-	<b>0.00</b>			
<b>2011 (Forecast)</b>			-	<b>3.00</b>	<b>3.00</b>

Note: The dividend forecast for Fiscal Year ending March 2011 remains unchanged from the prior forecast released on April 27, 2010.

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

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

Year ending March 31, 2011	Net Sales		Operating Income/(Loss)		Ordinary Income/(Loss)		Net Income/(Loss)		Net Income/(Loss) Per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	2,300,000	6.3	25,000	164.3	36,000	675.2	6,000	-	3.39

Note: The financial forecast has been changed from the prior forecast that was released on April 27, 2010.

#### 4. Other

(Please refer to "2. Other Information" on page 4 of the Attachment.)

**(1) Significant Changes in Consolidation Scope:** None

Newly added subsidiaries: None Excluded subsidiaries: None

Note: Refers to changes in consolidation scope of subsidiaries, during the current quarter, that meet certain criteria of materiality.

**(2) Adoption of Accounting Methods Simplified for/Unique to Preparing Interim Consolidated Financial Statements:** Yes

**(3) Accounting Changes in Preparing Interim Consolidated Financial Statements:**

- 1) Adoption of new accounting standards Yes
- 2) Other None

**(4) Common Stock**

1) Shares issued (including treasury shares)	<b>As of September 30, 2010</b>	<b>1,780,377,399</b> shares
	As of March 31, 2010	1,780,377,399 shares
2) Treasury shares	<b>As of September 30, 2010</b>	<b>10,174,745</b> shares
	As of March 31, 2010	10,165,073 shares
3) The average number of outstanding shares over period	<b>1st half ended September 30, 2010</b>	<b>1,770,207,478</b> shares
	1st half ended September 30, 2009	1,311,551,424 shares

**Note on Progress in Interim Review Procedures by Independent Auditors**

This document is out of the scope of the interim review procedures based on the Financial Instruments and Exchange Act.

The interim review procedures for the financial statements under this Act have not been completed as of the timing of disclosure of this document.

**Cautionary Statements with Respect to Forward-Looking Statements**

The financial forecast and other descriptions of the future presented in this document are an outlook based on our judgments and projections. The judgments and projections are based on information presently available. As such, the financial forecast and future descriptions are subject to uncertainty and risks. Accordingly, the actual financial performance may vary significantly due to various factors. For assumptions underlying the financial forecast, please refer to "(3) Consolidated Financial Forecast" on page 3 of the Attachment.

## **Attachment**

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#### **(Reference)**

**Financial Summary (Consolidated) For the First Half of the Fiscal Year Ending March 2011**

## 1. Qualitative Discussions on Consolidated Financial Information

### (1) Consolidated Financial Results

Economic and business environment for the first half of Fiscal Year ending March 2011 was as follows. In overseas markets, a trend of gradual recovery continued, supported by a rebound mainly in the Asian economy. However, business condition remains harsh due to increasing uncertainty over the outlook in European and American countries as well as the yen's rapid appreciation. In the Japanese domestic market, demand was robust compared to the same period of last year, mainly owing to a rush demand before the expiration of government subsidies on eco-cars (i.e., fuel-efficient cars).

Consolidated sales for the first half of Fiscal Year ending March 2011 increased by ¥167.4 billion (up 17%) year-on-year to ¥1,157.7 billion, owing to increased sales volume. Consolidated operating results amounted to a profit of ¥12.2 billion, up ¥34.3 billion from the same period of last year. Consolidated ordinary results improved by ¥50.4 billion year-over-year to a profit of ¥20.8 billion. Consolidated net results amounted to a profit of ¥5.5 billion, up ¥26.3 billion year-on-year.

Year-to-year performance in retail volume by primary markets for the first half of Fiscal Year ending March 2011 was as follows. In Japan, retail volume increased by 19% year-over-year to 125,000 units; against the backdrop of the eco-car subsidy scheme, the all-new Premacy (Mazda5) that was launched in July as well as increased sales of the Demio (Mazda2) were the main contributing factors. In North America, retail volume was up 12% to 177,000 units, mainly owing to increased sales of the CX-7 and CX-9. In Europe, retail volume was down 13% to 108,000 units, due primarily to decreased sales in Germany. In China, retail volume increased by 31% to 112,000 units, led by strong sales of Mazda6 (Atenza in Japan). In other areas, retail volume was up 31% to 137,000 units; an increased sale in Thailand was a main factor. As a result, the global retail volume was 659,000 units, up 14% from the same period of the prior fiscal year.

### (2) Consolidated Financial Position

(Assets, Liabilities and Equity)

As of September 30, 2010, total assets amounted to ¥1,873.8 billion, a decrease of ¥73.9 billion compared to the end of the last year. Total liabilities amounted to ¥1,372.0 billion, a decrease of ¥66.0 billion compared to the end of the last year.

Equity as of September 30, 2010 decreased by ¥8.0 billion to ¥501.8 billion from the end of the prior year. Equity ratio increased by 0.6 of a percentage point from the end of the prior year to 26.7%.

(Cash Flows)

For the first half of Fiscal Year ending March 2011, net cash provided by operating activities was ¥18.4 billion: income before income taxes of ¥16.9 billion as well as depreciation and amortization of ¥36.2 billion were the main factors that increased operating cash flows; factors that decreased operating cash flows included increase in inventories of ¥17.8 billion, due to increased sales, and payment of income taxes of ¥7.8 billion. Net cash provided by investing activities amounted to ¥5.3 billion, mainly reflecting proceeds from redemption of securities partially offset by capital investments in tangible fixed assets. As a result, consolidated free cash flow (net of operating and investing activities) was positive ¥23.8 billion. Also, net cash used in financing activities

amounted to ¥37.4 billion, mainly reflecting repayment of loans.

As of September 30, 2010, after deducting cash and cash equivalents of ¥319.3 billion from financial debt, net financial debt totaled ¥359.1 billion, a decrease of ¥16.7 billion from the end of the last year, and net debt-to-equity ratio was at 72%.

### (3) Consolidated Financial Forecast

In the light of recent trends in our financial performance, we have revised the financial forecast for the Fiscal Year ending March 2011, as shown below. The prior forecast was announced on April 27, 2010.

Business environment in the third quarter and beyond is expected to remain harsh, as a continuing trend of a strong yen as well as a backlash from the expiration of economic stimulus programs by governments in various countries are anticipated. Under the situation, Mazda Group will continue to implement measures to improve profitability in all areas of business, such as further improvement of cost and business efficiency, activities to expand retail volume, and improvement of the sales mix.

The exchange rate assumptions for the full year forecast are ¥85 to the dollar and ¥114 to the Euro (¥82 to the dollar and ¥115 to the Euro for the second half of the fiscal year).

#### Consolidated Financial Forecast (Fiscal Year ending March 2011)

	Full Year	vs. Prior Year
Net sales	¥ 2,300 billion	6.3 %
Operating income	25	164.3
Ordinary income	36	675.2
Net income	6	-

#### Global Retail Volume Forecast (Fiscal Year ending March 2011)

	Full Year	vs. Prior Year
Domestic	215,000 units	(2.6) %
North America	358,000	16.8
Europe	218,000	(8.8)
China	252,000	28.5
Other	277,000	20.1
Global	<u>1,320,000</u> units	10.6 %

The financial forecast is the judgment of our management based on the information presently available. By nature, such financial forecast is subject to risks and uncertainties. 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. Other Information

### (1) Significant Changes in Consolidation Scope:

None

### (2) Adoption of Accounting Methods Simplified for / Unique to Preparing Interim Consolidated Financial Statements:

#### 1) Simplified accounting methods

Omission of physical inventory

As of September 30, 2010, physical inventory was omitted by certain consolidated subsidiaries. Instead, the balance of inventory as of September 30, 2010 was determined by a rational method to reasonably estimate it based on the information from physical inventory as of March 31, 2010.

#### 2) Unique accounting methods

None

### (3) Accounting Changes in Preparing Interim Consolidated Financial Statements:

#### 1) Adoption of *Accounting Standard for Equity Method of Accounting for Investments* and *Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method*

Commencing in the three months ended June 30, 2010, Mazda Motor Corporation (the "Company") and its foreign affiliates accounted for using the equity method adopted the Accounting Standards Board of Japan ("ASBJ") Statement No. 16 "*Accounting Standard for Equity Method of Accounting for Investments*" and the Practical Issues Task Force ("PITF") No. 24 "*Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method*", both issued by the ASBJ on March 10, 2008.

As a result, for similar transactions and events that occurred under similar circumstances, the accounting policies and procedures applied to the investing company (the Company and its subsidiaries) and the investee companies accounted for using the equity method are unified in principle, unless there is a rational reason for not doing so.

The effects of adopting these standards on ordinary income and income before income taxes in the consolidated statement of operations for the six months ended September 30, 2010 were immaterial.

#### 2) Adoption of *Accounting Standards for Asset Retirement Obligations*

Commencing in the three months ended June 30, 2010, the Company and its consolidated domestic subsidiaries adopted the ASBJ Statement No. 18 "*Accounting Standard for Asset Retirement Obligations*" and the ASBJ Guidance No. 21 "*Guidance on Accounting Standard for Asset Retirement Obligations*", both issued by the ASBJ on March 31, 2008.

The effects of adopting these standards on the consolidated statement of operations for the six months ended September 30, 2010 were to decrease operating income and ordinary income by ¥193 million each and income before income taxes by ¥2,877 million.

### 3. Interim Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

September 30 and March 31, 2010

	(Millions of Yen)	
As of	<b>September 30, 2010</b>	March 31, 2010
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and time deposits	147,725	271,074
Trade notes and accounts receivable	165,383	172,489
Securities	170,850	94,683
Inventories	218,933	210,872
Other	145,861	150,382
Allowance for doubtful receivables	(1,867)	(2,263)
Total current assets	846,885	897,237
<b>Fixed Assets:</b>		
Tangible fixed assets:		
Buildings and structures (net)	142,030	143,217
Machinery and vehicles (net)	166,867	181,520
Land	432,748	433,827
Leased assets (net)	26,019	29,283
Other (net)	39,305	37,724
Total tangible fixed assets	806,969	825,571
Intangible fixed assets	21,347	23,351
Investments and other fixed assets:		
Investment securities	87,065	86,020
Other	117,156	121,169
Allowance for doubtful receivables	(4,290)	(4,298)
Investment valuation allowance	(1,304)	(1,281)
Total investments and other fixed assets	198,627	201,610
Total fixed assets	1,026,943	1,050,532
<b>Total Assets</b>	<b>1,873,828</b>	<b>1,947,769</b>

**LIABILITIES****Current Liabilities:**

Trade notes and accounts payable	272,241	271,118
Short-term loans payable	69,554	80,836
Long-term loans payable due within one year	82,856	70,344
Bonds due within one year	100	100
Lease obligations	14,155	14,565
Income taxes payable	7,777	8,041
Accrued expenses	130,366	153,336
Reserve for warranty expenses	40,097	36,929
Other	35,143	41,322
Total current liabilities	652,289	676,591

**Fixed Liabilities:**

Bonds	95,800	95,850
Long-term loans payable	390,824	429,113
Lease obligations	25,101	31,320
Deferred tax liability related to land revaluation	93,658	93,680
Employees' and executive officers' severance and retirement benefits	81,652	84,553
Reserve for loss from business of affiliates	4,397	5,862
Reserve for environmental measures	1,471	1,464
Other reserves	354	533
Other	26,453	18,988
Total fixed liabilities	719,710	761,363

**Total Liabilities**

<b>1,371,999</b>	1,437,954
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**EQUITY****Capital and Retained Earnings:**

Common stock	186,500	186,500
Capital surplus	170,192	170,192
Retained earnings	80,196	80,268
Treasury stock	(2,184)	(2,182)
Total capital and retained earnings	434,704	434,778

**Valuation and Translation Adjustments:**

Net unrealized (loss)/gain on available-for-sale securities	(307)	131
Net gain/(loss) on derivative instruments	1,064	(1,498)
Land revaluation	136,128	136,160
Foreign currency translation adjustments	(69,053)	(61,583)
Pension adjustments recognized by foreign consolidated subsidiaries	(2,681)	(79)
Total valuation and translation adjustments	65,151	73,131

**Stock Acquisition Rights**

463	445
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**Minority Interests in Consolidated Subsidiaries**

1,511	1,461
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**Total Equity**

501,829	509,815
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**Total Liabilities and Equity**

1,873,828	1,947,769
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## (2) Consolidated Statement of Operations

For the first half ended September 30, 2009 and 2010

	(Millions of Yen)	
For the first half ended	September 30, 2009	September 30, 2010
Net sales	990,332	1,157,698
Costs of sales	791,839	923,398
Gross profit on sales	198,493	234,300
Selling, general and administrative expenses	220,551	222,122
<b>Operating (loss)/income</b>	(22,058)	12,178
Non-operating income		
Interest income	1,044	813
Equity in net income of affiliated companies	2,718	7,072
Foreign exchange gain	-	6,368
Other	2,626	2,656
Total	6,388	16,909
Non-operating expenses		
Interest expense	7,435	6,026
Foreign exchange loss	3,274	-
Other	3,211	2,252
Total	13,920	8,278
<b>Ordinary (loss)/income</b>	(29,590)	20,809
Extraordinary profits		
Profit on sale of tangible fixed assets	199	517
Compensation for the exercise of eminent domain	124	-
Gain on sale of investments in affiliates	513	-
Other	13	5
Total	849	522
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	1,021	1,035
Loss on impairment of fixed assets	1,866	634
Adoption of accounting standards for asset retirement obligations	-	2,684
Other	9	36
Total	2,896	4,389
<b>(Loss)/income before income taxes</b>	(31,637)	16,942
Income taxes		
Current	5,422	9,044
Release of provision for income taxes by a foreign subsidiary	(6,344)	-
Deferred	(9,822)	2,305
Total	(10,744)	11,349
<b>Income before minority interests</b>	-	5,593
Minority interests in consolidated subsidiaries	(84)	77
<b>Net (loss)/income</b>	(20,809)	5,516

## Consolidated Statement of Operations

For the three months ended September 30, 2009 and 2010

	(Millions of Yen)	
For the three months ended	September 30, 2009	September 30, 2010
Net sales	562,106	579,661
Costs of sales	446,920	464,759
Gross profit on sales	115,186	114,902
Selling, general and administrative expenses	109,260	109,090
<b>Operating income</b>	5,926	5,812
Non-operating income		
Interest income	478	428
Equity in net income of affiliated companies	1,905	3,180
Foreign exchange gain	-	10,188
Other	1,462	1,231
Total	3,845	15,027
Non-operating expenses		
Interest expense	3,880	2,977
Foreign exchange loss	1,329	-
Other	1,499	1,196
Total	6,708	4,173
<b>Ordinary income</b>	3,063	16,666
Extraordinary profits		
Profit on sale of tangible fixed assets	165	445
Gain on sale of investments in affiliates	513	-
Other	10	3
Total	688	448
Extraordinary losses		
Loss on retirement and sale of tangible fixed assets	721	652
Loss on impairment of fixed assets	1,143	299
Other	5	13
Total	1,869	964
<b>Income before income taxes</b>	1,882	16,150
Income taxes		
Current	3,115	3,949
Release of provision for income taxes by a foreign subsidiary	(6,344)	-
Deferred	4,379	4,559
Total	1,150	8,508
<b>Income before minority interests</b>	-	7,642
Minority interests in consolidated subsidiaries	25	25
<b>Net income</b>	707	7,617

### (3) Consolidated Statement of Cash Flows

For the first half ended September 30, 2009 and 2010

(Millions of Yen)

	For the first half ended September 30, 2009	September 30, 2010
<b>Cash flows from operating activities:</b>		
(Loss)/income before income taxes	(31,637)	16,942
Adjustments to reconcile (loss)/income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	38,436	36,160
Loss on impairment of fixed assets	1,866	634
Adoption of accounting standards for asset retirement obligations	-	2,684
Allowance for doubtful receivables	194	(318)
Investment valuation allowance	(7)	23
Reserve for warranty expenses	(4,363)	3,168
Employees' and executive officers' severance and retirement benefits	(2,743)	(2,901)
Reserve for loss from business of affiliates	-	(1,465)
Interest and dividend income	(1,106)	(901)
Interest expense	7,435	6,026
Equity in net loss/(income) of affiliated companies	(2,718)	(7,072)
Loss/(gain) on retirement and sale of tangible fixed assets	822	518
Loss/(gain) on sale of investment securities	(3)	4
Loss/(gain) on sale of investments in affiliates	(513)	-
Decrease/(increase) in trade notes and accounts receivable	(19,227)	8,352
Decrease/(increase) in inventories	17	(17,791)
Increase/(decrease) in trade notes and accounts payable	81,283	3,239
Increase/(decrease) in other current liabilities	(16,665)	(13,161)
Other	(19,605)	(5,984)
Subtotal	31,466	28,157
Interest and dividends received	3,362	4,226
Interest paid	(7,232)	(6,132)
Income taxes refunded/(paid)	(1,501)	(7,814)
<b>Net cash provided by operating activities</b>	<b>26,095</b>	<b>18,437</b>
<b>Cash flows from investing activities:</b>		
Payments into time deposits	-	(10,000)
Proceeds from withdrawal of time deposits	-	10,013
Proceeds from sales and redemption of securities	-	20,000
Purchase of investment securities	(4,696)	(1,189)
Proceeds from sales of investment securities	17	-
Proceeds from sales and redemption of investment securities	-	166
Acquisition of tangible fixed assets	(12,364)	(13,163)
Proceeds from sale of tangible fixed assets	1,697	1,825
Acquisition of intangible fixed assets	(1,743)	(2,279)
Decrease/(increase) in short-term loans receivable	952	(54)
Long-term loans receivable made	(124)	(70)
Collections of long-term loans receivable	96	76
Sale of investments in subsidiaries affecting scope of consolidation	277	-
Other	(2)	5
<b>Net cash (used in)/provided by investing activities</b>	<b>(15,890)</b>	<b>5,330</b>

(Millions of Yen)

For the first half ended September 30, 2009 September 30, 2010

	<u>September 30, 2009</u>	<u>September 30, 2010</u>
<b>Cash flows from financing activities:</b>		
Increase/(decrease) in short-term loans payable	(45,927)	<b>(8,071)</b>
Proceeds from long-term loans payable	57,100	<b>65,050</b>
Repayment of long-term loans payable	(28,120)	<b>(84,259)</b>
Proceeds from issuance of bonds	1,000	-
Redemption of bonds	-	<b>(50)</b>
Proceeds from sale and leaseback transactions	1,123	<b>2,073</b>
Payment of lease obligations	(8,741)	<b>(6,869)</b>
Cash dividends paid	-	<b>(5,311)</b>
Cash dividends paid to minority shareholders	(2)	<b>(12)</b>
Other	70	<b>18</b>
<b>Net cash used in financing activities</b>	<u>(23,497)</u>	<u><b>(37,431)</b></u>
<b>Effects of exchange rate fluctuations on cash and cash equivalents</b>	<u>2,047</u>	<u><b>(13,343)</b></u>
<b>Net decrease in cash and cash equivalents</b>	<u>(11,245)</u>	<u><b>(27,007)</b></u>
<b>Cash and cash equivalents at beginning of the period</b>	<u>220,724</u>	<u><b>346,303</b></u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>209,479</u></u>	<u><u><b>319,296</b></u></u>

#### (4) Note on the Assumption as a Going Concern

None

#### (5) Segment Information

(For the first half ended September 30, 2009)

##### a) Information by Industry Segment

The Company 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.

##### b) Information by Geographic Area

First half Ended September 30, 2009	(Millions of Yen)						
	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	418,974	237,823	233,001	100,534	990,332	-	990,332
Inter-area	451,464	4,096	4,447	773	460,780	(460,780)	-
Total	870,438	241,919	237,448	101,307	1,451,112	(460,780)	990,332
Operating (loss)/income	(7,131)	(5,702)	2,284	3,296	(7,253)	(14,805)	(22,058)

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 UK
  - Other areas: Australia and Colombia

##### c) Overseas Sales

First half Ended September 30, 2009	(Millions of Yen)			
	North America	Europe	Other areas	Total
Overseas sales	242,589	231,732	235,902	710,223
Consolidated sales	-	-	-	990,332
Percentage of overseas sales to consolidated sales	%	%	%	%
	24.5	23.4	23.8	71.7

Notes:

1. Overseas sales include exports by the Company and its consolidated domestic subsidiaries as well as sales (other than exports to Japan) by foreign 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, UK and Russia
    - Other areas: Australia, China and Thailand

**(For the first half ended September 30, 2010)**

**(Additional Information)**

Commencing in the three months ended June 30, 2010, the Company adopted the revised ASBJ Statement No. 17 "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" issued by the ASBJ on March 27, 2009 and the ASBJ Guidance No. 20 "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" issued by the ASBJ on March 21, 2008.

**1) Overview of Reportable Segments**

The reportable segments of the Company consist of business components for which separate financial statements are available. The reportable segments are the subject of periodical review by board of directors' meetings for the purpose of making decisions on the distribution of corporate resources and evaluating business performance.

The Company is primarily engaged in the manufacture and sale of passenger and commercial vehicles. Businesses in the Japan, North America and Europe regions are managed by the Company, Mazda Motor of America, Inc. and Mazda Motor Europe GmbH, respectively. Areas other than Japan, North America and Europe are defined as Other areas. Business deployment in countries in Other areas are managed in an integrated manner by the Company.

Accordingly, the Company consists of regional segments based on a system of managing production and sale. As such, Japan, North America, Europe and Other areas are designated as four reportable segments.

**2) Sales and Income or Loss by Reportable Segments**

First Half Ended September 30, 2010	(Millions of Yen)						Adjustment (Note 1)	Consolidated (Note 2)
	Reportable Segments				Total			
	Japan	North America	Europe	Other areas				
Net sales:								
Outside Customers	509,966	315,256	189,623	142,853	1,157,698	-	1,157,698	
Inter-segment	496,254	3,601	4,476	821	505,152	(505,152)	-	
Total	1,006,220	318,857	194,099	143,674	1,662,850	(505,152)	1,157,698	
Segment income/(loss)	10,099	(12,668)	2,915	6,628	6,974	5,204	12,178	

Notes:

1. The adjustment on segment income/(loss) are eliminations of inter-segment transactions.
2. Segment income/(loss) is reconciled with the operating income/(loss) in the consolidated statement of operations for the first half ended September 30, 2010.

**3) Impairment Loss on Fixed Assets and Goodwill by Reportable Segment**

In the three months ended September 30, 2010, impairment losses on fixed assets, gains on negative goodwill and changes in the amount of goodwill, that were material, were not recognized.

**(6) Significant Changes in the Amount of Equity**

None

#### 4. Supplementary Information

##### Production and Sales Information

###### a) Production Volume

Segment	Vehicle Type	First Half Ended September 30, 2009	First Half Ended September 30, 2010	Increase/ (Decrease)
Japan	Passenger cars	373,879 units	444,438 units	70,559 units
	Trucks	11,557	9,963	(1,594)
	Total	385,436	454,401	68,965

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

	First Half Ended September 30, 2009	First Half Ended September 30, 2010	Increase/ (Decrease)
AutoAlliance International, Inc.	4,244 units	20,779 units	16,535 units
AutoAlliance (Thailand) Co., Ltd.	10,453	40,011	29,558

###### b) Sales by Reportable Segment

Segment	First Half Ended September 30, 2009	First Half Ended September 30, 2010	Increase/ (Decrease)
Japan	418,974 million yen	509,966 million yen	90,992 million yen
North America	237,823	315,256	77,433
Europe	233,001	189,623	(43,378)
Other areas	100,534	142,853	42,319
Total	990,332	1,157,698	167,366

Note: Inter-segment transactions are eliminated from the sales figures shown in the above table.

###### c) Sales by Product Type

Type	First Half Ended September 30, 2009		First Half Ended September 30, 2010		Increase/ (Decrease)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue
Vehicles	431,183 units	702,486 million yen	550,036 units	855,775 million yen	118,853 units	153,289 million yen
Knockdown Parts (Overseas)	-	59,379	-	63,737	-	4,358
Parts	-	110,400	-	109,236	-	(1,164)
Other	-	118,067	-	128,950	-	10,883
Total	-	990,332	-	1,157,698	-	167,366

###### ref.) Wholesales Volume by Market

Type	First Half Ended September 30, 2009	First Half Ended September 30, 2010	Increase/ (Decrease)
Vehicles	Japan	104,841 units	125,214 units
	North America	126,073	181,340
	Europe	109,029	89,964
	Other	91,240	153,518
	Overseas Total	326,342	424,822
	Total	431,183	550,036

**(Reference) Financial Summary (Consolidated)**  
**For the First Half of the Fiscal Year Ending March 2011**  
**(For the Six Months Ended September 30, 2010)**

October 29, 2010  
Mazda Motor Corporation

(In 100 millions of yen)

(In thousands of units)

(Upper left: return on sales)

		FY March 2010		FY March 2011				FY March 2010		FY March 2011	
		First Half (Apr.09-Sep.09)		1st. Qtr.	2nd. Qtr.	First Half (Apr.10-Sep.10)		Full Year (Apr.09-Mar.10)		Full Year Forecast (Apr.10-Mar.11)	
			%				%		%		%
Domestic	1	2,801	(17.3)	1,365	1,676	3,041	8.6	5,750	(7.3)	5,600	(2.6)
Overseas	2	7,102	(42.6)	4,415	4,121	8,536	20.2	15,889	(17.0)	17,400	9.5
Net sales	3	9,903	(37.1)	5,780	5,797	11,577	16.9	21,639	(14.7)	23,000	6.3
Operating income/(loss)	4	(2.2%) (221)	-	1.1% 64	1.0% 58	1.1% 122	-	0.4% 95	-	1.1% 250	164.3
Ordinary income/(loss)	5	(3.0%) (296)	-	0.7% 41	2.9% 167	1.8% 208	-	0.2% 46	-	1.6% 360	675.2
Income/(loss) before income taxes	6	(3.2%) (316)	-	0.1% 8	2.8% 161	1.5% 169	-	(0.3%) (73)	-	1.2% 270	-
Net income/(loss)	7	(2.1%) (208)	-	(0.4%) (21)	1.3% 76	0.5% 55	-	(0.3%) (65)	-	0.3% 60	-
Operating income/(loss) by segment (geographic area)											
Japan	8	(71)		10	91	101		308			
North America	9	(57)		(27)	(100)	(127)		(193)			
Europe	10	23		3	26	29		35			
Other areas	11	33		35	31	66		54			
Operating profit changes											
Volume & mix	12			265	65	330				466	
Exchange rate	13			(47)	(104)	(151)				(451)	
Cost improvement	14			44	(3)	41				91	
Marketing expense	15			(12)	(27)	(39)				(68)	
Other	16			94	68	162				117	
Total	17			344	(1)	343				155	
Average rate for the period											
Yen / US\$	18	96		92	86	89		93		85	
Yen / EUR		133		117	111	114		131		114	
Transaction rate											
Yen / US\$	19	97		90	90	90		94		87	
Yen / EUR		133		119	115	117		133		116	
Capital investment	20	159		64	119	183		298		600	
Depreciation and amortization	21	384		182	180	362		764		730	
R & D cost	22	397		232	225	457		852		950	
Total assets	23	18,116		18,887		18,738		19,478			
Equity	24	4,063		5,015		5,018		5,098			
Financial debt	25	7,310		6,835		6,784		7,221			
Net financial debt	26	5,216		3,667		3,591		3,758			
Free cash flow (Operating & Investing)	27	102		146	92	238		674			
Domestic	28	105	(14.7)	52	73	125	19.0	221	1.0	215	(2.6)
North America	29	158	(20.9)	90	87	177	12.4	307	(11.7)	358	16.8
Europe	30	123	(31.0)	54	54	108	(12.5)	239	(25.7)	218	(8.8)
China	31	85	34.7	53	59	112	31.0	196	45.8	252	28.5
Other	32	106	(22.6)	68	69	137	30.7	230	(3.5)	277	20.1
Overseas	33	472	(18.4)	265	269	534	13.3	972	(6.7)	1,105	13.6
Global retail volume	34	577	(17.7)	317	342	659	14.4	1,193	(5.4)	1,320	10.6
Domestic production volume	35	385	(31.2)	221	233	454	17.9	828	(8.0)	920	11.1

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