FY2007 Consolidated Financial Results
For the Year Ended March 31, 2008

English Translation from the Original Japanese-Language Document

April 25, 2008

Company Name	:	**Mazda Motor Corporation** (Tokyo Stock Exchange/Code No. 7261)
URL	:	http://www.mazda.co.jp
Representative Person	:	Hisakazu Imaki, Representative Director, President and CEO
Contact Person	:	Tetsuya Fujimoto, Deputy General Manager, Financial Services Division, Phone (082) 282-1111
General Meeting of the Shareholders	:	Scheduled for June 25, 2008
Payment of Dividends	:	Scheduled for starting from June 26, 2008
Filing of *Yuka Shoken Hokokusho,* statutory annual business and financial report	:	Scheduled for June 27, 2008

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

1. Consolidated Financial Highlights (April 1, 2007 through March 31, 2008)

(1) Consolidated Financial Results

	Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2007	**3,475,789**	7.0	**162,147**	2.3	**148,461**	16.2	**91,835**	24.5
FY2006	3,247,485	11.2	158,532	28.4	127,753	25.9	73,744	10.5

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

	Net Income per Share	Net Income per Share (Diluted)	Return on Equity	Ordinary Income to Total Assets	Operating Income to Sales
	yen	yen	%	%	%
FY2007	**65.21**	**65.09**	**17.9**	**7.6**	**4.7**
FY2006	**52.59**	52.19	16.9	6.9	4.9

Notes: Equity in net income of unconsolidated subsidiaries and affiliated companies **FY2007 8,409 million yen**
FY2006 6,151 million yen

(2) Consolidated Financial Position

	Total Assets	Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	yen
FY2007	**1,985,566**	**554,154**	**27.8**	**391.82**
FY2006	1,907,752	479,882	24.8	336.45

Notes on equity, equity ratio and equity per share :

1) Equity for calculation of equity ratio and equity per share **FY2007 552,190 million yen** FY2006 473,403 million yen

2) 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.

3) 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.

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Ending Cash & Cash Equivalents
	million yen	million yen	million yen	million yen
FY2007	**102,969**	**(92,760)**	**(24,095)**	**223,894**
FY2006	116,358	(95,363)	9,346	242,505

2. Dividends

	Dividends per share			Amount of Annual Dividends	Dividends Payout Ratio (Consolidated)	Annual Dividends per equity (Consolidated)
	Interim	Year-end	Full-Year			
	yen	yen	yen	million yen	%	%
FY2006	-	6.00	6.00	8,442	11.4	1.9
FY2007	**3.00**	**3.00**	**6.00**	**8,456**	**9.2**	**1.6**
FY2008 (Forecast)	3.00	3.00	6.00		12.1	

3. FY2008 Consolidated Financial Forecast (April 1, 2008 through March 31, 2009)

	Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
1st. Half	1,450,000	(12.5)	50,000	(31.6)	50,000	(13.2)	32,000	10.1	22.71
Full Year	3,000,000	(13.7)	115,000	(29.1)	110,000	(25.9)	70,000	(23.8)	49.67

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

4. Other

(1) Significant Changes in Consolidation scope: None

(2) Accounting changes:

1) Adoption of new accounting standards Yes
2) Other Yes
Note: See Page 16-17 Accounting Changes and Adoption of New Accounting Standards in the notes to the consolidated financial statements.

(3) Common Stock

1) Shares issued (including treasury stock)	**FY2007**	**1,418,509,399** shares	FY2006	1,414,878,813 shares
2) Treasury shares	**FY2007**	**9,205,707** shares	FY2006	7,845,934 shares

Note: For the number of shares of common stock used for the calculation of net income per share (consolidated), refer to the Information on Amounts Per Share of Common Stock on page 25.

(Reference)

1. Unconsolidated Financial Highlights (April 1, 2007 through March 31, 2008)

(1) Unconsolidated Financial Results

	Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2007	**2,464,229**	5.9	**83,085**	(6.4)	**84,830**	0.4	**54,945**	7.6
FY2006	2,327,073	14.5	88,803	32.6	84,464	40.4	51,062	364.9

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

	Net Income per Share	Net Income per Share (Diluted)
	yen	yen
FY2007	**39.01**	**38.95**
FY2006	36.41	36.14

(2) Unconsolidated Financial Position

	Total Assets	Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	yen
FY2007	**1,620,735**	**556,491**	**34.3**	**394.71**
FY2006	1,496,657	509,663	34.0	362.17

Notes on shareholders' equity, equity ratio, and equity per share :

1) Equity for calculation of equity ratio and equity per share **FY2007 556,282 million yen** FY2006 509,596 million yen

2) 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. FY2008 Unconsolidated Financial Forecast (April 1, 2008 through March 31, 2009)

	Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
1st. Half	1,090,000	(4.4)	16,000	(59.1)	20,000	(38.8)	10,000	(56.0)	7.10
Full Year	2,240,000	(9.1)	48,000	(42.2)	51,000	(39.9)	25,000	(54.5)	17.74

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

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. For further information on the above financial projection, please refer to pages from 4 to 5.

1. Financial Results

(1) Analysis of Financial Results

(Financial Results for the Year Ended March 31, 2008)

The economic environment surrounding Mazda, its consolidated subsidiaries, and equity method companies (hereinafter referred to collectively as the Mazda Group) during this fiscal year has undergone many risk factors and uncertainties both domestically and internationally such as unrest in international financial and capital market, slowdown of world economy as well as escalation of energy and crude oil prices. In Japan, with increase of exports to various countries including emerging countries and oil-producing countries, companies' capital investment is also on a trend of increase. On the other hand, we have experienced rises not only in commodity prices due to increasing international commodity markets but also in consumer prices as a result of escalation of primary products. Decline in housing investment and sluggish new car sales show that consumer confidence is on a downward trend. With exchange rate fluctuation compounding the situation further, Japanese economy is slowing down.

Despite these circumstances, the Mazda Group has achieved a smooth start for the Mazda Advancement Plan, our four-year mid-term plan. The Group launched the new Mazda2 (Demio in Japan) in Japan, Europe, Australia and China. In November last year, the new Mazda2 won the 2008 RJC Car of The Year Award and a prestigious award -- the 2008 World Car of the Year Award, in March this year. We launched the new Mazda6 (Atenza in Japan) which delivers advanced environmental and safety features coupled with superb high speed stability and comfort in Japan following Europe. In addition, CX-9, crossover sport utility vehicle, won the 2008 North American Truck of the Year Award, which is one of North America's most prestigious motoring awards, in January this year.

R&D is moving ahead with the development of attractive products for customers, while we also continued to enhance environment and safety technology development, based on our Sustainable Zoom-Zoom statement, which is our long-term technology development vision aiming for the realization of a sustainable car-based society. In November last year, Mazda commenced participating in Norwegian National Project HyNor by providing hydrogen rotary engine vehicles to Norway. To date, the vehicle has been on lease to organizations in Japan. 30 Mazda RX-8 Hydrogen RE will be distributed to Norway commencing in summer this year. These will be the first hydrogen RE vehicles delivered outside Japan. Mazda also commenced public road trials of its advanced safety vehicle, Mazda ASV-4, in Hiroshima area from spring this year. The trials are based on the Advanced Safety Vehicle (ASV) Promotion Plan introduced by Japan's Ministry of Land, Infrastructure, and Transport (MLIT) aimed at reducing the number of traffic accidents. By conducting the ASV public road trials in the same areas as the Intelligent Transport System (ITS) public road tests that started at the beginning of this year, Mazda intends to evaluate the compatibility of the road-to-vehicle and vehicle-to-vehicle communication systems.

In the production area, we reinforced production capacity at our main Japanese plants in Hiroshima and Hofu, and reached the combined annual production capacity of the two plants of 996,000 units (an increase of 11%). Our domestic production output in Japan in this fiscal year exceeded 1 million units, a highest level in 15 years since 1992. Additionally following the start of engine production at Changan Ford Mazda Engine Co Ltd in Nanjing, China, a joint venture of Changan Automotive Group, Ford Motor Company and Mazda Motor Corporation in April last year, production of the Mazda2 started half a year later at the vehicle assembly plant established by the same joint venture partners. In addition, Mazda and Ford Motor Company is building a new passenger car plant at AutoAlliance Thailand -- their joint venture manufacturing plant -- to produce both companies' B-car segment small passenger cars. The car production will commence at the new plant in 2009.

In the sales area, we established a sales company in April last year to cover the Belgium and Luxemburg markets, and in the fall last year, announced to establish a national sales company in Poland. Through our proactive establishment of national sales companies in markets throughout Europe over the past five years, our sales in the region have doubled. We now have nineteen sales companies covering twenty countries, and these account for approximately 90% of our total sales volume in Europe. In April this year, Mazda, jointly with Sumitomo Mitsui Banking Corporation, Central Finance Co., Ltd, and Ford Motor Credit Company LLC, formed an alliance in Primus Financial Services Inc., which provides auto finance services to Mazda and Ford group auto dealers in Japan. In the increasingly competitive domestic automobile market, sales promotion measures that leverage automotive financing are becoming more important. Under such circumstances, we will provide more attractive finance plans for customers and improve our brand value through this strategic alliance. As part of actions to enhance domestic sales structure, we plan to integrate nine affiliated parts sales companies and newly establish Mazda Parts Company Limited in July this year.

As for the retail volume of key markets during this period, retail volume in Japan was 256,000 units, down 1.9% year over year, due to the influence of the decline of the total industry demand despite the fact that the introduction of all-new Demio (Mazda2) was successful. The retail volume in North America was 406,000 units, up 6.8% from the prior year. Not only the enduring popularity of Mazda3 (Axela in Japan) but also the strong sales of the CX-9, which was launched during the 4th quarter of the prior year, contributed. The retail volume in Europe was up 7.4% from the last year to 327,000 units, reflecting introductions of CX-7 and new Mazda2. In China, the retail volume fell to 101,000 units, down 21.8% from the prior year due to the impact of terminating production of 323 (the former Familia) and Premacy (the previous model), which had been sold as a Mazda brand vehicle. In other markets, also led by new Mazda2 and CX-7, the retail volume increased by 20.4% to 273,000 units. As a result, the global retail volume was 1,363,000 units, up 4.7% from the prior year.

Consolidated sales revenue increased by ¥228.3 billion or 7.0% year-on-year to ¥3,475.8 billion. In spite of the increases in development cost and depreciation expense of fixed assets, operating income increased by ¥3.6 billion or 2.3% year over year to ¥162.1 billion with the volume and mix improvement, yen's depreciation and cost reduction efforts that exceeded raw material price hikes. Operating ROS fell 0.2 percentage points to 4.7%. Ordinary income was increased by ¥20.7 billion or 16.2% year-on-year to ¥148.5 billion. Net income was ¥91.8 billion, up ¥18.1 billion or 24.5% from a year earlier.

As stated above, we have achieved the results as planned in the first year of Mazda Advancement Plan. On the other hand, in next fiscal year and beyond, difficult circumstances will continue with deteriorations in external environment, etc. However we steadily implement each measure and ensure to achieve our mid-term targets set in Mazda Advancement Plan.

(Financial Projection for the Year Ending March 31, 2009)

Our global retail volume for next fiscal year is projected to be 1,480,000 units, up 8.6% year over year. Looking at retail volume projection by market, the volume in Japan is projected to slightly increase by 0.5% year over year to 257,000 units. The volume in North America is projected to be at 400,000 units (down 1.4%), 360,000 units in Europe, (up 10.2%), 180,000 units in China (up 78.2%) and 283,000 units in other markets (up 3.3%). The exchange rate assumption is ¥100 to the US dollar and ¥150 to Euro.

As for consolidated financial performance of the next year, sales revenue is projected at ¥3,000 billion, down 13.7% year over year, which includes the impacts of certain accounting changes as discussed below.* Operating income is projected at ¥115 billion, down 29.1%, due to the impacts of deterioration in the external environments, including yen's appreciation and raw material price hikes, partially offset by volume and mix improvements from the introduction of new models. Consolidated ordinary income is projected to be ¥110 billion, down 25.9%, and net income is projected to be ¥70 billion, down 23.8%. Research and development costs are projected to be ¥115 billion.

		First half	Compared to the prior year		Full year	Compared to the prior year
Consolidated	Sales Revenue	¥1,450 billion	down 12.5%*	Sales Revenue	¥3,000 billion	down 13.7%*
	Operating Income	¥50 billion	down 31.6%	Operating Income	¥115 billion	down 29.1%
	Ordinary Income	¥50 billion	down 13.2%	Ordinary Income	¥110 billion	down 25.9%
	Net Income	¥32 billion	up 10.1%	Net Income	¥70 billion	down 23.8%
		First half	Compared to the prior year		Full year	Compared to the prior year
Unconsolidated	Sales Revenue	¥1,090 billion	down 4.4%	Sales Revenue	¥2,240 billion	down 9.1%
	Operating Income	¥16 billion	down 59.1%	Operating Income	¥48 billion	down 42.2%
	Ordinary Income	¥20 billion	down 38.8%	Ordinary Income	¥51 billion	down 39.9%
	Net Income	¥10 billion	down 56.0%	Net Income	¥25 billion	down 54.5%

*In the year ending March 31, 2009, accounting changes are planned due to the adoption of Practical Issues Task Force ("PITF") No. 18, Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements, and other.

(2) Analysis on the Financial Position

(Analysis on Assets, Liabilities, Equity and Cash Flows)

As discussed in "Accounting Changes and Adoption of New Accounting Standards" on page 16, commencing in the year ended March 31, 2008, Mazda and its consolidated domestic subsidiaries early adopted the revised accounting standard for leases to recognize leased property and lease obligations on the balance sheet. As a result of recognizing leased property as well as capital investment that exceeds depreciation, total assets increased by ¥77.8 billion to ¥1,985.6 billion compared to the end of the last year. Total financial debt was ¥505.0 billion, ¥30.3 billion higher than the previous year due to the recognition of lease obligations and other. Total liabilities amounted to ¥1,431.4 billion, an increase of ¥3.5 billion from a year ago. Total equity amounted to ¥554.2 billion, up ¥74.3 billion compared to the prior year. Equity ratio improved by 3.0 percentage points to 27.8%.

Net cash provided by the operating activities was ¥103.0 billion, primarily due to income before income taxes of ¥143.1 billion, depreciation and amortization expense of ¥66.5 billion, and income tax payments. Net cash used in investing activities amounted to ¥92.8 billion, mainly reflecting ¥79.6 billion capital investments in facilities and equipment. As a result, consolidated cash flow (operating and investing activities) was positive

¥10.2 billion. Net cash used in financing activities amounted to ¥24.1 billion, mainly reflecting repayment of debt obligations and dividend payment.

After deducting cash and cash equivalents of ¥223.9 billion from financial debt, net financial debt totaled ¥281.1 billion, an increase of ¥48.9 billion compared to the previous fiscal year end. The net debt-to-equity ratio was at 51%, an increase of 2 percentage points from the prior fiscal year.

In the year ending March 31, 2009, we plan to adopt PITF No. 18, Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements. While we expect an increase in assets and liabilities for a few percentage points, we do not expect material impacts on equity.

(Trends of cash flow data)

	As of /Year Ended March 31, 2004	As of /Year Ended March 31, 2005	As of /Year Ended March 31, 2006	As of /Year Ended March 31, 2007	As of /Year Ended March 31, 2008
Equity Ratio	12.4%	15.1%	22.3%	24.8%	27.8%
Fair Value Equity Ratio	23.5%	25.2%	56.0%	48.1%	25.1%
Cash-Flow-To-Total-Debt Ratio	6.8	3.9	4.0	4.1	4.9
Interest Coverage Ratio	5.0	9.7	9.8	7.1	5.3

Equity Ratio: Equity/Total Assets

Fair Value Equity Ratio: Gross Market Capitalization/Total Assets

Cash Flow to Total Debt: Total Debt/Operating Cash Flow

Interest Coverage Ratio: Operating Cash Flow/Interest Payments

1) All indicators are calculated on the basis of consolidated financial values.
2) Gross Market Capitalization is based on the total number of shares issued excluding treasury stock.
3) Cash Flow means the cash flow provided by operating activities.
4) Total Debt includes all debts that interests are paid on among debts booked in consolidated balance sheet.

(3) Our Basic Policy on Distribution of Earnings and Dividends for This and following Fiscal Year

Our policy on distribution of earnings is to declare dividends by carefully considering each fiscal year's financial results and business environment. Our intent is to provide our stockholders with dividends on a stable basis. Under this policy, we plan to declare a year-end dividend of ¥3 per share (an annual dividend of ¥6 per share) for the year ended March 31, 2008. In addition, for the year ending March 31, 2009, we plan to declare an interim dividend of ¥3 per share and a year-end dividend of ¥3 per share.

Our policy on earnings retained in the company is to utilize the financial resources to enhance our business competitiveness, e.g. capital investment in facilities and equipment and investments in research and development.

(4) Risks

Since there is no material change in risk information from *Yuka Shoken Hokokusyo*, statutory annual business and financial report, for the year ended March 31, 2007 (disclosed on June 27, 2007), we omit the disclosure of the information at this time.

For further information, please access English-language annual report for the year ended March 31, 2007 that was prepared based on the *Yuka Shoken Hokokusyo* (which is available only in Japanese) for the same year from the website shown below.

（Mazda Website）

http://www.mazda.com/investors/annual/2007/

2. Mazda Group of Companies

Since there is no material change in the information on Mazda group of companies from the *Yuka Shoken Hokokusyo* for the year ended March 31, 2007 (disclosed on June 27, 2007), we omit the disclosure of the information at this time.

3. Management Policy

(1) Our Corporate Vision, Mission and Values
(2) Business Targets
(3) Long- and Mid-Term Corporate Business Strategy
(4) Issues to be Addressed

Since there is no material change in the information on management policy from the FY2006 Consolidated Financial Results for the year ended March 31, 2007 (disclosed on April 27, 2007), we omit the disclosure of information at this time.

For further information, please access the FY2006 Consolidated Financial Results from the website shown below.

(Mazda Website)
http://www.mazda.com/investors/result/2006/

4. Consolidated Financial Statement

(1) Consolidated Statement of Income

For the Years Ended March 31, 2008 and 2007

(in Japanese yen rounded to millions)

For the years ended		FY2006 (Apr.2006-Mar.2007)	**FY2007 (Apr.2007-Mar.2008)**	Increase/ (Decrease) Amount	Increase/ (Decrease) Percentage
Net sales	1	3,247,485	**3,475,789**	228,304	7.0
Costs of sales	2	2,322,644	**2,485,905**	163,261	7.0
Gross profit on sales	3	924,841	**989,884**	65,043	7.0
Selling, general and administrative expenses	4	766,309	**827,737**	61,428	8.0
Operating income	5	158,532	**162,147**	3,615	2.3
Non-operating income					
Interest and dividend income	6	2,877	**4,740**	1,863	64.8
Equity in net income of unconsolidated subsidiaries and affiliates	7	6,151	**8,409**	2,258	36.7
Other	8	5,575	**7,846**	2,271	40.7
Total	9	14,603	**20,995**	6,392	43.8
Non-operating expenses					
Interest expense	10	16,254	**19,020**	2,766	17.0
Foreign exchange loss	11	19,914	**7,544**	(12,370)	(62.1)
Other	12	9,214	**8,117**	(1,097)	(11.9)
Total	13	45,382	**34,681**	(10,701)	(23.6)
Ordinary income	14	127,753	**148,461**	20,708	16.2
Extraordinary profits					
Profit on sale of tangible fixed assets	15	1,361	**1,122**	(239)	(17.6)
Profit on sale of investment securities	16	43	**27**	(16)	(37.2)
Compensation for the exercise of eminent domai	17	-	**122**	122	-
Gain on Retroactive Correction of Fixed Asset	18	-	**1,330**	1,330	-
Other	19	44	**-**	(44)	-
Total	20	1,448	**2,601**	1,153	79.6
Extraordinary losses					
Loss on retirement and sale of tangible fixed assets	21	4,741	**4,152**	(589)	(12.4)
Loss on impairment of fixed assets	22	3,356	**2,196**	(1,160)	(34.6)
Loss on sale of investment securities	23	59	**-**	(59)	-
Inventory valuation los related to car-carrying vessel acciden	24	1,979	**-**	(1,979)	-
Adoption of revised accounting standard for lease	25	-	**1,144**	1,144	-
Other	26	616	**453**	(163)	(26.5)
Total	27	10,751	**7,945**	(2,806)	(26.1)
Income before income taxes	28	118,450	**143,117**	24,667	20.8
Income taxes					
Current	29	36,776	**43,710**	6,934	18.9
Prior year	30	3,229	**6,290**	3,061	94.8
Deferred	31	2,973	**555**	(2,418)	(81.3)
Minority interests of consolidated subsidiaries	32	1,728	**727**	(1,001)	(57.9)
Net income	33	73,744	**91,835**	18,091	24.5

(2) Consolidated Balance Sheet
March 31, 2008 and 2007

(in Japanese yen rounded to millions)

		FY2006	**FY2007**	Increase/ (Decrease)	
	As of	March 31, 2007	**March 31, 2008**	Amount	Percentage
ASSETS					
Current Assets:					
Cash and time deposits	1	133,566	**120,961**	(12,605)	(9.4)
Trade notes and accounts receivable	2	172,958	**201,259**	28,301	16.4
Securities	3	114,003	**103,003**	(11,000)	(9.6)
Inventories	4	282,432	**287,716**	5,284	1.9
Deferred taxes	5	97,184	**92,594**	(4,590)	(4.7)
Other	6	58,595	**91,798**	33,203	56.7
Allowance for doubtful receivables	7	(2,816)	**(2,019)**	797	(28.3)
Total current assets	8	855,922	**895,312**	39,390	4.6
Fixed Assets:					
Tangible fixed assets:					
Buildings and structures	9	149,660	**155,056**	5,396	3.6
Machinery and vehicles	10	192,465	**215,657**	23,192	12.0
Tools, furnitures and fixtures	11	25,284	**24,893**	(391)	(1.5)
Land	12	442,901	**442,237**	(664)	(0.1)
Leased property	13	-	**35,285**	35,285	-
Construction in progress	14	46,630	**25,161**	(21,469)	(46.0)
Other	15	214	**79**	(135)	(63.1)
Total tangible fixed assets	16	857,154	**898,368**	41,214	4.8
Intangible fixed assets	17	28,871	**33,951**	5,080	17.6
Investments and other fixed assets:					
Investment securities	18	98,754	**92,658**	(6,096)	(6.2)
Long-term loans receivable	19	6,063	**6,293**	230	3.8
Deferred taxes	20	48,449	**45,516**	(2,933)	(6.1)
Other	21	16,418	**18,405**	1,987	12.1
Allowance for doubtful receivables	22	(3,271)	**(4,329)**	(1,058)	32.3
Investment valuation allowance	23	(608)	**(608)**	-	-
Total investments and other fixed assets	24	165,805	**157,935**	(7,870)	(4.7)
Total fixed assets	25	1,051,830	**1,090,254**	38,424	3.7
Total Assets	26	1,907,752	**1,985,566**	77,814	4.1

(in Japanese yen rounded to millions)

	As of	FY2006 March 31, 2007	**FY2007 March 31, 2008**	Increase/ (Decrease) Amount	Increase/ (Decrease) Percentage
LIABILITIES					
Current Liabilities:					
Trade notes and accounts payable	1	300,577	**336,731**	36,154	12.0
Short-term loans payable	2	70,340	**69,851**	(489)	(0.7)
Long-term loans payable due within one year	3	42,164	**32,935**	(9,229)	(21.9)
Bonds due within one year	4	20,200	**20,000**	(200)	(1.0)
Bonds with stock acquisition rights due within one year	5	1,131	**-**	(1,131)	-
Lease obligations	6	-	**13,089**	13,089	-
Income tax payable	7	26,366	**22,321**	(4,045)	(15.3)
Other accounts payable	8	97,758	**54,479**	(43,279)	(44.3)
Accrued expenses	9	219,367	**203,540**	(15,827)	(7.2)
Reserve for warranty expenses	10	42,555	**51,535**	8,980	21.1
Other	11	44,778	**40,454**	(4,324)	(9.7)
Total current liabilities	12	865,236	**844,935**	(20,301)	(2.3)
Fixed Liabilities:					
Bonds	13	85,000	**85,000**	-	-
Long-term loans payable	14	255,849	**261,599**	5,750	2.2
Lease obligations	15	-	**22,505**	22,505	-
Deferred tax liability related to land revaluation	16	93,773	**93,740**	(33)	(0.0)
Employees' and executive officers' severance and retirement benefits	17	111,565	**99,844**	(11,721)	(10.5)
Directors' and corporate auditors' retirement benefits	18	1,460	**-**	(1,460)	-
Other	19	14,987	**23,789**	8,802	58.7
Total fixed liabilities	20	562,634	**586,477**	23,843	4.2
Total Liabilities	21	1,427,870	**1,431,412**	3,542	0.2
EQUITY					
Capital and Retained Earnings:					
Common stock	22	149,513	**150,068**	555	0.4
Capital surplus	23	133,393	**133,838**	445	0.3
Retained earnings	24	90,024	**167,332**	77,308	85.9
Treasury stock	25	(3,338)	**(4,549)**	(1,211)	36.3
Total capital and retained earnings	26	369,592	**446,689**	77,097	20.9
Valuation and Translation Adjustments:					
Net unrealized gain on available-for-sale securities	27	1,034	**545**	(489)	(47.3)
Net (loss)/gain on derivative instruments	28	(865)	**4,158**	5,023	-
Land revaluation	29	136,097	**136,048**	(49)	(0.0)
Foreign currency translation adjustments	30	(31,528)	**(34,090)**	(2,562)	8.1
Pension adjustments recognized by an overseas consolidated subsidiary	31	(927)	**(1,160)**	(233)	25.1
Total valuation and translation adjustments	32	103,811	**105,501**	1,690	1.6
Stock Acquisition Rights	33	67	**209**	142	211.9
Minority Interests in Consolidated Subsidiaries	34	6,412	**1,755**	(4,657)	(72.6)
Total Equity	35	479,882	**554,154**	74,272	15.5
Total Liabilities and Equity	36	1,907,752	**1,985,566**	77,814	4.1

(3) Consolidated Statement of Equity

For the Years Ended March 31, 2008 and 2007

(in Japanese yen rounded to millions)

		Capital and Retained Earnings				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total Capital and Retained Earnings
Balance at March 31, 2006	1	148,360	132,385	24,005	(2,311)	302,439
Changes during the period:						
Exercise of stock acquisition rights	2	1,153	1,153			2,306
Cash dividends paid	3			(7,001)		(7,001)
Net income	4			73,744		73,744
Acquisition of treasury stock	5				(1,672)	(1,672)
Re-issuance of treasury stock	6		(145)		645	500
Land revaluation	7			(724)		(724)
Net changes in accounts other than capital and retained earnings	8					-
Net changes during the period	9	1,153	1,008	66,019	(1,027)	67,153
Balance at March 31, 2007	10	149,513	133,393	90,024	(3,338)	369,592

(in Japanese yen rounded to millions)

		Valuation and Translation Adjustments								
		Net unrealized gain on available-for-sale securities	Net (loss)/gain on derivative instruments	Land revaluation	Foreign currency translation adjustments	Pension adjustments recognized by an overseas consolidated subsidiary	Total valuation and translation adjustments	Stock Acquisition Rights	Minority Interests in Consolidated Subsidiaries	Total Equity
Balance at March 31, 2006	11	1,285	-	135,372	(41,072)	-	95,585	-	9,184	407,208
Changes during the period										
Exercise of stock acquisition rights	12						-			2,306
Cash dividends paid	13						-			(7,001)
Net income	14						-			73,744
Acquisition of treasury stock	15						-			(1,672)
Re-issuance of treasury stock	16						-			500
Land revaluation	17						-			(724)
Net changes in accounts other than capital and retained earnings	18	(251)	(865)	725	9,544	(927)	8,226	67	(2,772)	5,521
Net changes during the period	19	(251)	(865)	725	9,544	(927)	8,226	67	(2,772)	72,674
Balance at March 31, 2007	20	1,034	(865)	136,097	(31,528)	(927)	103,811	67	6,412	479,882

(in Japanese yen rounded to millions)

		Capital and Retained Earnings				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total Capital and Retained Earnings
Balance at March 31, 2007	1	**149,513**	**133,393**	**90,024**	**(3,338)**	**369,592**
Changes during the period:						
Exercise of stock acquisition rights	2	**555**	**555**			**1,110**
Cash dividends paid	3			**(12,670)**		**(12,670)**
Cumulative effect of applying FASB Interpretation No. 48 by an overseas subsidiary	4			**(1,906)**		**(1,906)**
Net income	5			**91,835**		**91,835**
Acquisition of treasury stock	6				**(1,686)**	**(1,686)**
Re-issuance of treasury stock	7		**(110)**		**475**	**365**
Land revaluation	8			**49**		**49**
Net changes in accounts other than capital and retained earnings	9					**-**
Net changes during the period	10	**555**	**445**	**77,308**	**(1,211)**	**77,097**
Balance at March 31, 2008	11	**150,068**	**133,838**	**167,332**	**(4,549)**	**446,689**

(in Japanese yen rounded to millions)

		Valuation and Translation Adjustments								
		Net unrealized gain on available-for-sale securities	Net (loss)/gain on derivative instruments	Land revaluation	Foreign currency translation adjustments	Pension adjustments recognized by an overseas consolidated subsidiary	Total valuation and translation adjustments	Stock Acquisition Rights	Minority Interests in Consolidated Subsidiaries	Total Equity
Balance at March 31, 2007	12	**1,034**	**(865)**	**136,097**	**(31,528)**	**(927)**	**103,811**	**67**	**6,412**	**479,882**
Changes during the period										
Exercise of stock acquisition rights	13						**-**			**1,110**
Cash dividends paid	14						**-**			**(12,670)**
Cumulative effect of applying FASB Interpretation No. 48 by an overseas subsidiary	15						**-**			**(1,906)**
Net income	16						**-**			**91,835**
Acquisition of treasury stock	17						**-**			**(1,686)**
Re-issuance of treasury stock	18						**-**			**365**
Land revaluation	19						**-**			**49**
Net changes in accounts other than capital and retained earnings	20	**(489)**	**5,023**	**(49)**	**(2,562)**	**(233)**	**1,690**	**142**	**(4,657)**	**(2,825)**
Net changes during the period	21	**(489)**	**5,023**	**(49)**	**(2,562)**	**(233)**	**1,690**	**142**	**(4,657)**	**74,272**
Balance at March 31, 2008	22	**545**	**4,158**	**136,048**	**(34,090)**	**(1,160)**	**105,501**	**209**	**1,755**	**554,154**

(4) Consolidated Statement of Cash Flows
For the Years Ended March 31, 2008 and 2007

(in Japanese yen rounded to millions)

For the years ended		FY2006 March 31, 2007	**FY2007 March 31, 2008**
Cash flows from operating activities			
Income before income taxes	1	118,450	**143,117**
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation and amortization	2	47,045	**66,460**
Loss on impairment of fixed assets	3	3,356	**2,196**
Adoption of revised accounting standard for leases	4	-	**1,144**
Allowance for doubtful receivables	5	(981)	**253**
Investment valuation allowance	6	(21)	**-**
Reserve for warranty expenses	7	13,281	**10,772**
Employees' and executive officers' severance and retirement benefits	8	(13,479)	**(11,721)**
Interest and dividend income	9	(2,877)	**(4,740)**
Interest expense	10	16,254	**19,020**
Equity in net income of unconsolidated subsidiaries and affiliates	11	(6,151)	**(8,409)**
Loss/(gain) on sale of fixed assets	12	3,380	**3,030**
Loss/(gain) on sale of investment securities	13	16	**(27)**
Decrease/(increase) in trade notes and accounts receivable	14	(3,061)	**(14,595)**
Decrease/(increase) in inventories	15	(14,741)	**(17,472)**
Increase/(decrease) in trade notes and accounts payable	16	(16,654)	**39,204**
Increase/(decrease) in other current liabilities	17	22,313	**(31,356)**
Other	18	3,323	**(24,365)**
Subtotal	19	169,453	**172,511**
Interest and dividends received	20	5,445	**7,977**
Interest paid	21	(16,358)	**(19,458)**
Income taxes paid	22	(42,182)	**(58,061)**
Net cash provided by operating activities	23	116,358	**102,969**
Cash flows from investing activities			
Purchase of investment securities	24	(5,876)	**(2,004)**
Sale of investment securities	25	92	**98**
Purchase of additional shares of stock in subsidiaries from minority interests	26	-	**(9,194)**
Acquisition of tangible fixed assets	27	(77,131)	**(79,597)**
Proceeds from sale of tangible fixed assets	28	5,031	**3,186**
Decrease/(increase) in short-term loans receivable	29	(1,280)	**5**
Long-term loans receivable made	30	(60)	**(459)**
Collections of long-term loans receivable	31	317	**153**
Other	32	(16,456)	**(4,948)**
Net cash used in investing activities	33	(95,363)	**(92,760)**
Cash flows from financing activities			
Increase/(decrease) in short-term loans payable	34	(11,689)	**(574)**
Proceeds from long-term loans payable	35	55,091	**40,300**
Repayment of long-term loans payable	36	(61,933)	**(35,884)**
Proceeds from issuance of bonds	37	40,000	**20,000**
Redemption of bonds	38	(200)	**(20,220)**
Proceeds from sale and leaseback transactions	39	-	**8,794**
Payment of lease obligations	40	-	**(20,810)**
Cash dividends paid	41	(7,000)	**(12,670)**
Other	42	(4,923)	**(3,031)**
Net cash provided by/(used in) financing activities	43	9,346	**(24,095)**
Effects of exchange rate fluctuations on cash and cash equivalents	44	3,506	**(4,725)**
Net increase/(decrease) in cash and cash equivalents	45	33,847	**(18,611)**
Cash and cash equivalents at beginning of the period	46	208,658	**242,505**
Cash and cash equivalents at end of the period	47	242,505	**223,894**

5) Notes to Consolidated Financial Statements

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries 58

Overseas	22	Mazda Motor of America, Inc., Mazda Motors (Deutschland) GmbH and other
Domestic	36	18 dealers and 18 other

2) Equity Method-Applied Companies 13

Overseas	5	Auto Alliance International, Inc., Auto Alliance (Thailand) Co., Ltd. and other
Domestic	8	3 automotive parts sales companies and 5 other

2. Changes in Consolidation Scope and Application of Equity Method

None

3. Accounting Periods of Consolidated Subsidiaries

The year-end consolidated balance sheet date is March 31. Among the consolidated subsidiaries, 8 companies, Compania Colombiana Automotriz S.A., Mazda Sales (Thailand) Co., Ltd., Mazda Motor (China) Co., Ltd., P.T. Mazda Motor Indonesia, Mazda South East Asia, Limited, Mazda Motor de Mexico, S. de R.L de C.V., Mazda Servicios de Mexico, S. de R.L de C.V., and Mazda Motor Rus, OOO have a year-end balance sheet date different from the year-end consolidated balance sheet date, all of which are December 31.

In preparing the consolidated financial statements, for 5 of the 8 companies, Compania Colombiana Automotriz S.A., Mazda Sales (Thailand) Co., Ltd., Mazda Motor (China) Co., Ltd., P.T. Mazda Motor Indonesia and Mazda South East Asia, Limited, the financial statements of each of these companies with the December 31 year-end balance sheet date are used; however, adjustments necessary in consolidation were made for material transactions that occurred between the balance sheet dates of these subsidiaries and the consolidated balance sheet date. On the other hand, for the other 3 companies, Mazda Motor de Mexico, S. de R.L de C.V., Mazda Servicios de Mexico, S. de R.L de C.V., and Mazda Motor Rus, OOO, special purpose financial statements prepared for consolidation as of the consolidated balance sheet date are used to supplement the companies' statutory financial statements.

4. Accounting Policies

1) Valuation Standards and Methods of Significant Assets

a) Securities

Available-for-sale securities

With available fair value:	Recorded at fair value estimated based on quoted market prices on the balance sheet date, with unrealized gains and losses excluded from income and reported in a separate component of equity net of tax. The bases of cost are on a historical cost basis mainly based on a moving average method.
Without available fair value:	Recorded at cost on a historical cost basis mainly on a moving average method
b) Derivative instruments:	Mainly fair value method
c) Inventories:	Mainly a historical cost basis based on an average method

2) Depreciation and Amortization Methods of Significant Fixed Assets

a) Tangible Fixed Assets (excluding leased property)

Mainly straight-line method. Useful lives and residual values are estimated by a method equivalent to the provisions of the Japanese income tax law.

b) Intangible Fixed Assets (excluding leased property)

Straight-line method with periods of useful life estimated by a method equivalent to the provisions of the Japanese income tax law. Software for internal use is amortized on a straight-line basis over the period of internal use, i.e., 5 years.

c) Leased property

For finance leases which do not transfer ownership, depreciation or amortization expense is recognized on a straight-line basis over the lease period. For leases with a guaranteed minimum residual value, the contracted residual value is considered to be the residual value for financial accounting purposes. For other leases, the residual value is zero.

3) Standards for Recognition of Reserves

a) Reserve for warranty expenses

Reserve for warranty expenses provides for after-sales expenses of products (vehicles). The amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects into consideration.

b) 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 fiscal 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 the 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 by the internal corporate policy if all the eligible executive officers retired at the balance sheet date.

c) 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 by certain consolidated domestic subsidiaries.

d) 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.

e) 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.

4) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate on the fiscal year end; gains and losses in foreign currency translation are included in the income of the current period. Balance sheets of consolidated overseas subsidiaries are translated into Japanese yen at the rates on the fiscal year ends of the subsidiaries' accounting periods except for equity accounts, which are translated at the historical rates. Income statements of consolidated overseas subsidiaries are translated at average rates of the subsidiaries' fiscal years, with the translation differences prorated and included in the equity as foreign currency translation adjustments and minority interests.

5) Accounting for Hedging Activities

Full-deferral hedge accounting is mainly applied. Also, for certain interest swap contracts that are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

6) Accounting for Consumption Taxes
Tax-excluding method

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries
The assets and liabilities of consolidated subsidiaries are valued at fair value at the time of acquisition and are recognized in the consolidated balance sheet in the entirety.

6. Amortization of Goodwill
Goodwill is amortized on a straight-line basis over a period (primarily 5 years) during which each investment is expected to generate benefits.

7. Cash and Cash Equivalents in the Consolidated Statement of Cash Flows
Cash and cash equivalents consist of cash on hand, bank deposits that can be readily withdrawn, and short-term, highly liquid investments with maturities of three months or less at the time of acquisition that present insignificant risk of changes in value.

(6) Accounting Changes and Adoption of New Accounting Standards

Accounting for leases
Commencing in the year ended March 31, 2008, Mazda Motor Corporation (the "Company") and its domestic consolidated subsidiaries (together the "Domestic Companies") early adopted the Accounting Standards Board of Japan ("ASBJ") Statement No.13, *Accounting Standard for Lease Transaction,* and ASBJ Guideline No.16, *Guidance on Accounting Standard for Lease Transaction*, originally issued by the Business Accounting Deliberation Counsel on June 17, 1993 and by the Japanese Institute of Certified Public Accountants on January 18, 1994, respectively, and both revised by the ASBJ on March 30, 2007. Early adoption of ASBJ Statement No. 13 and ASBJ Guideline No. 16 is permitted as of the beginning of a fiscal year that begins on or after April 1, 2007.

The effects of adopting the new standards on the consolidated balance sheet as of March 31, 2008 were to increase tangible fixed assets and intangible fixed assets by 33,862 million yen and 15 million yen, respectively, and to increase current liabilities and fixed liabilities by 12,448 million yen and 22,505 million yen, respectively. In addition, the effects of adopting the new standards on the consolidated statement of income for the year ended March 31, 2008, were to increase operating income and ordinary income by 1,199 million yen and 227 million yen, respectively, and to decrease income before income taxes by 918 million yen.

Through the year ended March 31, 2007, in the consolidated statement of cash flows, all payments of lease fees were included in the cash flows from operating activities. Commencing in the year ended March 31, 2008, however, those portions that constitute payment of lease obligations are included in the cash flows from financing activities.

Also, through the year ended March 31, 2007, proceeds from sale and leaseback transactions were included in the cash flows from investing activities. Commencing in the year ended March 31, 2008, however, proceeds from sale and leaseback transactions are included in the cash flows from financing activities by taking the financing nature of the transactions into consideration.

The effects of adopting the new standards on the consolidated statement of cash flows for the year ended March 31, 2008 were to increase cash flows from operating activities by 13,890 million yen, to decrease cash flows from investing activities by 8,794 million yen, and to decrease cash flows from financing activities by 5,096 million yen.

The effects of adopting the new standards on the segment information are discussed in the applicable section of the notes to the consolidated financial statements.

Depreciation of tangible fixed assets
Commencing in the year ended March 31, 2008, for those tangible fixed assets that were acquired on or after April 1, 2007, the Domestic Companies changed the depreciation method in accordance with the applicable provisions of the revised Japanese Income Tax Code, Law No. 6 and Ordinance No. 83 to Partly Revise Japanese (Corporate) Income Tax Code, both promulgated on March 30, 2007.

The effects of this change on the consolidated statement of income for the year ended March 31, 2008 were to decrease operating income by 910 million yen and to decrease ordinary income and income before income taxes by 912 million yen.

The effects of adopting the new standards on the segment information are discussed in the applicable section of the notes to the consolidated financial statements.

Adoption of new accounting standard by an overseas subsidiary

Through the year ended March 31, 2007, among the consolidated subsidiaries, Compania Colombiana Automotriz S.A. ("CCA") prepared its financial statements based on the accounting principles generally accepted in Colombia to reflect adjustments for the country's inflationary economy and changing prices. On May 7, 2007, however, the federal government of Colombia promulgated a decree to abolish such adjustments from the country's accounting principles. As a result, commencing in the year ended March 31, 2008, CCA's financial statements do not reflect such adjustments.

In the consolidated statement of income for the year ended March 31, 2008, the effects of adopting the new standard on operating income was none and those on ordinary income and income before income taxes were immaterial.

Changes in Financial Statement Presentation

Consolidated balance sheet as of March 31, 2008

1. Through the year ended March 31, 2007, in the consolidated balance sheet, leased property and lease obligations related to finance lease transactions by an overseas consolidated subsidiary were included in the tools, furniture and fixtures of the tangible fixed assets (2,145 million yen as of March 31, 2007), in the long-term loans payable due within one year of the current liabilities (6,291 million yen as of March 31, 2007), and in the long-term loans payable of the fixed liabilities (1,604 million yen as of March 31, 2007). Commencing in the year ended March 31, 2008, however, these leased property and lease obligations are included in the leased property of the tangible fixed assets and the lease obligations of the current and fixed liabilities, respectively, as the Domestic Companies adopted the revised accounting standards for leases as discussed earlier in the accounting changes and adoption of new accounting standards, which resulted in increased materiality of leased property and lease obligations.

   As of March 31, 2008, the balance of the leased property in the fixed assets amounted to 1,384 million yen, and that of the lease obligations amounted to 641 million yen in the current liabilities.

2. Through the year ended March 31, 2007, in the consolidated balance sheet, directors' and corporate auditors' retirement benefits were presented as a separate component of the fixed liabilities. Commencing in the year ended March 31, 2008, however, the retirement benefits are included in the other fixed liabilities due to a decrease in materiality, as the Company has terminated the compensation for directors and corporate auditors in the form of retirement benefits.

   As of March 31, 2008, the balance of directors' and corporate auditors' retirement benefits recognized by certain consolidated domestic subsidiaries amounted to 631 million yen.

3. Through the year ended March 31, 2007, in the consolidated balance sheet, domestically issued negotiable certificates of deposit were included in the cash and time deposits under the current assets. (The balance of domestically issued negotiable certificates of deposit as of March 31, 2007 was 114,000 million yen.) As of October 2, 2007, however, the Financial Statements Preparation Guideline 8-2-1 was revised in view of the enactment of the Law to Partially Revise the Securities and Exchange Law (Law No. 65 of 2006). In accordance with the revised guideline, commencing in the year ended March 31, 2008, domestically issued negotiable certificates of deposits are included in the securities under the current assets.

   Also, through the year ended March 31, 2007, securities were included as a component of other current assets. (The balance of securities as of March 31, 2007 was 3 million yen.) Commencing in the year ended March 31, 2008, however, securities are presented as a separate component of the current assets. In addition, the balance of domestically issued negotiable certificates of deposit as of March 31, 2007, is reclassified in securities.

Consolidated statement of cash flows for the year ended March 31, 2008

Through the year ended March 31, 2007, payment of finance lease obligations by an overseas consolidated subsidiary was included in the repayment of long-term debt in the financing cash flows. Commencing in the year ended March 31, 2008, such payment is included in the payment of lease obligations in the financing cash flows (The balance of lease obligations as of March 31, 2007 was 7,778 million yen.), as the Domestic Companies adopted the new accounting standard for leases discussed earlier in the accounting changes and adoption of new accounting standards.

The payment of lease obligations by the overseas consolidated subsidiary for the year ended March 31, 2008 amounted to 6,920 million yen.

Additional Information

Accounting for residual value of fixed assets

In relation to the changes in the Japanese Income Tax Code, commencing in the year ended March 31, 2008, for the tangible fixes assets that were acquired on or before March 31, 2007 and for which accumulated depreciation has reached 95% of the acquisition cost, the Domestic Companies recognize depreciation for the difference between the 5% residual value and the nominal value (i.e., 1 yen) on a straight-line basis over 5 years, starting in the year following the year in which accumulated depreciation has reached 95% of the acquisition cost (or the year ending March 31, 2008, whichever comes later).

The effects of adopting this accounting for residual value of fixes assets on the consolidated statement of income for the year ended March 31, 2008 were to decrease operating income by 3,951 million yen and to decrease ordinary income and income before income taxes by 4,113 million yen.

The effects of adopting this accounting for residual value of fixed assets on the segment information are discussed in the applicable section of the notes to the consolidated financial statements.

Termination of directors' and corporate auditors' retirement benefits

The Company used to recognize, in the liabilities, directors' and corporate auditors' retirement benefits that provide for retirement benefits to directors and corporate auditors; the amount that would be required by the internal corporate policy if all the directors and corporate auditors retired on the balance sheet date was recognized. As part of management reform, however, by the resolution of the general meeting of shareholders held on June 26, 2007, the Company reached a decision to terminate retirement benefits to directors and corporate auditors as of the end of this general meeting of shareholders as well as to pay the directors and corporate auditors such benefits already earned by the time of the decision.

In relation to this decision, in the consolidated balance sheet as of March 31, 2008, an amount equivalent to the retirement benefits earned prior to the resolution, i.e., 618 million yen, was recognized in other fixed liabilities.

Footnotes

(in Japanese yen rounded to millions)

(Consolidated Statement of Income)

	FY2006 March 31, 2007	**FY2007 March 31, 2008**
The aggregate amounts of research and development expenses	107,553	**114,400**

(Consolidated Balance Sheet)

	FY2006 March 31, 2007	**FY2007 March 31, 2008**
1. Accumulated depreciation on tangible fixed assets	1,045,146	**1,080,983**

2. In accordance with the Law to Partially Revise the Land Revaluation Law (Law No. 19, enacted on March 31, 2001), land owned by Mazda for business uses was revalued. The unrealized gains on the revaluation are included in the equity as "Land Revaluation" for the amount net of deferred taxes.
The deferred taxes on the unrealized gains are included in the liabilities as "Deferred Tax Liability Related to Land Revaluation".

   Timing of revaluation: As of March 31, 2001

   Method of revaluation:

   The fair value of land is determined based on official notice prices that are assessed and published by the Commissioner of the National Tax Administration, 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). Reasonable adjustments, including those for the timing of assessment, are made to the official notice prices.

   The amount of difference between the aggregate fair value of the revalued land as of the end of this period and that at the time of revaluation as stipulated in Article 10 of the Land Revaluation Law is:

   82,650 million yen

	FY2006 March 31, 2007	**FY2007 March 31, 2008**
3. Assets offered as collateral and collateralized loans		
Assets offered as collateral	463,142	**473,590**
Collateralized loans	87,520	**78,618**
4. Contingent liabilities for guarantee and similar agreements	30,435	**25,614**
5. Notes and other receivables discounted		
Discounted notes receivable	348	**183**
Factoring of receivables with recourse	24,471	**22,372**

(Consolidated Statement of Equity)
For the Years Ended March 31, 2008 and 2007

1. Stock issued

(in thousands of shares)

Type of stock	Number of shares issued at March 31, 2006	Increases	Decreases	Number of shares issued at March 31, 2007
Common stock	1,407,342	7,536	-	1,414,878

The number of shares issued increased during the period due to:
Exercise of stock acquisition right 7,536 thousand shares

2. Treasury stock

(in thousands of shares)

Type of stock	Number of treasury shares at March 31, 2006	Increases	Decreases	Number of treasury shares at March 31, 2007
Common stock	7,248	2,205	1,608	7,845

The number of treasury shares increased during the period due to:
Acquisition of treasury stock to meet the needs related to stock options 2,103 thousand shares
Purchase of less-than-one-unit shares from shareholders 102 thousand shares

The number of treasury shares decreased during the period due to:
Re-issuance of treasury stock to meet the needs related to stock options 1,603 thousand shares
Requests for additional purchase of less-than-one-unit shares by shareholders 5 thousand shares

3. Stock acquisition rights

Company name	Detail	Type of stock	Thousands of shares				Balance at Mar. 31, 2007 (Million yen)
			Number of shares at Mar. 31, 2006	Increase	Decrease	Number of shares at Mar. 31, 2007	
Mazda Motor Corporation	Stock acquisition rights granted as stock options	-	-	-	-	-	67

Stock acquisition rights granted as stock options was not vested.

4. Dividends

Dividend payment

Resolution	Type of stock	Total amount of dividends (Million yen)	Dividends per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2006	Common stock	7,001	5	Mar. 31, 2006	Jun. 28, 2006

Dividend whose reference date is attributable to the current period but to be effective after the current period.

Resolution	Type of stock	Resource of dividends	Total amount of dividends (Million yen)	Dividends per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2007	Common stock	Retained earnings	8,442	6	Mar. 31, 2007	Jun. 27, 2007

1. Stock issued

(in thousands of shares)

Type of stock	Number of shares issued at March 31, 2007	Increases	Decreases	**Number of shares issued at March 31, 2008**
Common stock	1,414,878	3,631	-	**1,418,509**

The number of shares issued increased during the period due to:
Exercise of stock acquisition right 3,631 thousand shares

2. Treasury stock

(in thousands of shares)

Type of stock	Number of treasury shares at March 31, 2007	Increases	Decreases	**Number of treasury shares at March 31, 2008**
Common stock	7,845	2,372	1,012	**9,205**

The number of treasury shares increased during the period due to:
Acquisition of treasury stock to meet the needs related to stock options 2,300 thousand shares
Purchase of less-than-one-unit shares from shareholders 72 thousand shares

The number of treasury shares decreased during the period due to:
Re-issuance of treasury stock to meet the needs related to stock options 1,004 thousand shares
Requests for additional purchase of less-than-one-unit shares by shareholders 8 thousand shares

3. Stock acquisition rights

Company name	Detail	Type of stock	Thousands of shares				**Balance at Mar. 31, 2008 (Million yen)**
			Number of shares at Mar. 31, 2007	Increase	Decrease	Number of shares at Mar. 31, 2008	
Mazda Motor Corporation	Stock acquisition rights granted as stock options	-	-	-	-	-	**209**

Stock acquisition rights granted as stock options was not vested.

4. Dividends

Dividend payment

Resolution	Type of stock	Total amount of dividends (Million yen)	Dividends per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2007	Common stock	8,442	6	Mar. 31, 2007	Jun. 27, 2007
Board of Directors' Meeting held on November 2, 2007	Common stock	4,227	3	Sep. 30, 2007	Nov. 30, 2007

Dividend whose reference date is attributable to the current period but to be effective after the current period.

Resolution	Type of stock	Resource of dividends	Total amount of dividends (Million yen)	Dividends per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2008	Common stock	Retained earnings	4,228	3	Mar. 31, 2008	Jun. 26, 2008

5. Accounting for Uncertainty in Income Taxes

In June of 2006, the Financial Accounting Standards Board ("FASB") of the United States issued FASB Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes--an Interpretation of FASB Statement No. 109. FIN 48 is effective for fiscal years beginning after December 16, 2006. FIN 48 prescribes detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in a company's financial statements in accordance with Statement of Financial Accounting Standard No. 109, Accounting for Income taxes.

Commencing in the year ended March 31, 2008, Mazda Motor of America, Inc., a consolidated subsidiary in the United States, adopted FIN 48 and made a cumulative-effect adjustment to the opening balance of retained earnings. In the consolidated financial statements, the cumulative-effect was recognized as a reduction in retained earnings in the consolidated statement of equity for the year ended March 31, 2008.

(in Japanese yen rounded to millions)

(Consolidated Statement of Cash Flows)

	FY2006 (March 31, 2007)	**FY2007 (March 31, 2008)**
1. Reconciliation of cash and time deposits in the consolidated balance sheet to cash and cash equivalents in the consolidated statement of cash flows		
Cash and time deposits	133,566	**120,961**
Time deposits with original maturities that exceed three months	(5,061)	**(67)**
Certificates of deposit with maturities of three months or less at the time of acquisition (securities in the consolidated balance shee	114,000	**103,000**
Cash and cash equivalents	242,505	**223,894**

As discussed earlier in the changes in financial statement presentation, through the year ended March 31, 2007, domestically issued negotiable certificates of deposits were included in cash and time deposits under current assets. However, commencing in the year ended March 31, 2008, domestically issued negotiable certificates of deposits are included in securities under current assets.

In relation to the change, the balance of domestically issued negotiable certificates of deposits as of March 31, 2007 are also reclassified into securities.

	FY2006 (March 31, 2007)	**FY2007 (March 31, 2008)**
2. Significant non-cash transactions:		
Exercise of stock acquisitions rights		
Increases in common stock	1,153	**555**
Increases in capital surplus	1,153	**555**
Decreases in bonds with stock acquisition rights	2,306	**1,110**

Assets and liabilities related to finance lease transactions that were newly recognized in the year ended March 31, 2008 amounted to 38,743 and 39,906 million yen, respectively.

Segment Information

1. Information by Industry Segment

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

2. Information by Geographic Areas

(in Japanese yen rounded to millions)

FY2006 (Year ended March 31, 2007)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	1,226,988	991,192	774,837	254,468	3,247,485	-	3,247,485
Inter-area	1,347,406	7,074	19,899	1,638	1,376,017	(1,376,017)	-
Total	2,574,394	998,266	794,736	256,106	4,623,502	(1,376,017)	3,247,485
Costs and expenses	2,451,263	982,810	779,242	246,517	4,459,832	(1,370,879)	3,088,953
Operating income (loss)	123,131	15,456	15,494	9,589	163,670	(5,138)	158,532
Total identifiable assets	1,663,264	219,947	166,276	56,074	2,105,561	(197,809)	1,907,752

(in Japanese yen rounded to millions)

FY2007 (Year ended March 31, 2008)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	**1,289,248**	**974,504**	**872,616**	**339,421**	**3,475,789**	**-**	**3,475,789**
Inter-area	**1,408,934**	**4,469**	**22,201**	**2,401**	**1,438,005**	**(1,438,005)**	**-**
Total	**2,698,182**	**978,973**	**894,817**	**341,822**	**4,913,794**	**(1,438,005)**	**3,475,789**
Costs and expenses	**2,590,533**	**972,986**	**876,835**	**321,001**	**4,761,355**	**(1,447,713)**	**3,313,642**
Operating income (loss)	**107,649**	**5,987**	**17,982**	**20,821**	**152,439**	**9,708**	**162,147**
Total identifiable assets	**1,775,855**	**174,719**	**179,411**	**68,629**	**2,198,614**	**(213,048)**	**1,985,566**

Notes:

1. 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, U.K. and Belgium
      Other areas: Australia and Colombia

2. As discussed earlier in the accounting for leases section on page 16, commencing in the year ended March 31, 2008, the Domestic Companies early adopted the revised accounting standard for leases. The effects of adopting the new standards on Japan segment for the year ended March 31, 2008 were to decrease operating expense by 1,199 million yen and to increase operating income by the same amount.

3. As discussed earlier in the depreciation of tangible fixed assets section on pages 16 and 17, commencing in the year ended March 31, 2008, the Domestic Companies changed the depreciation method in relation to the change in the Japanese Income Tax Code. The effects of this change on Japan Segment for the year ended March 31, 2008 were to increase operating expense by 910 million yen and to decrease operating income by the same amount.

4. As discussed earlier in the accounting for residual value for fixed assets section on page 18, commencing in the year ended March 31, 2008, in relation to the changes in the Japanese Income Tax Code, for the tangible fixed assets that were acquired on or before March 31, 2007 and for which accumulated depreciation has reached 95% of the acquisition cost, the Domestic Companies recognize depreciation for the difference between the 5% residual value and the nominal value (i.e., 1 yen) on a straight-line basis over 5 years, starting in the year following the year in which accumulated depreciation has reached 95% of the acquisition cost (or the year ending March 31, 2008, whichever comes later).

   The effects of adopting this accounting for residual value of fixed assets on the consolidated statement of income for the year ended March 31, 2008, were to increase operating expense by 3,951 million yen and to decrease operating income by same amount.

3. Overseas Sales

FY2006 (Year ended March 31, 2007)	North America	Europe	Other areas	Total
	(in Japanese yen rounded to millions)			
Overseas sales	1,017,874	789,135	553,149	2,360,158
Consolidated sales	-	-	-	3,247,485
Percentage of overseas sales to consolidated sales	% 31.3	% 24.4	% 17.0	% 72.7

FY2007 (Year ended March 31, 2008)	North America	Europe	Other areas	Total
	(in Japanese yen rounded to millions)			
Overseas sales	**1,015,315**	**888,555**	**691,787**	**2,595,657**
Consolidated sales	**-**	**-**	**-**	**3,475,789**
Percentage of overseas sales to consolidated sales	**% 29.2**	**% 25.6**	**% 19.9**	**% 74.7**

Notes:

1) Overseas sales include exports by the Domestic Companies 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, U.K. and Russia
Other areas:	Australia, China and Colombia

Information on Amounts Per Share of Common Stock

	FY2006 Year Ended March 31, 2007 (Yen)	**FY2007** **Year Ended** **March 31, 2008** **(Yen)**
Equity per share of common stock	336.45	**391.82**
Net income per share of common stock:		
Basic	52.59	**65.21**
Diluted	52.19	**65.09**

Note: Bases of calculation of net income (basic and diluted) per share of common stock are as follows:

	FY2006 Year Ended March 31, 2007 (Million Yen) (Thousand Shares)	**FY2007** **Year Ended** **March 31, 2008** **(Million Yen)** **(Thousand Shares)**
Net income as reported in the consolidated statement of income	73,744	**91,835**
Net income on common stock	73,744	**91,835**
Average number of shares of common stock outstanding	1,402,315	**1,408,368**
Adjustments made on net income	-	**-**

Increase in the number of shares of common stock used in calculating net income per share of common stock, diluted:

	FY2006 Year Ended March 31, 2007 (Thousand Shares)	**FY2007** **Year Ended** **March 31, 2008** **(Thousand Shares)**
Convertible bonds type-bonds with stock acquisition rights	8,442	**1,333**
Stock options	2,272	**1,095**
Increase in the number of shares of common stock	10,714	**2,428**

Numbers of potential shares of common stock that are excluded from the calculation of net income per share of common stock, diluted, due to a lack of dilution effects:

Stock options by the method to issue stock acquisition rights in accordance with the resolution of the 140th general meeting of the shareholders held on June 27, 2006

	FY2006 Year Ended March 31, 2007 (Thousand Shares)	**FY2007** **Year Ended** **March 31, 2008** **(Thousand Shares)**
Number of shares of common stock	2,043	**2,001**
Type of potential shares of stock	Common stock	**Common stock**
Exercise period	From July 1, 2008 To June 30, 2011	**From July 1, 2008** **To June 30, 2011**

Exercise conditions

The stock acquisition rights are exercised in exchange for payment of 776 yen per share. Other conditions are in accordance with the resolutions of the general meeting of the shareholders and the board of directors as well as the contracts between the Company and the holders of the stock acquisition rights.

Stock options by the method to issue stock acquisition rights in accordance with the resolution of the 141th general meeting of the shareholders held on June 26, 2007

Number of shares of common stock	-	**2,025**
Type of potential shares of stock	-	**Common stock**
Exercise period	- -	**From July 1, 2009** **To June 30, 2012**

Exercise conditions

(FY2007)

The stock acquisition rights are exercised in exchange for payment of 714 yen per share. Other conditions are in accordance with the resolutions of the general meeting of the shareholders and the board of directors as well as the contracts between the Company and the holders of the stock acquisition rights.

Footnotes that are omitted.

The following footnotes are omitted from the timely disclosure of the consolidated financial results since the Company judges the needs to include these footnotes in the timely disclosure to be less significant.

- Lease transactions
- Related party transactions
- Income taxes
- Fair Value Information of Securities
- Derivatives
- Retirement benefits
- Stock options and other

Unconsolidated Statement of Income

For the Years Ended March 31, 2008 and 2007

(in Japanese yen rounded to millions)

		FY2006 (Apr.2006-Mar.2007)	**FY2007 (Apr.2007-Mar.2008)**	Increase/(Decrease) Amount	Percent
Net sales	1	2,327,073	**2,464,229**	137,156	5.9
Cost of sales	2	1,925,901	**2,040,933**	115,032	6.0
Gross profit on sales	3	401,172	**423,295**	22,123	5.5
Selling, general and administrative expenses	4	312,370	**340,210**	27,841	8.9
Operating income	5	88,803	**83,085**	(5,717)	(6.4)
Non-operating income					
Interest and dividend income	6	18,246	**18,598**	352	1.9
Other	7	5,388	**5,265**	(123)	(2.3)
Total	8	23,634	**23,863**	229	1.0
Non-operating expenses					
Interest expense	9	5,577	**7,752**	2,175	39.0
Foreign Exchange loss	10	19,716	**10,894**	(8,822)	(44.7)
Other	11	2,679	**3,473**	793	29.6
Total	12	27,972	**22,119**	(5,853)	(20.9)
Ordinary income	13	84,464	**84,830**	365	0.4
Extraordinary profits					
Profit on sale of tangible fixed assets	14	133	**5**	(128)	(96.1)
Gain on retroactive correction of fixed assets	15	-	**1,330**	1,330	-
Total	16	133	**1,335**	1,202	901.4
Extraordinary losses					
Loss on sale of tangible fixed assets	17	190	**26**	(164)	(86.3)
Loss on retirement of tangible fixed assets	18	3,660	**3,194**	(466)	(12.7)
Loss on impairment of fixed assets	19	695	**826**	131	18.9
Loss on sale of investment securities for affiliates	20	59	**-**	(59)	-
Valuation loss on investment securities	21	29	**3**	(26)	(90.3)
Valuation loss on investment securities for affiliates	22	193	**34**	(159)	(82.4)
Valuation loss on investments	23	-	**1**	1	-
Loss on restructuring of affiliates	24	1,206	**-**	(1,206)	-
Loss on investment valuation	25	3,759	**-**	(3,759)	-
Adoption of revised accounting standard for leases	26	-	**1,189**	1,189	-
Other	27	14	**-**	(14)	-
Total	28	9,804	**5,272**	(4,532)	(46.2)
Income before income taxes	29	74,794	**80,893**	6,099	8.2
Income taxes					
Current	30	20,510	**25,139**	4,629	22.6
Prior year	31	3,229	**6,290**	3,061	94.8
Deferred	32	(7)	**(5,481)**	(5,474)	-
Net income	33	51,062	**54,945**	3,883	7.6

Unconsolidated Balance Sheet

March 31, 2008 and 2007

(in Japanese yen roundedto millions)

		FY2006	**FY2007**	Increase/(Decrease)	
As of:		(Mar. 31, 2007)	**(Mar. 31, 2008)**	Amount	Percent
ASSETS					
Current Assets:					
Cash and time deposits	1	60,919	**51,492**	(9,427)	(15.5)
Accounts receivable	2	185,193	**223,632**	38,439	20.8
Securities	3	114,000	**103,000**	(11,000)	(9.6)
Finished products	4	30,379	**46,089**	15,711	51.7
Raw materials	5	3,892	**3,914**	22	0.6
Work in process	6	26,774	**26,884**	110	0.4
Supplies	7	2,620	**2,837**	217	8.3
Prepaid expenses	8	2,947	**2,872**	(75)	(2.6)
Deferred taxes	9	39,761	**45,928**	6,167	15.5
Accounts receivable - Other	10	33,566	**50,595**	17,029	50.7
Short-term loans receivable	11	42,269	**46,264**	3,994	9.4
Other	12	7,286	**23,700**	16,414	225.3
Allowance for doubtful receivables	13	(2,677)	**(1,904)**	773	(28.9)
Total current assets	14	546,929	**625,303**	78,374	14.3
Fixed Assets:					
Tangible fixed assets:					
Buildings	15	82,105	**86,437**	4,332	5.3
Structures	16	16,743	**18,293**	1,550	9.3
Machinery and equipment	17	172,388	**195,994**	23,606	13.7
Transportation equipment	18	2,391	**2,535**	144	6.0
Tools, furniture and fixtures	19	14,688	**17,060**	2,372	16.2
Land	20	314,618	**314,720**	103	0.0
Leased property	21	-	**29,038**	29,038	-
Construction in progress	22	44,774	**23,389**	(21,385)	(47.8)
Total tangible fixed assets	23	647,706	**687,466**	39,760	6.1
Intangible fixed assets:					
Software	24	18,235	**19,073**	838	4.6
Leased property	25	-	**15**	15	-
Total intangible fixed assets	26	18,235	**19,088**	852	4.7
Investments and other fixed assets:					
Investment securities	27	4,032	**4,020**	(12)	(0.3)
Investment securities for affiliates	28	247,126	**251,850**	4,724	1.9
Investments	29	12	**11**	(1)	(7.2)
Investment for affiliates	30	17,994	**19,120**	1,127	6.3
Long-term loans receivable	31	1,467	**1,467**	-	-
Long-term loans receivable for employees	32	1	**0**	(1)	(68.0)
Long-term loans receivable for affiliates	33	2,673	**2,647**	(26)	(1.0)
Accounts and loans receivable from debtoers under bankrnptcy proceeding	34	2	**992**	990	-
Long-term prepaid expenses	35	5,837	**5,622**	(215)	(3.7)
Deferred taxes	36	35,900	**32,044**	(3,857)	(10.7)
Other	37	5,131	**4,723**	(408)	(7.9)
Allowance for doubtful receivables	38	(2,114)	**(3,103)**	(989)	46.8
Investment valuation allowance	39	(34,275)	**(30,516)**	3,759	(11.0)
Total investments and other fixed assets	40	283,785	**288,878**	5,092	1.8
Total fixed assets	41	949,727	**995,432**	45,705	4.8
Total Assets	42	1,496,657	**1,620,735**	124,078	8.3

(in Japanese yen rounded to millions)

		FY2006 (Mar. 31, 2007)	**FY2007 (Mar. 31, 2008)**	Increase/(Decrease) Amount	Increase/(Decrease) Percent
LIABILITIES					
Current Liabilities:					
Trade notes payable	1	278	**478**	200	71.9
Accounts payable - Trade	2	228,171	**267,983**	39,812	17.4
Short-term loans payable	3	730	**730**	-	-
Long-term loans payable due within one year	4	28,388	**31,725**	3,337	11.8
Bonds due within one year	5	20,000	**20,000**	-	-
Bonds with stock acquisition right due within one year	6	1,131	**-**	(1,131)	-
Lease obligations	7	-	**11,019**	11,019	-
Other accounts payable	8	16,960	**10,904**	(6,056)	(35.7)
Income tax payable	9	16,867	**11,307**	(5,560)	(33.0)
Accrued expenses	10	84,192	**91,108**	6,916	8.2
Unearned revenue	11	1,883	**1,510**	(373)	(19.8)
Deferred revenue	12	2	**2**	(1)	(30.8)
Deposit received	13	20,393	**22,662**	2,269	11.1
Reserve for warranty expenses	14	40,705	**51,429**	10,724	26.3
Other	15	3,870	**3,137**	(733)	(18.9)
Total current liabilities	16	463,571	**523,993**	60,422	13.0
Fixed Liabilities:					
Bonds	17	85,000	**85,000**	-	-
Long-term loans payable	18	249,929	**258,204**	8,275	3.3
Lease obligations	19	-	**19,008**	19,008	-
Deferred tax liability related to land revaluation	20	93,773	**93,740**	(33)	0.0
Employees' and executive officers' severance and retirement benefits	21	89,843	**79,475**	(10,368)	(11.5)
Directors' and corporate auditors' retirement benefits	22	744	**-**	(744)	-
Guaranty money received	23	2,773	**3,052**	279	10.1
Other	24	1,361	**1,773**	412	30.3
Total fixed liabilities	25	523,423	**540,252**	16,829	3.2
Total Liabilities	26	986,993	**1,064,244**	77,251	7.8
Equity					
Capital and Retained Earnings:					
Common stock	27	149,513	**150,068**	555	0.4
Capital surplus					
Capital reserve	28	59,403	**59,958**	555	0.9
Other capital surplus	29	73,990	**73,880**	(110)	(0.1)
Total capital surplus	30	133,393	**133,838**	446	0.3
Retained earnings					
Other earned surplus	31	93,968	**136,292**	42,324	45.0
Appropriated for deduction of fixed assets	32	10,778	**9,980**	(797)	(7.4)
Appropriated for special depreciation	33	421	**218**	(203)	(48.2)
Unappropriated retained earnings	34	82,770	**126,094**	43,324	52.3
Total retained earnings	35	93,968	**136,292**	42,324	45.0
Treasury Stock	36	(3,333)	**(4,544)**	(1,212)	36.4
Total capital and retained earnings	37	373,541	**415,654**	42,113	11.3
Valuation and Translation Adjustments:					
Net unrealized gain on available-for-sale securities	38	803	**415**	(387)	(48.3)
Net (loss)/gain on derivative instruments	39	(845)	**4,164**	5,009	-
Land revaluation	40	136,097	**136,048**	(49)	(0.0)
Total valuation and translation adjustments	41	136,055	**140,628**	4,573	3.4
Stock Acquisition Rights	42	67	**209**	142	210.8
Total Equity	43	509,663	**556,491**	46,828	9.2
Total Liabilities and Equity	44	1,496,657	**1,620,735**	124,078	8.3

Unconsolidated Statement of Equity

For the years ended March 31, 2008 and 2007

(in Japanese yen rounded to millions)

		Capital and Retained Earnings					
			Capital surplus		Retained earnings		
		Common stock	Capital reserve	Other capital surplus	Other earned surplus*	Treasury stock	Total Capital and Retained earnings
Balance at March 31, 2006	1	148,360	58,250	74,135	50,631	(2,306)	329,070
Changes during the period:							
Exercise of stock acquisition rights	2	1,153	1,153				2,306
Cash dividends paid	3				(7,001)		(7,001)
Reserve for land revaluation	4				(790)		(790)
Reversal for land revaluation	5				65		65
Net income	6				51,062		51,062
Acquisition of treasury stock	7					(1,672)	(1,672)
Re-issuance of treasury stock	8			(145)		646	501
Net changes during the period	9	1,153	1,153	(145)	43,337	(1,026)	44,471
Balance at March 31, 2007	10	149,513	59,403	73,990	93,968	(3,333)	373,541

(in Japanese yen rounded to millions)

		Valuation and Translation Adjustments					
		Net unrealized gain/(loss) on available-for-securities	Net gain/(loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments	Stock acquisition rights	Total Equity
Balance at March 31, 2006	11	1,018	-	135,372	136,390	-	465,460
Changes during the period:							
Exercise of stock acquisition rights	12				-		2,306
Cash dividends paid	13				-		(7,001)
Reserve for land revaluation	14				-		(790)
Reversal for land revaluation	15				-		65
Net income	16				-		51,062
Acquisition of treasury stock	17				-		(1,672)
Re-issuance of treasury stock	18				-		501
Net changes in accounts other than capital and retained earnings	19	(215)	(845)	724	(335)	67	(268)
Net changes during the period	20	(215)	(845)	724	(335)	67	44,203
Balance at March 31, 2007	21	803	(845)	136,097	136,055	67	509,663

* breakdown of other earned surplus

(in Japanese yen rounded to millions)

		Reserve for deduction of fixed assets	Reserve for special depreciation	Reserve for World exposition	Unappropriated retained earnings	Other earned surplus
Balance at March 31, 2006	22	12,442	796	36	37,357	50,631
Changes during the period:						
Cash dividends paid	23				(7,001)	(7,001)
Transfer to reserve *1 (deduction of fixed assets)	24	276			(276)	-
Transfer from reserve *1 (deduction of fixed assets)	25	(1,940)			1,940	-
Transfer to reserve *2 (special depreciation)	26		33		(33)	-
Transfer from reserve *2 (special depreciation)	27		(409)		409	-
Transfer from reserve *3 (World exposition)	28			(36)	36	-
Reserve for land revaluation	29				(790)	(790)
Reversal for land revaluation	30				65	65
Net income	31				51,062	51,062
Net changes during the period	32	(1,664)	(376)	(36)	45,413	43,337
Balance at March 31, 2007	33	10,778	421	-	82,770	93,968

*1 Breakdown of transfer to and from reserve (deduction of fixed assets)
As approved by the general meeting of shareholders in June 2006 : Transfer to reserve **258** million yen Transfer from reserve **856** million yen
As of the year ended March 31, 2007: Transfer to reserve **17** million yen Transfer from reserve **1,083** million yen

*2 Breakdown of transfer to and from reserve (special depreciation)
As approved by the general meeting of shareholders in June 2006 : Transfer to reserve **33** million yen Transfer from reserve **205** million yen
As of the year ended March 31, 2007: Transfer to reserve **-** million yen Transfer from reserve **203** million yen

*3 Breakdown of transfer to and from reserve (World exposition)
As approved by the general meeting of shareholders in June 2006 : Transfer to reserve **-** million yen Transfer from reserve **36** million yen

(in Japanese yen rounded to millions)

		Capital and Retained Earnings					
			Capital surplus		Retained earnings		
		Common stock	Capital reserve	Other capital surplus	Other earned surplus*	Treasury stock	Total Capital and Retained earnings
Balance at March 31, 2007	1	149,513	59,403	73,990	93,968	(3,333)	373,541
Changes during the period:							
Exercise of stock acquisition rights	2	555	555				1,111
Cash dividends paid	3				(12,670)		(12,670)
Reversal for land revaluation	4				49		49
Net income	5				54,945		54,945
Acquisition of treasury stock	6					(1,686)	(1,686)
Re-issuance of treasury stock	7			(110)		474	364
Net changes during the period	8	555	555	(110)	42,324	(1,212)	43,113
Balance at March 31, 2008	9	150,068	59,958	73,880	136,292	(4,544)	415,654

(in Japanese yen rounded to millions)

		Valuation and Translation Adjustments					
		Net unrealized gain/(loss) available-for-securities	Net gain/(loss) on derivative instruments	Land revaluation	Valuation and translation adjustments	Stock acquisition rights	Total Equity
Balance at March 31, 2007	10	803	(845)	136,097	136,055	67	509,663
Changes during the period:							
Exercise of stock acquisition rights	11				-		1,111
Cash dividends paid	12				-		(12,670)
Reversal for land revaluation	13				-		49
Net income	14				-		54,945
Acquisition of treasury stock	15				-		(1,686)
Re-issuance of treasury stocl	16				-		364
Net changes in accounts other than capital and retained earnings	17	(387)	5,009	(49)	4,573	142	4,714
Net changes during the period	18	(387)	5,009	(49)	4,573	142	46,828
Balance at March 31, 2008	19	415	4,164	136,048	140,628	209	556,491

* breakdown of other earned surplus

(in Japanese yen rounded to millions)

		Reserve for deduction of fixed assets	Reserve for special depreciation	Unappropriated retained earnings	Other earned surplus
Balance at March 31, 2007	20	10,778	421	82,770	93,968
Changes during the period:					
Cash dividends paid	21			(12,670)	(12,670)
Transfer from reserve (deduction of fixed assets)	22	(797)		797	-
Transfer from reserve (special depreciation)	23		(203)	203	-
Reversal for land revaluation	24			49	49
Net income	25			54,945	54,945
Net changes during the period	26	(797)	(203)	43,324	42,324
Balance at March 31, 2008	27	9,980	218	126,094	136,292

6. Other

Production and Sales Information

1. Production Volume

Type		FY2006 (April 1, 2006 to March 31, 2007)	**FY2007 (April 1, 2007 to March 31, 2008)**	Increase/ (Decrease)
		units	units	units
	Passenger cars	912,110	**1,003,237**	91,127
	Trucks	55,121	**43,711**	(11,410)
	Vehicles Total	967,231	**1,046,948**	79,717

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):

	FY2006	**FY2007**	Increase/ (Decrease)
AutoAlliance International, Inc.	71,534 units	**54,335 units**	(17,199) units
AutoAlliance (Thailand) Co., Ltd.	43,566	**51,886**	8,320

2. Sales Volume and Revenue

Type	FY2006 (April 1, 2006 to March 31, 2007)		**FY2007 (April 1, 2007 to March 31, 2008)**		Increase/ (Decrease)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen
Vehicles	1,176,673	2,385,710	**1,239,561**	**2,578,223**	62,888	192,513
Knockdown Parts (Overseas)	-	102,467	**-**	**108,742**	-	6,275
Parts	-	257,853	**-**	**286,369**	-	28,516
Others	-	501,455	**-**	**502,455**	-	1,000
Total	-	3,247,485	**-**	**3,475,789**	-	228,304

Sales Volume by Market

Type		FY2006 (April 1, 2006 to March 31, 2007)	**FY2007 (April 1, 2007 to March 31, 2008)**	Increase/ (Decrease)
		units	units	units
Japan		263,673	**256,563**	(7,110)
	North America	401,593	**386,121**	(15,472)
	Europe	297,499	**322,475**	24,976
	Others	213,908	**274,402**	60,494
	Overseas Total	913,000	**982,998**	69,998
Total		1,176,673	**1,239,561**	62,888

Note: Through the year ended March 31, 2007, sales volume to Puerto Rico was included in "Others". Commencing in the year ended March 31, 2008, however, sales volume to Puerto Rico is included in "North America". For comparison purposes, the information in the year ended March 31, 2007 has been reclassified to conform with the presentation of the current period.

FY2007 Financial Summary (Consolidated)

April 25, 2008

Mazda Motor Corporation

(in 100 millions of yen)
(in thousands of units)
(Upper left: Ratio on sales)

		No.	FY2006 (Apr.06-Mar.07)	%	FY2007 (Apr.07-Mar.08)	%	FY2008 (Apr.08-Mar.09) Projection	%
	Domestic	1	8,873	(0.0)	8,801	(0.8)	6,700	(23.9)
	Overseas	2	23,602	16.1	25,957	10.0	23,300	(10.2)
Net sales		3	32,475	11.2	34,758	7.0	30,000	(13.7)
Operating income		4	4.9% 1,585	28.4	4.7% 1,621	2.3	3.8% 1,150	(29.1)
Ordinary income		5	3.9% 1,278	25.9	4.3% 1,485	16.2	3.7% 1,100	(25.9)
Income before taxes		6	3.6% 1,185	0.8	4.1% 1,431	20.8	3.3% 1,000	(30.1)
Net income		7	2.3% 737	10.5	2.6% 918	24.5	2.3% 700	(23.8)
Operating income by geographic area	Japan	8	1,231		1,076			
	North America	9	155		60			
	Europe	10	155		180			
	Other	11	96		208			
Operating Profit Change								
Volume & Mix		12			80		460	
Exchange Rate		13			234		(780)	
Product Enrichment		14			(133)		(190)	
Cost Reduction		15			158		90	
Marketing Expense		16			(42)		(50)	
Other		17			(261)		(1)	
Total		18			36		(471)	
Average rate for the period		19	117 yen/US\$ 150 yen/EUR		114 yen/US\$ 162 yen/EUR		100 yen/US\$ 150 yen/EUR	
Transaction rate		20	115 yen/US\$ 145 yen/EUR		115 yen/US\$ 157 yen/EUR		101 yen/US\$ 151 yen/EUR	
Capital investment		21	796		755		850	
Depreciation and amortization		22	470		665		730	
R & D cost		23	1,076		1,144		1,150	
Total assets		24	19,078		19,856			
Equity		25	4,799		5,542			
Financial debt		26	4,747		5,050			
Net financial debt		27	2,322		2,811			
Cash flow		28	210		102			
Performance of operations		29			Sales and profits increased for 7 consecutive years. Highest ever profits at all levels.		Prospect of sales and profits to be decreased	
	Domestic	30	261	(8.6)	256	(1.9)	257	0.5
	North America	31	380	8.0	406	6.8	400	(1.4)
	Europe	32	304	6.6	327	7.4	360	10.2
	China	33	129	(0.7)	101	(21.8)	180	78.2
	Other	34	228	1.5	273	20.4	283	3.3
	Overseas	35	1,041	5.0	1,107	6.4	1,223	10.5
Global retail volume		36	1,302	2.0	1,363	4.7	1,480	8.6
Global retail volume excluding the impact of the terminated production in Hainan, China		37	1,226	2.2	1,363	11.2		
Number of employees (excluding dispatches)		38	38,004		39,364			

Notes:

- Global retail volume refers to the total retail units of Mazda-brand vehicles sold on a global basis.
- North American volume includes the retail units of Mexico and Puerto Rico. Also, European volume includes the retail units of Turkey.

FY 2007 Financial Summary (Unconsolidated)

Apr.25, 2008
Mazda Motor Corporation

(in 100 millions of yen) (in thousands of units) (Upper left: ratio on sales)			FY2006 (Apr.06-Mar.07)		FY2007 (Apr.07-Mar.08)		FY2008 (Apr.08-Mar.09) Projection	
				%		%		%
	Domestic	1	6,738	+0.5	6,675	(0.9)	4,400	(34.1)
	Export	2	16,533	+21.4	17,967	+8.7	18,000	+0.2
Net Sales	Total	3	23,271	+14.5	24,642	+5.9	22,400	(9.1)
Operating income		4	3.8% 888	+32.6	3.4% 831	(6.4)	2.1% 480	(42.2)
Ordinary income		5	3.6% 845	+40.4	3.4% 848	+0.4	2.3% 510	(39.9)
Income before taxes		6	3.2% 748	+27.1	3.3% 809	+8.2	1.9% 430	(46.8)
Net income		7	2.2% 511	+364.9	2.2% 549	+7.6	1.1% 250	(54.5)
Average rate for the period		8	117Yen/US$ 150Yen/EUR		114Yen/US$ 162Yen/EUR		100Yen/US$ 150Yen/EUR	
Transaction rate		9	115Yen/US$ 145Yen/EUR		115Yen/US$ 157Yen/EUR		101Yen/US$ 151Yen/EUR	
Capital investment		10	623		629		480	
Depreciation and amortization		11	313		495		560	
R & D cost		12	947		1,005		1,050	
Total assets		13	14,967		16,207			
Equity		14	5,097		5,565			
Financial debts		15	3,884		4,312			
Net financial debts		16	2,185		2,767			
	Domestic	17	285	(8.4)	274	(3.9)	278	+1.6
	North America	18	383	+29.1	351	(8.4)	371	+5.8
	Europe	19	276	+6.3	325	+17.8	359	+10.3
	Others	20	202	+3.2	261	+29.3	272	+4.2
Wholesales(units)		21	1,146	+7.8	1,211	+5.7	1,280	+5.7
Domestic production units		22	967	+7.0	1,047	+8.2	1,096	+4.7
Number of employees (Excluding dispatchees)		23	19,772		20,729			