FY2007 First Half Consolidated Financial Results
For the Six Months Ended September 30, 2007

English Translation from the Original Japanese-Language Document

November 2, 2007

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, General Manager, Accounting Department, Phone (082) 282-111
Payment of Dividends	: Scheduled for starting from November 30, 2007
Filing of *Hanki Hokokusho*, statutory annual business and financial report	: Scheduled for December 14, 2007

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

1. Consolidated Financial Highlights (April 1, 2007 through September 30, 2007)

(1) Consolidated Financial Results

	Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2007 1st. Half	**1,656,224**	**8.9**	**73,079**	**4.8**	**57,595**	**1.8**	**29,053**	**6.8**
FY2006 1st. Half	1,521,448	12.5	69,757	43.0	56,592	30.5	27,213	(12.5)
FY2006	3,247,485	-	158,532	-	127,753	-	73,744	-

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 1st. Half	**20.64**	**20.58**
FY2006 1st. Half	19.43	19.25
FY2006	52.59	52.19

Notes: Equity in net income of unconsolidated subsidiaries and affiliated companies

FY2007 1st. Half	**3,576**	**million yen**
FY2006 1st. Half	3,812	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 1st. Half	**1,935,135**	**501,382**	**25.8**	**354.57**
FY2006 1st. Half	1,771,625	424,920	23.4	296.22
FY2006	1,907,752	479,882	24.8	336.45

Note: The amounts of equity used for the calculation of equity ratio and equity per share exclude minority interests in consolidated subsidiaries and stock acquisition rights

FY2007 1st. Half	**499,626**	million yen
FY2006 1st. Half	414,991	million yen
FY2006	473,403	million yen

(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 1st. Half	**40,330**	**(48,783)**	**(13,477)**	**222,860**
FY2006 1st. Half	29,898	(38,135)	(38,520)	162,465
FY2006	116,358	(95,363)	9,346	242,505

2. Dividends

	Dividends per Share		
	Interim	Year-end	Full-Year
	yen	yen	yen
FY2006	-	6.00	6.00
FY2007	**3.00**		
FY2007 (Forecast)		3.00	6.00

3. FY2007 Consolidated Financial Forecast (April 1, 2007 through March 31, 2008)

	Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	3,320,000	2.2	160,000	0.9	140,000	9.6	85,000	15.3	60.32

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

4. Other

(1) Changes in Consolidation scope: None

(2) Accounting Changes and Adoption of New Accounting Standards:

1) Adoption of new or revised accounting standards Yes
2) Other Yes

Note: See Accounting Changes and Adoption of New Accounting Standards in the notes to the consolidated financial statements on page 16.

(3) Common Stock

1) Shares issued (including treasury stock)	**FY2007 1st. Half**	**1,418,509,399**	shares
	FY2006 1st. Half	1,409,195,844	shares
	FY2006	1,414,878,813	shares
2) Treasury shares	**FY2007 1st. Half**	**9,424,153**	shares
	FY2006 1st. Half	8,257,879	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 21.

(Reference)

1. Unconsolidated Financial Highlights (April 1, 2007 through September 30, 2007)

(1) Unconsolidated Financial Results

	Sales		Operating Income		Ordinary Income		Net Income	
	million yen	%	million yen	%	million yen	%	million yen	%
FY2007 1st. Half	**1,139,897**	**3.3**	**39,151**	**(9.2)**	**32,688**	**(20.8)**	**22,721**	**(16.8)**
FY2006 1st. Half	1,103,019	16.9	43,137	173.0	41,271	230.7	27,296	106.3
FY2006	2,327,073	-	88,803	-	84,464	-	51,062	-

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

	Net Income per Share
	yen
FY2007 1st. Half	**16.14**
FY2006 1st. Half	19.49
FY2006	36.41

(2) Unconsolidated Financial Position

	Total Assets	Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	yen
FY2007 1st. Half	**1,523,358**	**520,472**	**34.2**	**369.27**
FY2006 1st. Half	1,377,580	482,107	35.0	344.12
FY2006	1,496,657	509,663	34.0	362.17

Note: The amounts of equity used for the calculation of equity ratio and equity per share exclude stock acquisition rights.

FY2007 1st. Half	**520,344**	million yen
FY2006 1st. Half	482,097	million yen
FY2006	509,596	million yen

2. FY2007 Unconsolidated Financial Forecast (April 1, 2007 through March 31, 2008)

	Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	2,390,000	2.7	106,000	19.4	98,000	16.0	58,000	13.6	41.16

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 page 4.

1. Financial Results

The economic environment surrounding Mazda, its consolidated subsidiaries, and equity method companies (hereinafter referred to collectively as the Mazda Group) during this first half has been showed continued gradual expansion in Japan by export growth and increased capital investment, in addition to greater private-sector demand as demonstrated by a steady shift in consumer spending and other factors. On the other hand, as a result of increasing product commodity markets, the rise of commodity prices has continued, with crude oil prices recording all-time highs. In the global economy, the sub-prime loan issue in the United States has led to concerns of a credit squeeze, and there is ongoing tension in money markets around the world with risks of an economic slide still increasing.

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 in the Japanese and Europe market the new Mazda2 (Demio in Japan), a new, globally-competitive product for the first half. R&D is moving ahead with the development of attractive products for customers to be launched in the future, while we also continued to address the enhancement of 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. This year marks the 40th anniversary of the sale of the first rotary engine vehicle, and in August, we delivered the world-first hydrogen rotary engine vehicle, the Mazda RX-8 Hydrogen RE, to the Ministry of Economy, Trade and Industry (METI). To date, this vehicle has been leased to governmental bodies and private enterprises. In September of this year, we worked jointly with Teijin Limited and Teijin Fibers Limited to develop a biofabric for vehicle interiors made from 100% plant-derived fiber. In addition, we developed a world's first catalyst for cars that uses single-nanotechnology (technology to control material structures at sizes smaller than conventional nano technology) to create a catalyst material structure which substantially reduces the amount of precious metals that are used, such as platinum and palladium. From this fall, Mazda will be participating in the public road proving tests using ITS (Intelligent Transportation System) that will be run jointly by industry, academia and the government in the Hiroshima region, aiming to enhance support for safe driving.

In the production area, the Niigata Prefecture Chuetsu-Oki Earthquake that hit in July resulted in the suspension of procurement of some parts and the subsequent suspension of plant operations. However, we achieved recovery of the production delay due to the suspension. We are currently working on the reinforcement of production capacity at our main Japanese plants in Hiroshima and Hofu, and will be increasing the combined capacity of the two plants by 11% during this fiscal year, to reach an annual production output of 996,000 units. Additionally we commenced mass production during April in Nanjing, China, at our engine manufacturing operation established jointly by Changan Automotive Group, Ford Motor Company and Mazda Motor Corporation. Mass production of the Mazda2 (known in Japan as the Demio) started at the vehicle assembly plant established by the same joint venture partners in October. In addition, Mazda and Ford Motor Company plan to build a new passenger car plant at AutoAlliance Thailand (AAT) -- 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 to cover the Belgium and Luxemburg markets, and also plan 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.

(1) Analysis of Financial Results

(Financial Results for the first half)

As for the retail volume of key markets during this period, retail volume in Japan was 123,000 units, down by 5.8 percent year over year, due to the influence of the decline of the total industry demand for registered vehicles despite the fact that the introduction of all-new Mazda Demio (Mazda2) was successful. The retail volume in the U.S. was 213,000 units, up 7.1 percent from same period of the previous year. Not only the enduring popularity of Mazda3 (Axela in Japan) but also the strong sales of the newly introduced CX-9 contributed. The retail volume in Europe was almost flat year on year at 153,000 units. In China, the retail volume fell to 41,000 units, down 32.6 percent from the same period of 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 Mazda3 and CX-7, the retail volume increased by 17.9 percent to 129,000 units. As a result of these varying performances by market, the global retail volume was 659,000 units, up 0.9% from the same period of the prior fiscal year.

Consolidated sales revenue for the first half increased by ¥134.8 billion or 8.9 percent year-on-year to ¥1,656.2 billion. In spite of the increases in development cost and depreciation expense of fixed assets, operating profit increased by ¥3.3 billion or 4.8 percent year over year to ¥73.1 billion with the yen's depreciation and cost reduction efforts that exceeded raw material price hikes. Ordinary profit was increased by ¥1.0 billion or 1.8 percent year-on-year to ¥57.6 billion. Net income of the half-year period was ¥29.1 billion, up ¥1.9 billion or 6.8 percent from a year earlier.

(Financial Projection for the full year)

Our global retail volume for this fiscal year is projected to be 1,360,000 units, up by 4.5 percent year over year. Looking at retail volume projection by market, the volume in Japan is projected to be down year over year at 252,000 units (down 3.3 percent) due to the influence of the decline of the total industry demand. The volume in North America is projected to increase to 407,000 units (an increase of 7.1 percent) due to the full-year contribution of new models introduced in the previous year. The volume in Europe is projected to increase 5.6 percent to 321,000 units. The retail volume in China is projected at 105,000 units, down 18.7 percent. The volume in other markets is projected at 275,000 units (up 20.7 percent). The exchange rate assumption is ¥115 to the US dollar, and ¥159 to the Euro.

As for consolidated financial performance of this fiscal year, sales revenue is projected at ¥3,320.0 billion, up 2.2 percent, while operating profit is projected to increase 0.9 percent to ¥160.0 billion due to the volume and mix improvements, the impact of yen's depreciation and cost reduction efforts that exceeded raw material price hikes partially offset by increases in development cost and depreciation expense of fixed assets. The operating ROS is projected to be almost flat year on year at 4.8 percent. Consolidated ordinary profit is expected to be ¥140.0 billion, up 9.6 percent, and net income is projected to be ¥85.0 billion, up 15.3 percent. Research and development costs are projected to be ¥120.0 billion.

The forecast for the year ending March 31, 2008 remains unchanged from the prior forecast that was released on April 27, 2007.

Consolidated Financial Forecast (from April 1, 2007 to March 31, 2008)

Sales revenue	3,320.0 billion yen (up 2.2% compared to the prior year)
Operating profit	160.0 billion yen (up 0.9% compared to the prior year)
Ordinary profit	140.0 billion yen (up 9.6% compared to the prior year)
Net income	85.0 billion yen (up 15.3% compared to the prior year)

Unconsolidated Financial Forecast (from April 1, 2007 to March 31, 2008)

Sales Revenue	2,390.0 billion yen (up 2.7% compared to the prior year)
Operating profit	106.0 billion yen (up 19.4% compared to the prior year)
Ordinary profit	98.0 billion yen (up 16.0% compared to the prior year)
Net income	58.0 billion yen (up 13.6% compared to the prior year)

(2) Analysis on the Financial Position

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

The company and its consolidated domestic subsidiaries early adopted the revised accounting standard for leases and therefore presented leased property and lease obligations on-balance from for the six months ended September 30, 2007, as discussed in “Accounting Changes and Adoption of New Accounting Standards” on page 16.

Total assets as of the end of the first half were ¥1,935.1 billion, ¥27.3 billion more than at the end of previous fiscal year due to the recognition of leased property and other. Total financial debt at the end of the first half was ¥510.4 billion, ¥35.7 billion more than at the end of previous fiscal year due to the recognition of lease obligations and other. Total liabilities amounted to ¥1433.8 billion, up ¥5.9 billion from the end of previous fiscal year. Total equity amounted to ¥501.4 billion, up ¥21.5 billion from the end of previous fiscal year. Equity ratio became 25.8%, up 1.0 percentage points from the end of previous fiscal year.

Net cash provided by the operating activities was ¥40.3 billion, primarily due to income before income taxes of ¥54.3 billion, depreciation expense of ¥32.7 billion, and income tax payments. Net cash used in investing activities amounted to ¥48.8 billion, mainly reflecting ¥39.8 billion capital investments in facilities and equipment. As a result, consolidated cash flow (operating and investing activities) was negative ¥8.5 billion. Net cash used in financing activities amounted to ¥13.5 billion, mainly reflecting repayment of loans and redemption of bond.

(Trends of cash flow data)

	As of /Year Ended March 31, 2006	As of /Six Months Ended September 30, 2006	As of /Year Ended March 31, 2007	As of/Six Months Ended September 30, 2007
Equity Ratio	22.3%	23.4%	24.8%	25.8%
Fair Value Equity Ratio	56.0%	56.6%	48.1%	42.3%
Cash-Flow-To-Total-Debt Ratio	4.0	14.2	4.1	12.7
Interest Coverage Ratio	10.1	3.8	7.1	4.4

Equity Ratio: Equity/Total Assets

Fair Value Equity Ratio: Gross Market Capitalization/Total Assets

Cash Flow to Total Debt: Total Debt/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 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 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. Our intent is to provide our stockholders with dividends on a stable basis.

By the meeting of the board of directors held on November 2, 2007, we resolved to declare an interim dividend for ¥3 per share based upon September 30, 2007 record. We plan to declare a year-end dividend of ¥3 per share. Therefore, we plan to declare an annual dividend of ¥6 per share.

(4) Risks

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

For further information, please access the 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 in March 2007 (disclosed on June 27, 2007), we omit the disclosure of the information at this time.

For further information, please access the following website for the same information on Mazda Group of Companies in English that was included in FY2006 Consolidated Financial Results for the year ended March 31, 2007 (disclosed on April 27, 2007).

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

3. Management Policy

(1) Our Corporate Vision, Mission and Values

(2) Business Targets and Long- and Mid-Term Corporate Business Strategy

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 Statements

(1) Consolidated Statement of Income

Six months ended September 30, 2007

With comparative figures for the six months ended September 30, 2006 and the fiscal year ended March 31, 2007

In millions of yen

For the periods ended		FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	Increase/(Decrease) Amount	Increase/(Decrease) Percent	FY2006 Full Year Mar. 31, 2007
Net sales	1	1,521,448	**1,656,224**	134,776	8.9	3,247,485
Costs of sales	2	1,095,731	**1,175,040**	79,309	7.2	2,322,644
Gross profit on sales	3	425,717	**481,184**	55,467	13.0	924,841
Selling, general and administrative expenses	4	355,960	**408,105**	52,145	14.6	766,309
Operating income	5	69,757	**73,079**	3,322	4.8	158,532
Non-operating income						
Interest and dividend income	6	1,400	**2,117**	717	51.2	2,877
Equity in net income of unconsolidated subsidiaries and affiliates	7	3,812	**3,576**	(236)	(6.2)	6,151
Other	8	2,888	**2,888**	0	0.0	5,575
Total	9	8,100	**8,581**	481	5.9	14,603
Non-operating expenses						
Interest expense	10	7,576	**9,211**	1,635	21.6	16,254
Foreign exchange loss	11	8,695	**11,632**	2,937	33.8	19,914
Other	12	4,994	**3,222**	(1,772)	(35.5)	9,214
Total	13	21,265	**24,065**	2,800	13.2	45,382
Ordinary income	14	56,592	**57,595**	1,003	1.8	127,753
Extraordinary profits						
Profit on sale of fixed assets	15	1,074	**129**	(945)	(88.0)	1,361
Profit on sale of investment securities	16	11	**27**	16	145.5	43
Compensation for the exercise of eminent domain	17	-	**82**	82	-	-
Other	18	-	**-**	-	-	44
Total	19	1,085	**238**	(847)	(78.1)	1,448
Extraordinary losses						
Loss on retirement and sale of fixed assets	20	2,620	**2,191**	(429)	(16.4)	4,741
Loss on impairment of fixed assets	21	2,164	**229**	(1,935)	(89.4)	3,356
Loss on sale of investment securities	22	32	**-**	(32)	-	59
Inventory valuation loss related to car-carrying vessel accident	23	-	**-**	-	-	1,979
Adoption of revised accounting standard for leases	24	-	**1,144**	1,144	-	-
Other	25	482	**2**	(480)	(99.6)	616
Total	26	5,298	**3,566**	(1,732)	(32.7)	10,751
Income before income taxes	27	52,379	**54,267**	1,888	3.6	118,450
Income taxes						
Current	28	17,051	**19,429**	2,378	13.9	36,776
Prior year	29	-	**-**	-	-	3,229
Deferred	30	7,053	**5,189**	(1,864)	(26.4)	2,973
Minority interests of consolidated subsidiaries	31	1,062	**596**	(466)	(43.9)	1,728
Net income	32	27,213	**29,053**	1,840	6.8	73,744

(2) Consolidated Balance Sheet
September 30, 2007
With comparative figures for March 31, 2007 and September 30, 2006

In millions of yen

As of		FY2006 Full year Mar. 31, 2007	**FY2007 1st. Half Sep. 30, 2007**	Increase/(Decrease) Amount	Percent	FY2006 1st. Half Sep. 30, 2006
ASSETS						
Current Assets:						
Cash and time deposits	1	247,566	**222,924**	(24,642)	(10.0)	162,526
Trade notes and accounts receivable	2	172,958	**185,279**	12,321	7.1	154,529
Inventories	3	282,432	**265,219**	(17,213)	(6.1)	287,329
Deferred taxes	4	97,184	**90,644**	(6,540)	(6.7)	91,064
Other	5	58,598	**66,729**	8,131	13.9	55,320
Allowance for doubtful receivables	6	(2,816)	**(3,155)**	(339)	12.0	(3,413)
Total current assets	7	855,922	**827,640**	(28,282)	(3.3)	747,355
Fixed Assets:						
Tangible fixed assets:						
Buildings and structures	8	149,660	**150,636**	976	0.7	146,365
Machinery and vehicles	9	192,465	**210,241**	17,776	9.2	183,904
Tools, furniture and fixtures	10	25,284	**24,344**	(940)	(3.7)	24,794
Land	11	442,901	**442,855**	(46)	(0.0)	443,176
Leased property	12	-	**37,501**	37,501	-	-
Construction in progress	13	46,630	**29,296**	(17,334)	(37.2)	38,138
Other	14	214	**233**	19	8.9	59
Total tangible fixed assets	15	857,154	**895,106**	37,952	4.4	836,436
Intangible fixed assets:	16	28,871	**34,185**	5,314	18.4	25,795
Investments and other fixed assets:						
Investment securities	17	98,754	**108,425**	9,671	9.8	92,437
Long-term loans receivable	18	6,063	**6,043**	(20)	(0.3)	6,173
Deferred taxes	19	48,449	**50,923**	2,474	5.1	51,149
Other	20	16,418	**16,795**	377	2.3	20,076
Allowance for doubtful receivables	21	(3,271)	**(3,374)**	(103)	3.1	(7,167)
Investment valuation allowance	22	(608)	**(608)**	-	-	(629)
Total investments and other fixed assets	23	165,805	**178,204**	12,399	7.5	162,039
Total fixed assets	24	1,051,830	**1,107,495**	55,665	5.3	1,024,270
Total Assets	25	1,907,752	**1,935,135**	27,383	1.4	1,771,625

		In millions of yen				
		FY2006 Full year	**FY2007 1st. Half**	Increase/(Decrease)		FY2006 1st. Half
As of		Mar. 31, 2007	**Sep. 30, 2007**	Amount	Percent	Sep. 30, 2006
LIABILITIES						
Current Liabilities:						
Trade notes and accounts payable	1	300,577	**289,242**	(11,335)	(3.8)	286,014
Short-term loans payable	2	70,340	**86,559**	16,219	23.1	87,749
Long-term loans payable due within one year	3	42,164	**41,392**	(772)	(1.8)	40,820
Bonds due within one year	4	20,200	**-**	(20,200)	-	20,200
Bonds with stock acquisition rights due within one year	5	1,131	**-**	(1,131)	-	2,870
Lease obligations	6	-	**18,327**	18,327	-	-
Other accounts payable	7	97,758	**88,633**	(9,125)	(9.3)	114,934
Accrued expenses	8	219,367	**206,688**	(12,679)	(5.8)	196,126
Income tax payable	9	26,366	**18,295**	(8,071)	(30.6)	15,782
Reserve for warranty expenses	10	42,555	**45,493**	2,938	6.9	33,468
Other	11	44,778	**48,731**	3,953	8.8	46,347
Total current liabilities	12	865,236	**843,360**	(21,876)	(2.5)	844,310
Fixed Liabilities:						
Bonds	13	85,000	**85,000**	-	-	45,000
Long-term loans payable	14	255,849	**255,127**	(722)	(0.3)	229,158
Lease obligations	15	-	**24,001**	24,001	-	-
Deferred tax liability related to land revaluation	16	93,773	**93,757**	(16)	(0.0)	93,711
Employees' and executive officers' severance and retirement benefits	17	111,565	**105,531**	(6,034)	(5.4)	119,398
Directors' and corporate auditor's retirement benefit	18	1,460	**-**	(1,460)	-	1,355
Other	19	14,987	**26,977**	11,990	80.0	13,773
Total fixed liabilities	20	562,634	**590,393**	27,759	4.9	502,395
Total Liabilities	21	1,427,870	**1,433,753**	5,883	0.4	1,346,705
EQUITY						
Paid-In Capital and Retained Earnings:						
Common stock	22	149,513	**150,068**	555	0.4	148,643
Capital surplus	23	133,393	**133,868**	475	0.4	132,576
Retained earnings	24	90,024	**108,754**	18,730	20.8	44,220
Treasury stock	25	(3,338)	**(4,656)**	(1,318)	39.5	(3,493)
Total paid-in capital and retained earnings	26	369,592	**388,034**	18,442	5.0	321,946
Valuation and Translation Adjustments:						
Net unrealized gain on available-for-sale securities	27	1,034	**838**	(196)	(19.0)	1,214
Net loss on derivative instruments	28	(865)	**(3,943)**	(3,078)	355.8	(3,035)
Land revaluation	29	136,097	**136,072**	(25)	(0.0)	135,369
Foreign currency translation adjustments	30	(31,528)	**(20,396)**	11,132	(35.3)	(40,503)
Pension adjustments recognized by an overseas consolidated subsidiary	31	(927)	**(979)**	(52)	5.6	-
Total valuation and translation adjustments	32	103,811	**111,592**	7,781	7.5	93,045
Stock Acquisition rights	33	67	**128**	61	91.0	10
Minority Interests in Consolidated Subsidiaries	34	6,412	**1,628**	(4,784)	(74.6)	9,919
Total Equity	35	479,882	**501,382**	21,500	4.5	424,920
Total Liabilities and Equity	36	1,907,752	**1,935,135**	27,383	1.4	1,771,625

(3) Consolidated Statement of Equity

Six months ended September 30, 2007

With comparative figures for the six months ended September 30, 2006 and the fiscal year ended March 31, 2007

FY2006 1st Half

Six months ended September 30, 2006

(In millions of yen)

		Paid-In Capital and Retained Earnings				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total Paid-In 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	283	284			567
Cash dividends paid	3			(7,001)		(7,001)
Net income	4			27,213		27,213
Acquisition of treasury stock	5				(1,629)	(1,629)
Re-issuance of treasury stock	6		(93)		447	354
Land revaluation	7			3		3
Net changes in accounts other than paid-in capital and retained earnings	8					-
Net changes during the period	9	283	191	20,215	(1,182)	19,507
Balance at September 30, 2006	10	148,643	132,576	44,220	(3,493)	321,946

(In millions of yen)

		Valuation and Translation Adjustments							
		Net unrealized gain on available-for-sale securities	Net loss on derivative instruments	Land revaluation	Foreign currency translation adjustments	Total valuation and translation adjustments	Stock Acquisition Rights	Minority Interests in Consolidated Subsidiaries	Total Shareholders' 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					-			567
Cash dividends paid	13					-			(7,001)
Net income	14					-			27,213
Acquisition of treasury stock	15					-			(1,629)
Re-issuance of treasury stock	16					-			354
Land revaluation	17					-			3
Net changes in accounts other than paid-in capital and retained earnings	18	(71)	(3,035)	(3)	569	(2,540)	10	735	(1,795)
Net changes during the period	19	(71)	(3,035)	(3)	569	(2,540)	10	735	17,712
Balance at September 30, 2006	20	1,214	(3,035)	135,369	(40,503)	93,045	10	9,919	424,920

FY2007 1st Half

Six months ended September 30, 2007

(In millions of yen)

		Paid-In Capital and Retained Earnings				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total Paid-In 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			**(8,442)**		**(8,442)**
Cumulative effect of applying FASB Interpretation No. 48 by an overseas subsidiary	4			**(1,906)**		**(1,906)**
Net income	5			**29,053**		**29,053**
Acquisition of treasury stock	6				**(1,673)**	**(1,673)**
Re-issuance of treasury stock	7		**(80)**		**355**	**275**
Land revaluation	8			**25**		**25**
Net changes in accounts other than paid-in capital and retained earnings	9					-
Net changes during the period	10	**555**	**475**	**18,730**	**(1,318)**	**18,442**
Balance at September 30, 2007	11	**150,068**	**133,868**	**108,754**	**(4,656)**	**388,034**

(In millions of yen)

		Valuation and Translation Adjustments								
		Net unrealized gain on available-for-sale securities	Net loss 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 Shareholders' 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						-			**(8,442)**
Cumulative effect of applying FASB Interpretation No. 48 by an overseas subsidiary	15						-			**(1,906)**
Net income	16						-			**29,053**
Acquisition of treasury stock	17						-			**(1,673)**
Re-issuance of treasury stock	18						-			**275**
Land revaluation	19						-			**25**
Net changes in accounts other than paid-in capital and retained earnings	20	**(196)**	**(3,078)**	**(25)**	**11,132**	**(52)**	**7,781**	**61**	**(4,784)**	**3,058**
Net changes during the period	21	**(196)**	**(3,078)**	**(25)**	**11,132**	**(52)**	**7,781**	**61**	**(4,784)**	**21,500**
Balance at September 30, 2007	22	**838**	**(3,943)**	**136,072**	**(20,396)**	**(979)**	**111,592**	**128**	**1,628**	**501,382**

FY2006

Year ended March 31, 2007

(In millions of yen)

		Paid-In Capital and Retained Earnings				
		Common stock	Capital surplus	Retained earnings	Treasury stock	Total Paid-In 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 paid-in 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 millions of yen)

		Valuation and Translation Adjustments								
		Net unrealized gain on available-for-sale securities	Net loss 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 Shareholders' 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 paid-in 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

(4) Consolidated Statement of Cash Flows

Six months ended September 30, 2007

With comparative figures for the six months ended September 30, 2006 and for the fiscal year ended March 31, 2007

(In millions of yen)

For the periods ended		FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Full Year Mar. 31, 2007
Cash flows from operating activities:				
Income before income taxes	1	52,379	**54,267**	118,450
Adjustments to reconcile income before income taxes to net cash provided by operating activities:				
Depreciation and amortization	2	22,331	**32,672**	47,045
Loss on impairment of fixed assets	3	2,164	**229**	3,356
Adoption of revised accounting standard for leases	4	-	**1,144**	-
Allowance for doubtful receivables	5	(204)	**389**	(981)
Investment valuation allowance	6	-	**-**	(21)
Reserve for warranty expenses	7	4,331	**4,730**	13,281
Employees' and executive officers' severance and retirement benefits	8	(5,606)	**(6,034)**	(13,479)
Interest and dividend income	9	(1,400)	**(2,117)**	(2,877)
Interest expense	10	7,522	**9,211**	16,254
Equity in net income of unconsolidated subsidiaries and affiliates	11	(3,812)	**(3,576)**	(6,151)
Loss on sale of fixed assets	12	1,546	**2,062**	3,380
Loss/(gain) on sale of investment securities	13	21	**(27)**	16
Changes in trade notes and accounts receivable	14	14,107	**(8,455)**	(3,061)
Changes in inventories	15	(26,218)	**24,405**	(14,741)
Changes in trade notes and accounts payable	16	(25,923)	**(13,135)**	(16,654)
Changes in other current liabilities	17	22,339	**(13,095)**	22,313
Other	18	99	**(9,265)**	3,323
Subtotal	19	63,676	**73,405**	169,453
Interest and dividends received	20	3,590	**5,195**	5,445
Interest paid	21	(7,921)	**(9,217)**	(16,358)
Income taxes paid	22	(29,447)	**(29,053)**	(42,182)
Net cash provided by operating activities	23	29,898	**40,330**	116,358
Cash flows from investing activities:				
Purchase of investment securities	24	(5,375)	**(10,023)**	(5,876)
Sale of investment securities	25	21	**50**	92
Acquisition of tangible fixed assets	26	(31,012)	**(39,789)**	(77,131)
Sale of tangible fixed assets	27	2,975	**1,033**	5,031
Changes in short-term loans receivable	28	(859)	**7**	(1,280)
Long-term loans made	29	(34)	**(147)**	(60)
Collections of long-term loans receivable	30	153	**80**	317
Other	31	(4,004)	**6**	(16,456)
Net cash used in investing activities	32	(38,135)	**(48,783)**	(95,363)
Cash flows from financing activities:				
Changes in short-term loans payable	33	5,388	**15,074**	(11,689)
Proceeds from long-term loans payable	34	11,985	**30,000**	55,091
Repayment of long-term loans payable	35	(46,429)	**(23,599)**	(61,933)
Proceeds from issuance of bonds	36	-	**-**	40,000
Redemption of bonds	37	(200)	**(20,220)**	(200)
Proceeds from sale and leaseback transactions	38	-	**5,874**	-
Payment of lease obligations	39	-	**(9,158)**	-
Cash dividends paid	40	(7,000)	**(8,442)**	(7,000)
Other	41	(2,264)	**(3,006)**	(4,923)
Net cash (used in)/provided by financing activities	42	(38,520)	**(13,477)**	9,346
Effect of exchange rate fluctuations on cash and cash equivalents	43	564	**2,285**	3,506
Net (decrease)/increase in cash and cash equivalents	44	(46,193)	**(19,645)**	33,847
Cash and cash equivalents at beginning of the period	45	208,658	**242,505**	208,658
Cash and cash equivalents at end of the period	46	162,465	**222,860**	242,505

(5) Significant Accounting Policies

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	58	
Overseas	22	Mazda Motor of America, Inc., Mazda Motors (Deutchland) 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 first-half consolidated balance sheet date is September 30. 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 first-half balance sheet date different from the first-half consolidated balance sheet date, all of which are June 30.

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 June 30 first-half balance sheet date are used; however, adjustments necessary in consolidation were made for material transactions that occurred between the first-half balance sheet dates of these subsidiaries and the first-half 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 first-half 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 lease assets)

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 lease assets)

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) Lease assets

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 first half 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) 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.

d) Directors' and corporate auditors' retirement benefits

The equivalent of the amount that would be required by the internal corporate policy provides for all the directors and corporate auditors retired at the balance sheet date recognized by certain consolidated domestic subsidiaries.

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 consolidated balance sheet date; 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 balance sheet date 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 periods, 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. 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 six months ended September 30, 2007, 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 September 30, 2007 were to increase tangible fixed assets and intangible fixed assets by 35,595 million yen and 19 million yen, respectively, and to increase current liabilities and fixed liabilities by 12,775 million yen and 24,001 million yen, respectively. In addition, the effects of adopting the new standards on the consolidated statement of income for the six months ended September 30, 2007, were to increase operating income and ordinary income by 605 million yen and 103 million yen, respectively, and to decrease income before income taxes by 1,041 million yen. Also, the effects of adopting the new standards on the consolidated statement of cash flows for the six months ended September 30, 2007 were to increase cash flows from operating activities by 6,917 million yen, to decrease cash flows from investing activities by 5,874 million yen, and to decrease cash flows from financing activities by 1,043 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 six months ended September 30, 2007, 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 operating income, ordinary income, and income before income taxes in the consolidated statement of income for the six months ended September 30, 2007 were immaterial.

Adoption of new accounting standard by an overseas subsidiary

Until the prior period, 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 six months ended September 30, 2007, CCA's financial statements do not reflect such adjustments.

In the consolidated statement of income for the six months ended September 30, 2007, 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 September 30, 2007

1. Until the prior period, 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 and in the long-term loans payable due within one year of the current liabilities and the long-term loans payable of the fixed liabilities, respectively. Commencing in the six months ended September 30, 2007, 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 September 30, 2007, the balance of the leased property in the fixed liabilities amounted to 1,906 million yen, and that of the leased obligations amounted to 5,552 million yen in the current liabilities.

2. Until the prior period, in the consolidated balance sheet, directors' and corporate auditors' retirement benefits were presented as a separate component of the fixed liabilities. Commencing in the six months ended September 30, 2007, however, the retirement benefits are included in the other fixed liabilities due to materiality, as the Company has terminated the compensation for directors and corporate auditors in the form of retirement benefits.

   As of September 30, 2007, the balance of directors' and corporate auditors' retirement benefits recognized by certain consolidated domestic subsidiaries amounted to 548 million yen.

Consolidated statement of cash flows for the six months ended September 30, 2007
Until the prior period, 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 six months ended September 30, 2007, such payment is included in the payment of lease obligations in the financing cash flows, 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 six months ended September 30, 2007 amounted to 2,241 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 six months ended September 30, 2007, 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 six months ended September 30, 2007 were to decrease operating income by 1,996 million yen and to decrease ordinary income and income before income taxes by 2,075 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 September 30, 2007, an amount equivalent to the retirement benefits earned prior to the resolution, i.e., 618 million yen, was recognized in other fixed liabilities.

(7) Other Notes to the Consolidated Financial Statements

Consolidated Statement of Income

(In millions of yen)

For the periods ended	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Full Year Mar. 31, 2007
The aggregate amounts of research and development expenses	50,535	**57,532**	107,553

Consolidated Balance Sheet

(In millions of yen)

As of	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Full Year Mar. 31, 2007
Accumulated depreciation on tangible fixed assets	1,042,799	**1,082,946**	1,045,146

Consolidated Statement of Equity

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 six months ended September 30, 2007, 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 six months ended September 30, 2007.

Consolidated Statement of Cash Flows

1. Reconciliation of cash and time deposits in the consolidated balance sheet to cash and cash equivalents in the consolidated statement of cash flows

(In millions of yen)

As of	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Full Year Mar. 31, 2007
Cash and time deposits	162,526	**222,924**	247,566
Time deposits with original maturities that exceed 3 months	(61)	**(64)**	(5,061)
Cash and cash equivalents	162,465	**222,860**	242,505

2. Significant non-cash transactions:
   Exercise of stock acquisitions rights

(In millions of yen)

For the periods ended	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Full Year Mar. 31, 2007
Increases in common stock	283	**555**	1,153
Increases in capital surplus	284	**555**	1,153
Decreases in bonds with stock acquisition rights	567	**1,110**	2,306

The leased property and lease obligations related to finance leases that were newly recognized for the six months ended September 30, 2007 amounted to 36,367 million yen and 37,511 million yen, respectively.

Segment Information

1) Information by Industry Segment

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

2) Information by Geographic Area

Millions of yen

FY2006 1st. Half Ended September 30, 2006	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	606,980	455,521	348,212	110,735	1,521,448	-	1,521,448
Inter-areas	620,317	3,632	10,818	797	635,564	(635,564)	-
Total	1,227,297	459,153	359,030	111,532	2,157,012	(635,564)	1,521,448
Operating expenses	1,167,327	453,505	352,159	107,638	2,080,629	(628,938)	1,451,691
Operating income	59,970	5,648	6,871	3,894	76,383	(6,626)	69,757

Millions of yen

FY2007 1st. Half Ended September 30, 2007	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	**607,124**	**483,739**	**400,793**	**164,568**	**1,656,224**	**-**	**1,656,224**
Inter-areas	**646,872**	**2,095**	**11,635**	**397**	**660,999**	**(660,999)**	**-**
Total	**1,253,996**	**485,834**	**412,428**	**164,965**	**2,317,223**	**(660,999)**	**1,656,224**
Operating expenses	**1,205,360**	**478,699**	**402,709**	**155,870**	**2,242,638**	**(659,493)**	**1,583,145**
Operating income	**48,636**	**7,135**	**9,719**	**9,095**	**74,585**	**(1,506)**	**73,079**

Millions of yen

FY2006 Full 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-areas	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
Operating expenses	2,451,263	982,810	779,242	246,517	4,459,832	(1,370,879)	3,088,953
Operating income	123,131	15,456	15,494	9,589	163,670	(5,138)	158,532

Notes:

1. 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 Columbia

2. As discussed in the accounting for leases section of the accounting changes and adoption of new accounting standards, commencing in the six months ended September 30, 2007, the Domestic Companies early adopted the revised accounting standard for leases. The effects of adopting the new standards on Japan segment for the six months ended September 30, 2007 were to decrease operating expense by 605 million yen and to increase operating income by the same amount.

3. As discussed in the accounting for residual value of fixed assets section of the additional information, commencing in the six months ended September 30, 2007, the Domestic Companies changed the accounting for residual value of fixed assets in relation to the changes in the Japanese Income Tax Code. The effects of this change on Japan Segment for the six months ended September 30, 2007 were to increase operating expense by 1,996 million yen and to decrease operating income by the same amount.

3) Overseas Sales

FY2006 1st. Half Ended September 30, 2006	North America	Europe	Other areas	Total
	Millions of yen			
Overseas sales	468,894	354,340	256,301	1,079,535
Consolidated sales	-	-	-	1,521,448
Percentage of overseas sales to consolidated sales	% 30.8	% 23.3	% 16.9	% 71.0

FY2007 1st. Half **Ended September 30, 2007**	North America	Europe	Other areas	Total
	Millions of yen			
Overseas sales	**506,392**	**408,606**	**326,157**	**1,241,155**
Consolidated sales	**-**	**-**	**-**	**1,656,224**
Percentage of overseas sales to consolidated sales	**%** **30.6**	**%** **24.7**	**%** **19.7**	**%** **74.9**

FY2006 Full Year Ended March 31, 2007	North America	Europe	Other areas	Total
	Millions of yen			
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

Notes:

1. Overseas sales include exports by the Company and its domestic consolidated subsidiaries as well as sales (other than exports to Japan) by overseas consolidated subsidiaries.
2. Method of segmentation and principal countries or regions belonging to each segment
   1) Method: Segmentation by geographic adjacency
   2) Principal countries or regions belonging to each segment

North America:	U.S.A. and Canada
Europe:	Germany, UK and Russia
Other areas:	Australia, China and Columbia

Information on Amounts Per Share of Common Stock

As of / For the periods ended		FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Year Ended Mar. 31, 2007
		(Yen)	**(Yen)**	(Yen)
Equity per share of common stock		296.22	**354.57**	336.45
Net income per share of common stock:	Basic	19.43	**20.64**	52.59
	Diluted	19.25	**20.58**	52.19

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

For the periods ended	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Year Ended Mar. 31, 2007
	(Million Yen) (Thousand Shares)	**(Million Yen) (Thousand Shares)**	(Million Yen) (Thousand Shares)
Net income as reported in the consolidated statement of income	27,213	**29,053**	73,744
Net income on common stock	27,213	**29,053**	73,744
Average number of shares of common stock outstanding	1,400,681	**1,407,640**	1,402,315
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:

For the periods ended	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Year Ended Mar. 31, 2007
	(Thousand Shares)	**(Thousand Shares)**	(Thousand Shares)
Convertible bonds type-bonds with stock acquisition rights	10,266	2,476	8,442
Stock acquisition rights	2,420	1,456	2,272
Increase in the number of shares of common stock	12,686	3,932	10,714

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

For the periods ended	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Year Ended Mar. 31, 2007
	(Shares)	**(Shares)**	(Shares)
Number of potential shares of stock	2,077,000	**2,024,000**	2,043,000
Type of potential shares of stock	Common stock	**Common stock**	Common stock
Exercise period	From July 1, 2008 To June 30, 2011	**From July 1, 2008 To June 30, 2011**	From July 1, 2008 To June 30, 2011

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 141st. general meeting of the shareholders held on June 26, 2007

For the periods ended	FY2006 1st. Half Sep. 30, 2006	**FY2007 1st. Half Sep. 30, 2007**	FY2006 Year Ended Mar. 31, 2007
	(Shares)	**(Shares)**	(Shares)
Number of potential shares of stock	-	**2,053,000**	-
Type of potential shares of stock	-	**Common stock**	-
Exercise period	-	**From July 1, 2009 To June 30, 2012**	-

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.

Subsequent Event

On August 31, 2007, the Board of Directors of the Company resolved to issue domestic straight bonds up to the aggregate amount of 40 billion yen from September of 2007 to March of 2008. In accordance with this resolution, on October 10, 2007, the Company decided to issue the 24th. Unsecured Bonds and subsequently issued the bonds as follows:

Name of the bonds	Mazda Motor Corporation 24th. Unsecured Bonds
Date of issue	October 22, 2007
Aggregate principal amount	20 billion yen
Issue price	100 percent of the face value
Interest rate	1.87% per annum
Collateral	None
Method of redemption	Lump-sum redemption
Due date	October 22, 2014
Use of funds	Capital investment
Covenants	Negative pledge

As long as any of the bonds remains outstanding, benefits of security shall be extended equally and ratably to the bonds at the same time when it is extended to other domestic unsecured bonds issued or to be issued unless such other unsecured bonds are equipped with a provision that benefits of security shall be extended when certain conditions are met.

The following disclosures have been omitted due to materiality:

- Lease transactions
- Securities
- Derivatives
- Share-based payment, and other

5. Unconsolidated Financial Statements

(1) Unconsolidated Statement of Income

Six months ended September 30, 2007

With comparative figures for the six months ended September 30, 2006 and the fiscal year ended March 31, 2007

in Japanese yen rounded to millions

For the periods ended		FY2006 1st. Half Sep 30, 2006	**FY2007 1st. Half Sep 30, 2007**	Increase/(Decrease) Amount	Percent	FY2006 Full Year Mar 31, 2007
Net sales	1	1,103,019	**1,139,897**	36,878	3.3	2,327,073
Costs of sales	2	912,267	**933,334**	21,067	2.3	1,925,901
Gross profit on sales	3	190,752	**206,564**	15,812	8.3	401,172
Selling, general and administrative expenses	4	147,616	**167,413**	19,797	13.4	312,370
Operating income	5	43,137	**39,151**	(3,985)	(9.2)	88,803
Non-operating income						
Interest and dividend income	6	8,762	**7,645**	(1,117)	(12.8)	18,246
Other	7	2,791	**2,582**	(209)	(7.5)	5,388
Total	8	11,553	**10,227**	(1,326)	(11.5)	23,634
Non-operating expenses						
Interest expense	9	2,771	**3,786**	1,016	36.7	5,577
Foreign exchange loss	10	9,285	**11,597**	2,312	24.9	19,716
Other	11	1,363	**1,307**	(56)	(4.1)	2,679
Total	12	13,419	**16,690**	3,271	24.4	27,972
Ordinary income	13	41,271	**32,688**	(8,583)	(20.8)	84,464
Extraordinary profits						
Profit on sale of tangible fixed assets	14	20	**2**	(17)	(89.1)	133
Total	15	20	**2**	(17)	(89.1)	133
Extraordinary losses						
Loss on sale of tangible fixed assets	16	144	**14**	(131)	(90.4)	190
Loss on retirement of tangible fixed assets	17	2,074	**1,622**	(452)	(21.8)	3,660
Loss on impairment of fixed assets	18	179	**66**	(114)	(63.4)	695
Loss on sale of investment securities for affiliates	19	32	**-**	(32)	-	59
Valuation loss on investment securities	20	29	**3**	(26)	(90.3)	29
Valuation loss on investment securities for affiliates	21	-	**-**	-	-	193
Loss on restructuring of affiliates	22	-	**-**	-	-	1,206
Reserve for loss on restructuring of affiliates	23	1,271	**-**	(1,271)	-	-
Loss on investment valuation	24	-	**-**	-	-	3,759
Change of lease accounting	25	-	**1,189**	1,189	-	-
Other	26	1	**-**	(1)	-	14
Total	27	3,730	**2,893**	(837)	(22.4)	9,804
Income before income taxes	28	37,561	**29,798**	(7,763)	(20.7)	74,794
Income taxes						
Current	29	9,843	**10,405**	562	5.7	20,510
Prior year	30	-	**-**	-	-	3,229
Deferred	31	422	**(3,328)**	(3,750)	-	(7)
Net income	32	27,296	**22,721**	(4,575)	(16.8)	51,062

(2) Unconsolidated Balance Sheet
September 30, 2007
With comparative figures for March 31, 2007 and September 30, 2006

in Japanese yen rounded to millions

		FY2006 Full year	**FY2007 1st. Half**	Increase/(Decrease)		FY2006 1st. Half
	As of	Mar 31, 2007	**Sep 30, 2007**	Amount	Percent	Sep 30, 2006
ASSETS						
Current Assets:						
Cash and time deposits	1	174,919	**138,131**	(36,788)	(21.0)	92,824
Accounts receivable	2	185,193	**183,876**	(1,317)	(0.7)	149,843
Inventories	3	63,665	**65,439**	1,774	2.8	78,833
Deferred taxes	4	39,761	**47,374**	7,613	19.1	38,385
Accrued revenue	5	33,566	**41,511**	7,945	23.7	42,617
Other	6	52,502	**58,556**	6,054	11.5	45,685
Allowance for doubtful receivables	7	(2,677)	**(3,369)**	(692)	25.8	(2,562)
Total current assets	8	546,929	**531,517**	(15,412)	(2.8)	445,626
Fixed Assets:						
Tangible fixed assets:						
Buildings	9	82,105	**82,165**	60	0.1	80,733
Machinery and equipment	10	172,388	**192,078**	19,690	11.4	166,248
Tools, furniture and fixtures	11	14,688	**16,457**	1,770	12.0	13,662
Land	12	314,618	**314,530**	(87)	(0.0)	315,373
Lease assets	13	-	**30,985**	30,985	-	-
Construction in progress	14	44,774	**27,865**	(16,908)	(37.8)	36,637
Other	15	19,135	**19,293**	158	0.8	18,583
Total tangible fixed assets	16	647,706	**683,374**	35,667	5.5	631,236
Intangible fixed assets:						
Software	17	18,235	**18,557**	321	1.8	17,208
Lease assets	18	-	**19**	19	-	-
Total intangible fixed assets	19	18,235	**18,576**	341	1.9	17,208
Investments and other fixed assets:						
Investment securities	20	4,032	**4,396**	364	9.0	4,299
Investment securities for affiliates	21	247,126	**255,463**	8,337	3.4	242,164
Long-term loans receivable	22	4,141	**4,141**	0	0.0	4,167
Deferred taxes	23	35,900	**33,801**	(2,099)	(5.8)	37,776
Other	24	28,975	**28,490**	(486)	(1.7)	31,297
Allowance for doubtful receivables	25	(2,114)	**(2,124)**	(10)	0.5	(5,677)
Investment valuation allowance	26	(34,275)	**(34,275)**	-	-	(30,516)
Total investments and other fixed assets	27	283,785	**289,891**	6,105	2.2	283,510
Total fixed assets	28	949,727	**991,841**	42,113	4.4	931,954
Total Assets	29	1,496,657	**1,523,358**	26,701	1.8	1,377,580

in Japanese yen rounded to millions

As of		FY2006 Full year Mar 31, 2007	**FY2007 1st. Half Sep 30, 2007**	Increase/(Decrease) Amount	Percent	FY2006 1st. Half Sep 30, 2006
LIABILITIES						
Current Liabilities:						
Trade notes	1	278	**340**	62	22.3	903
Accounts payable	2	228,171	**233,045**	4,873	2.1	225,196
Short-term loans payable	3	730	**730**	-	-	1,140
Long-term loans payable due within one year	4	28,388	**35,726**	7,338	25.8	30,180
Bonds due within one year	5	20,000	**-**	(20,000)	-	20,000
Bonds with stock acquisition rights due within one year	6	1,131	**-**	(1,131)	-	2,870
Lease obligations	7	-	**11,521**	11,521	-	-
Income tax payable	8	16,867	**8,843**	(8,024)	(47.6)	9,769
Accrued expenses	9	84,192	**86,535**	2,343	2.8	78,069
Reserve for warranty expenses	10	40,705	**45,429**	4,724	11.6	30,939
Reserve for loss on restructuring of affiliates	11	-	**-**	-	-	1,855
Other	12	43,108	**40,648**	(2,460)	(5.7)	41,868
Total current liabilities	13	463,571	**462,817**	(754)	(0.2)	442,790
Fixed Liabilities:						
Bonds	14	85,000	**85,000**	-	-	45,000
Long-term loans payable	15	249,929	**251,460**	1,532	0.6	213,776
Deferred tax liability related to land revaluation	16	93,773	**93,757**	(16)	(0.0)	93,711
Lease obligations	17	-	**20,558**	20,558	-	-
Employees' and executive officers' severance and retirement benefits	18	89,843	**84,389**	(5,454)	(6.1)	95,333
Directors' and corporate auditor's retirement benefit	19	744	**-**	(744)	-	691
Other	20	4,134	**4,905**	772	18.7	4,172
Total fixed liabilities	21	523,423	**540,069**	16,646	3.2	452,683
Total Liabilities	22	986,993	**1,002,886**	15,893	1.6	895,473
EQUITY						
Paid-In Capital and Retained Earnings:						
Common stock	23	149,513	**150,068**	555	0.4	148,643
Capital surplus						
Capital reserve	24	59,403	**59,958**	555	0.9	58,533
Other capital surplus	25	73,990	**73,910**	(80)	(0.1)	74,043
Total Capital surplus	26	133,393	**133,868**	475	0.4	132,576
Retained earnings						
Other earned surplus	27	93,968	**108,271**	14,303	15.2	70,930
Reserve for deduction of fixed assets	28	10,778	**10,778**	-	-	11,843
Reserve for special depreciation	29	421	**421**	-	-	624
Unappropriated retained earnings	30	82,770	**97,073**	14,303	17.3	58,462
Total retained earnings	31	93,968	**108,271**	14,303	15.2	70,930
Treasury stock	32	(3,333)	**(4,651)**	(1,319)	39.6	(3,489)
Total paid-in capital and retained earnings	33	373,541	**387,556**	14,015	3.8	348,660
Valuation and Translation Adjustments:						
Net unrealized gain/(loss) on available-for-sale securities	34	803	**639**	(164)	(20.4)	962
Net gain/(loss) on derivative instruments	35	(845)	**(3,923)**	(3,079)	364.6	(2,894)
Land revaluation	36	136,097	**136,073**	(24)	(0.0)	135,369
Total valuation and translation adjustments	37	136,055	**132,788**	(3,267)	(2.4)	133,437
Stock Acquisition rights	38	67	**128**	61	90.5	10
Total Equity	39	509,663	**520,472**	10,809	2.1	482,107
Total Liabilities and Equity	40	1,496,657	**1,523,358**	26,701	1.8	1,377,580

Unconsolidated Statement of Shareholders' Equity

Six months ended September 30, 2006

(in Japanese yen rounded to millions)

		Paid-In Capital and Retained Earnings					
			Capital surplus		Retained earnings		
		Common stock	Capital reserve	Other capital surplus	other earned * surplus	Treasury stock	Total Paid-In 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	**283**	**283**				**567**
Cash dividends paid	3				**(7,001)**		**(7,001)**
Land revaluation	4				**3**		**3**
Net income	5				**27,296**		**27,296**
Acquisition of treasury stock	6					**(1,629)**	**(1,629)**
Re-issuance of treasury stock	7			**(93)**		**447**	**354**
Net changes during the period	8	**283**	**283**	**(93)**	**20,298**	**(1,182)**	**19,590**
Balance at September 30, 2006	9	**148,643**	**58,533**	**74,043**	**70,930**	**(3,489)**	**348,660**

(in Japanese yen rounded to millions)

		Valuation and Translation Adjustments					
		Net unrealized gain (loss) on available-for-sale securities	Net gain (loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments	Stock acquisition rights	Total Shareholders' Equity
Balance at March 31, 2006	10	1,018	-	135,372	136,390	-	465,460
Changes during the period:							
Exercise of stock acquisition rights	11				-		**567**
Cash dividends paid	12				-		**(7,001)**
Land revaluation	13				-		**3**
Net income	14				-		**27,296**
Acquisition of treasury stock	15				-		**(1,629)**
Re-issuance of treasury stock	16				-		**354**
Net changes in accounts other than paid- in capital and retained earnings	17	**(56)**	**(2,894)**	**(3)**	**(2,954)**	**10**	**(2,944)**
Net changes during the period	18	**(56)**	**(2,894)**	**(3)**	**(2,954)**	**10**	**16,646**
Balance at September 30, 2006	19	**962**	**(2,894)**	**135,369**	**133,437**	**10**	**482,107**

* 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	20	12,442	796	36	37,357	50,631
Changes during the period:						
Cash dividends paid	21				**(7,001)**	**(7,001)**
Transfer to reserve (deduction of fixed assets)	22	**258**			**(258)**	-
Transfer from reserve (deduction of fixed assets)	23	**(856)**			**856**	-
Transfer to reserve (special depreciation)	24		**33**		**(33)**	-
Transfer from reserve (special depreciation)	25		**(205)**		**205**	-
Transfer from reserve (World exposition)	26			**(36)**	**36**	-
Land revaluation	27				**3**	**3**
Net income	28				**27,296**	**27,296**
Net changes during the period	29	**(598)**	**(172)**	**(36)**	**21,105**	**20,298**
Balance at September 30, 2006	30	**11,843**	**624**	**-**	**58,462**	**70,930**

Unconsolidated Statement of Shareholders' Equity

Six months ended September 30, 2007

(in Japanese yen rounded to millions

		Paid-In Capital and Retained Earnings					
			Capital surplus		Retained earnings		
		Common stock	Capital reserve	Other capital surplus	other earned * surplus	Treasury stock	Total Paid-In 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 right	2	555	555				1,111
Cash dividends paid	3				(8,442)		(8,442)
Land revaluation	4				24		24
Net income	5				22,721		22,721
Acquisition of treasury stock	6					(1,673)	(1,673)
Re-issuance of treasury stock	7			(80)		354	274
Net changes during the period	8	555	555	(80)	14,303	(1,319)	14,015
Balance at September 30, 2007	9	150,068	59,958	73,910	108,271	4,651	387,556

(in Japanese yen rounded to millions)

		Valuation and Translation Adjustments					
		Net unrealized gain (loss) on available-for-sale securities	Net gain (loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments	Stock acquisition rights	Total Shareholders' Equity
Balance at March 31, 2007	10	803	(845)	136,097	136,055	67	509,663
Changes during the period:							
Exercise of stock acquisition right	11				-		1,111
Cash dividends paid	12				-		(8,442)
Land revaluation	13				-		24
Net income	14				-		22,721
Acquisition of treasury stock	15				-		(1,673)
Re-issuance of treasury stock	16				-		274
Net changes in accounts other than paid- in capital and retained earnings	17	(164)	(3,079)	(24)	(3,267)	61	(3,206)
Net changes during the period	18	(164)	(3,079)	(24)	(3,267)	61	10,809
Balance at September 30, 2007	19	639	(3,923)	136,073	132,788	128	520,472

* 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			(8,442)	(8,442)
Land revaluation	22			24	24
Net income	23			22,721	22,721
Net changes during the period	24	-	-	14,303	14,303
Balance at September 30, 2007	25	10,778	421	97,073	108,271

Unconsolidated Statement of Shareholders' Equity

The year ended March 31, 2007

(in Japanese yen rounded to millions)

		Paid-In Capital and Retained Earnings					
			Capital surplus		Retained earnings		
		Common stock	Capital reserve	Other Capital surplus	Other earned surplus*	Treasury stock	Total paid - In 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-sale securities	Net gain (loss) on derivative instruments	Land revaluation	Total Valuation and translation adjustments	Stock acquisition rights	Total Shareholders' 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 paid- in 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

6. Other

Production and Sales Information

1) Production Volume

		FY2006 1st. Half Ended September 30, 2006	**FY2007 1st. Half** **Ended September 30, 2007**	Increase/ (Decrease)	FY2006 Full Year Ended March 31, 2007
		units	**units**	units	units
	Passenger cars	439,941	**450,629**	10,688	912,110
	Trucks	31,235	**21,601**	(9,634)	55,121
Vehicles Total		471,176	**472,230**	1,054	967,231

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 1st. Half	**FY2007** **1st. Half**	Increase/ (Decrease)	FY2006 Full Year
AutoAlliance International, Inc.	40,817 units	**29,741** units	(11,076) units	71,534 units
AutoAlliance (Thailand) Co., Ltd.	21,961	**25,389**	3,428	43,566

2) Sales Volume and Revenue

	FY2006 1st. Half Ended September 30, 2006		**FY2007 1st. Half** **Ended September 30, 2007**		Increase/ (Decrease)		FY2006 Full Year Ended March 31, 2007	
	Volume	Revenue	**Volume**	**Revenue**	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen	units	million yen
Vehicles	560,071	1,102,675	**575,092**	**1,218,443**	15,021	115,768	1,176,673	2,385,710
Knockdown Parts (Overseas)	-	54,900	-	**54,034**	-	(866)	-	102,467
Parts	-	122,930	-	**141,781**	-	18,851	-	257,853
Other	-	240,943	-	**241,966**	-	1,023	-	501,455
Total	-	1,521,448	-	**1,656,224**	-	134,776	-	3,247,485

<Sales Volume by Market>

Vehicles		FY2006 1st. Half Ended September 30, 2006	**FY2007 1st. Half** **Ended September 30, 2007**	Increase/ (Decrease)	FY2006 Full Year Ended March 31, 2007
		units	units	units	units
Japan		133,537	**123,749**	(9,788)	263,673
	North America	187,084	**185,337**	(1,747)	401,593
	Europe	136,021	**140,271**	4,250	297,499
	Other	103,429	**125,735**	22,306	213,908
Overseas Total		426,534	**451,343**	24,809	913,000
Total		560,071	**575,092**	15,021	1,176,673

Note: Until the prior period, sales volume to Puerto Rico was included in "Other". Commencing in the six months ended September 30, 2007, however, sales volume to Puerto Rico is included in "North America". For comparison purposes, the information on the six months ended September 30, 2006 and the year ended March 31, 2007 has been reclassified to conform with the presentation of the current period.

FY2007 First Half Financial Summary (Consolidated)

November 2, 2007
Mazda Motor Corporation

(in 100 millions of yen) (in thousands of units) (upper left: return on sales)		FY2006 1st. HF (Apr.06-Sep.06)	%	FY2007 1st. HF (Apr.07-Sep.07)	%	FY2006 (Apr.06-Mar.07)	%	FY2007 (Apr.07-Mar.08) Projection	%	FY2007 (Apr.07-Mar.08) Prior Projection	%
Domestic	1	4,419	2.3	4,151	(6.1)	8,873	(0.0)	8,700	(2.0)	8,900	0.3
Overseas	2	10,795	17.4	12,411	15.0	23,602	16.1	24,500	3.8	24,300	3.0
Net sales	3	15,214	12.5	16,562	8.9	32,475	11.2	33,200	2.2	33,200	2.2
Operating income	4	4.6% 698	43.0	4.4% 731	4.8	4.9% 1,585	28.4	4.8% 1,600	0.9	4.8% 1,600	0.9
Ordinary income	5	3.7% 566	30.5	3.5% 576	1.8	3.9% 1,278	25.9	4.2% 1,400	9.6	4.2% 1,400	9.6
Income before income taxes	6	3.4% 524	(17.1)	3.3% 543	3.6	3.6% 1,185	0.8	3.9% 1,300	9.8	3.9% 1,300	9.8
Net income	7	1.8% 272	(12.5)	1.8% 291	6.8	2.3% 737	10.5	2.6% 850	15.3	2.6% 850	15.3
Operating income by geographic area											
Japan	8	600		486		1,231					
North America	9	56		71		155					
Europe	10	69		97		155					
Other	11	39		91		96					
Operating profit change											
Volume & mix	12			(28)				90		149	
Exchange rate	13			247				189		(12)	
Product enrichment	14			(48)				(133)		(133)	
Cost reduction	15			66				161		246	
Marketing expense	16			(11)				(39)		(50)	
Other	17			(193)				(253)		(185)	
Total	18			33				15		15	
Average rate for the period	19	115 Yen/US$ 146 Yen/EUR		119 Yen/US$ 162 Yen/EUR		117 Yen/US$ 150 Yen/EUR		115 Yen/US$ 159 Yen/EUR		115 Yen/US$ 153 Yen/EUR	
Transaction rate	20	114 Yen/US$ 141 Yen/EUR		118 Yen/US$ 155 Yen/EUR		115 Yen/US$ 145 Yen/EUR		116 Yen/US$ 156 Yen/EUR		115 Yen/US$ 151 Yen/EUR	
Capital investment	21	324		353		796		940		940	
Depreciation and amortization	22	223		327		470		650		650	
R & D cost	23	505		575		1,076		1,200		1,200	
Total assets	24	17,716		19,351		19,078					
Equity	25	4,249		5,014		4,799					
Financial debt	26	4,258		5,104		4,747					
Net financial debt	27	2,633		2,875		2,322					
Cash flow	28	(82)		(85)		210					
Performance of operation	29			Record-high sales, operating income, and ordinary income				Sales and profits to increase in 7 consecutive years. Profits at all levels to become highest ever.			
Domestic	30	131	(6.8)	123	(5.8)	261	(8.6)	252	(3.3)	262	0.5
North America	31	199	3.4	213	7.1	380	8.0	407	7.1	403	6.1
Europe	32	153	9.7	153	(0.3)	304	6.6	321	5.6	321	5.6
China	33	62	(8.1)	41	(32.6)	129	(0.7)	105	(18.7)	105	(18.7)
Other	34	109	(1.1)	129	17.9	228	1.5	275	20.7	259	13.7
Overseas	35	523	2.6	536	2.6	1,041	5.0	1,108	6.4	1,088	4.5
Global retail volume	36	654	0.6	659	0.9	1,302	2.0	1,360	4.5	1,350	3.7
Number of Employees (full time employees)	37	38,144		39,441		38,004					

Note: - 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 First Half Financial Summary (Unconsolidated)

Nov 2, 2007
Mazda Motor Corporation

(in 100 millions of yen) (in thousands of units) (Upper left: ratio on sales)		FY2006 1st.HF (Apr.06 - Sep.06)		FY2007 1st.HF (Apr.07 - Sep.07)		FY2006 (Apr.06 - Mar.07)		FY2007 (Apr.07 - Mar.08) Projection		FY2007 (Apr.07 - Mar.08) Prior Projection	
			%		%		%		%		%
Domestic	1	3,362	+2.6	3,122	(7.1)	6,738	+0.5	6,600	(2.1)	6,800	+0.9
Export	2	7,668	+24.5	8,277	+7.9	16,533	+21.4	17,300	+4.6	17,100	+3.4
Net sales	3	11,030	+16.9	11,399	+3.3	23,271	+14.5	23,900	+2.7	23,900	+2.7
Operating income/(loss)	4	3.9% 431	+173.0	3.4% 392	(9.2)	3.8% 888	+32.6	4.4% 1,060	+19.4	4.4% 1,060	+19.4
Ordinary income/(loss)	5	3.7% 413	+230.7	2.9% 327	(20.8)	3.6% 845	+40.4	4.1% 980	+16.0	4.1% 980	+16.0
Income/(loss) before income taxes	6	3.4% 376	(0.8)	2.6% 298	(20.7)	3.2% 748	+27.1	3.8% 910	+21.7	3.8% 910	+21.7
Net income/(loss)	7	2.5% 273	+106.3	2.0% 227	(16.8)	2.2% 511	+364.9	2.4% 580	+13.6	2.4% 580	+13.6
Average rate for the period	8	115Yen/US$ 146Yen/EUR		119Yen/US$ 162Yen/EUR		117Yen/US$ 150Yen/EUR		115Yen/US$ 159Yen/EUR		115Yen/US$ 153Yen/EUR	
Transaction rate	9	114Yen/US$ 141Yen/EUR		118Yen/US$ 155Yen/EUR		115Yen/US$ 145Yen/EUR		116Yen/US$ 156Yen/EUR		115Yen/US$ 151Yen/EUR	
Capital investment	10	281		304		623		790		790	
Depreciation and amortization	11	159		239		313		490		490	
R & D cost	12	459		500		947		1,080		1,080	
Total assets	13	13,776		15,234		14,967					
Shareholders' Equity	14	4,821		5,205		5,097					
Financial debts	15	3,166		4,051		3,884					
Net financial debts	16	2,238		2,670		2,185					
Domestic	17	144	(7.8)	131	(9.3)	285	(8.4)	271	(4.8)	282	(1.0)
North America	18	181	+28.4	156	(13.6)	383	+29.1	358	(6.5)	356	(6.9)
Europe	19	124	+12.4	138	+11.3	276	+6.3	323	+16.9	318	+14.9
Others	20	98	(0.5)	120	+23.0	202	+3.2	252	+24.8	223	+10.7
Wholesales	21	548	+8.1	546	(0.3)	1,146	+7.8	1,204	+5.1	1,179	+2.9
Domestic production units	22	471	+8.4	472	+0.2	967	+7.0	1,046	+8.1	1,034	+6.9
Number of employees (Excluding dispatchees)	23	19,971		20,732		19,772					