Consolidated Financial Results for FY2003 First Half

(April 1, 2003 through September 30, 2003) November 6, 2003

Mazda Motor Corporation

Code No: 7261 Listed in : Tokyo Stock Exchange
(URL http://www.mazda.co.jp) Headquartered in: Hiroshima-prefecture
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Meeting of the Board of Directors for Consolidated Account Settlement: November 6, 2003
Adoption of the United States Generally Accepted Accounting Principles: Not Adopted

1. Consolidated Financial Highlights (April 1, 2003 through September 30, 2003)

(1) Consolidated Financial Results

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

	Net Sales		Operating Income/(Loss)		Ordinary Income/(Loss)	
	million yen	%	million yen	%	million yen	%
FY2003 1st. Half	1,209,497	4.3	28,432	93.7	19,007	106.7
FY2002 1st. Half	1,159,331	11.7	14,676	31.0	9,196	91.3
FY2002	2,364,512		50,656		40,710	

	Net Income/(Loss)		Net Income/(Loss) Per Share	Net Income/(Loss) Per Share, Diluted
	million yen	%	yen	yen
FY2003 1st. Half	11,150	100.0	9.15	7.88
FY2002 1st. Half	5,575	324.6	4.57	-
FY2002	24,134		19.80	18.37

Notes: ① Equity in net income of unconsolidated subsidiaries and affiliates accounted for by the equity method:
FY2003 1st. Half 4,138 million yen
FY2002 1st. Half 3,013 million yen
FY2002 7,674 million yen

② Average no. of shares of common stock outstanding (on a consolidated basis):
FY2003 1st. Half 1,218,285,348 shares
FY2002 1st. Half 1,219,719,289 shares
FY2002 1,219,049,835 shares

③ Accounting changes: Yes

④ Changes in net sales, operating income, ordinary income, and net income from the prior periods are shown in percentage.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Equity Per Share
	million yen	million yen	%	Yen
FY2003 1st. Half	1,781,923	205,543	11.5	168.91
FY2002 1st. Half	1,698,575	174,206	10.3	142.79
FY2002	1,754,017	194,071	11.1	159.22

Notes: No. of shares of common stock outstanding as of period end (on a consolidated basis):
FY2003 1st. half 1,216,888,456 shares
FY2002 1st. half 1,220,044,885 shares
FY2002 1,218,848,947 shares

(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
FY2003 1st. Half	(11,762)	(10,027)	1,957	258,913
FY2002 1st. Half	15,523	(17,628)	(12,481)	214,307
FY2002	89,668	(42,614)	(2,074)	274,722

(4) Scope of Consolidation and Equity Method

Consolidated subsidiaries 57 companies
Affiliates accounted for by the equity method 13 companies
Non-consolidated subsidiaries accounted for by the equity method None

(5) Changes in Scope of Consolidation and Equity Method

Consolidation (Addition) 1 company
(Exclusion) 9 companies
Equity method (Addition) 0 companies
(Exclusion) 2 companies

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

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
Full Year	2,500,000	57,000	30,000

Reference: Net income per share for the full year 24.65 yen

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 6 of Supplementary Information.

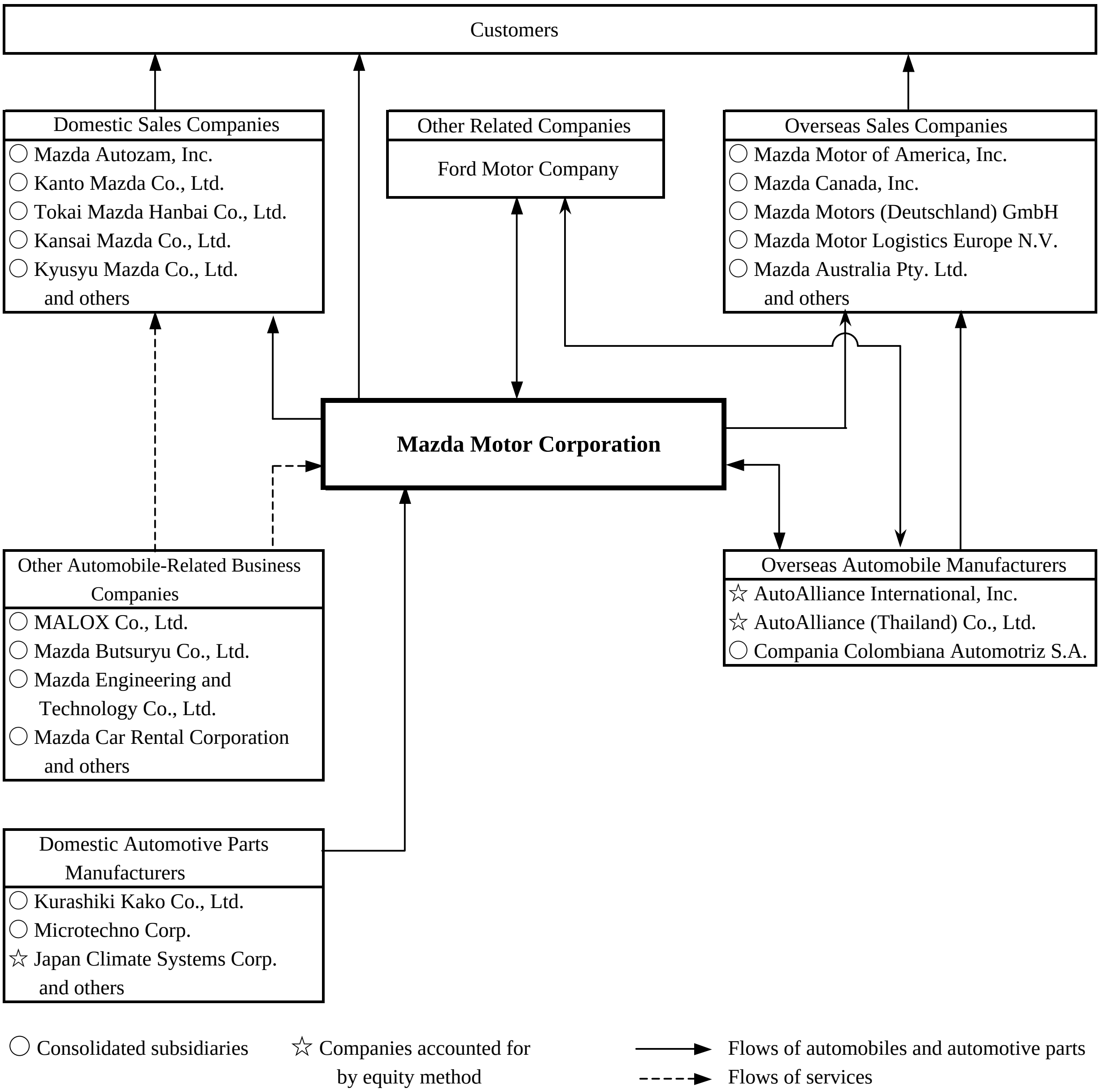
1. Mazda Group of Companies

Mazda group of companies consists of Mazda Motor Corporation, 57 consolidated subsidiaries and 13 equity method-applied companies and is mainly engaged in the manufacturing and sales of automobiles and automotive parts as well as in other automobile-related businesses.

In Japan, Mazda Motor Corporation manufactures automobiles. Mazda Motor Corporation, Kurashiki Kako Co., Ltd. and other companies manufacture automotive parts. In overseas, AutoAlliance International, Inc. and other companies manufacture automobiles and automotive parts. The automobiles and automotive parts manufactured by our group of companies are sold to customers by our sales companies. In Japan, Mazda Autozam, Inc., Kanto Mazda Co., Ltd. and other companies sell our automobiles and automotive parts to customers. To certain corporate customers, Mazda Motor Corporation directly sells our automobiles. In overseas, Mazda Motor of America, Inc., Mazda Motors (Deutschland) GmbH and other companies sell our automobiles and automotive parts to customers.

In addition, Mazda Motor Corporation, having an equity relationship with Ford Motor Company, has expanded its relationship with Ford to a strategic cooperative relationship on a global scale.

The following diagram approximately illustrates the roles of Mazda Motor Corporation and its main related companies in conducting the group's business:



Note: None of the consolidated subsidiaries is listed at a stock exchange in Japan.

2. Management Policy

1) Our Corporate Vision, Mission and Value

At Mazda Motor Corporation, our corporate vision is as follows: "To create new value, excite and delight our customers through the best automotive products and services." We believe that achieving this vision will lead to increased shareholder value and enhance the value of association with the corporation for our employees, our suppliers, the communities in which we operate, and other stakeholders.

Based on this vision, our corporate mission is as follows: "With passion, pride and speed, we actively communicate with our customers to deliver insightful automotive products and services that exceed their expectations."

Under this mission, we value integrity, customer focus, creativity, efficient and nimble actions and respect highly motivated people and team spirit. We positively support environmental matters, safety and society. Guided by these values, we provide superior rewards to all people associated with Mazda.

2) Our Policy on Distribution of Earnings

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

3) Our Mid-Term Plan

Mazda's performance in the first half remained strong, as the product-led growth strategy continued to deliver results. The four strategic pillars of Mazda's Millennium Plan—Growth, Reform and Restructuring, Synergies with Ford, and People Development—remain unchanged. As described below, Mazda has continued to make significant progress in each area.

a) Growth

In the first half of FY2003, under the "Zoom-Zoom" message, the company continued to introduce new and exciting products. In April 2003, the Mazda RX-8 was launched in Japan—a new four-door four-seat sports car powered by an all-new, RENESIS rotary engine. It has subsequently been introduced in both the U.S. and European markets. Fully embodying Mazda's brand personalities -- "Stylish, " "Insightful" and "Spirited" -- the new RX-8 is a brand icon. In addition, the RENESIS engine was voted "International Engine of the Year 2003" by a panel of 50 senior motoring journalists from 22 countries.

June marked the start of Mazda3/Axela production at Mazda's Hofu plant. The sales roll-out has already begun and by January, the car will be available in all major markets. The media response and early sales results have been very positive. We expect Mazda3/Axela to quickly become a success and have given ourselves an annual sales target of 250,000 units.

Mazda6/Atenza has captured more than 60 awards in 22 counties since its launch in May 2002, making it the most acclaimed car in Mazda's history. Building on the sporty performance and high quality of the base models, Mazda recently made a new premium grade, 23Z, available in the Japanese market. With the additional of this new grade, the Atenza lineup also becomes even more environmentally friendly with all 2.3L front-wheel drive models now certified as ultra-low emissions vehicles.

During the first half of FY2003, Mazda also made various changes to its product line-up in Japan. The popular Roadster received interior and exterior enhancements, additional equipment, and three new body colors in September 2003.

In addition to new products, the company's initiatives in internet marketing continued in Japan. Mazda's "Web Tune Factory" site, which allows customers to order their own customized car via the Internet, has been expanded to accommodate orders for Axela and Demio, as well as Roadster.

In the pursuit of growth, Mazda continues to focus its efforts on China, a fast growing market with a rapidly developing automotive industry. Mazda's China sales during the April – September period totaled 42,000 units, a 287.8 % increase over the same period a year ago.

b) Reform and Restructuring

In May, as previously announced, Mazda closed its F plant and outsourced the production of the Titan, Titan Dash, Bongo truck and Bongo Brawny truck (for export) to Press Kogyo. In July, Mazda and Isuzu Motors announced that Isuzu would begin supplying its small truck series to Mazda in late 2004. Mazda will sell these vehicles under the "Titan" name in Japan, while at the same time, production of the current Titan, which Mazda outsources to Press Kogyo, will be discontinued. The production of Mazda's other commercial vehicles at Press Kogyo will continue.

Mazda continues to implement initiatives to strengthen its distribution network in Europe. In September, Mazda purchased the remaining 50% share of its Austrian distributor. Mazda now owns distribution representing more than 80% of European sales. During the first half of fiscal year 2003, sales in Europe increased by 32.7% to 116,000 units compared with the same period in 2002.

In May 2002, Mazda launched a new initiative called "Achieve Best Cost" or "ABC", which is a commodity-focused process for achieving 25% cost reductions by the end of FY2004. Significant savings are being realized through design improvements, lower logistics costs, increased commonization across product lines, and expanded use of global sourcing.

c) Synergies with Ford Group

Synergies with Ford have matured into a true partnership in multiple areas that strongly benefit both sides. The clearest evidence of this growing partnership is found in product development. The new Mazda3/Axela was developed closely with Ford, yet has been hailed by the media as a true Mazda product.

d) People Development

In April, for the first time in 20 years, Mazda significantly upgraded its human resources system. The system is built on three pillars- "choice and self actualization," "work-life balance," and "best match of people, work and rewards." It is a step forward that is essential to maintaining Mazda's global competitiveness. At the same time, this system more effectively harnesses the unique differences in our people's skills and aspirations.

Mazda is also continuing its "Leading Mazda 21" program, which was started in April 2002 and is helping develop the management skills of the next generation of Mazda leaders. We also expanded the various training opportunities available to employees by increasing the number of business training courses and e-learning programs, and continuing the English skill enhancement programs for employees.

It is worth noting that Mazda recently received the Family Friendly Company Award from the Ministry of Health, Labor and Welfare. The Ministry uses this award to recognize companies with programs aimed at helping employees strike a good balance between their careers and child/family care.

4) Our Challenges

The near-term external environment is expected to remain difficult. Although the global economic outlook is starting to improve, the recovery is irregular and still fragile. Recent currency realignments will make the recovery that much more difficult for countries such as Japan and export-oriented companies such as Mazda. The automotive industry is likely to remain intensely competitive, as the major manufacturers continue to offer high levels of marketing incentives and introduce a variety of new models – particularly in the North American market.

Operating in a tough environment against world-class competitors, Mazda remains confident in its ability to drive the company forward with sustained profitable growth under the four pillars of the Millennium Plan. Although Mazda has made tremendous progress in its restructuring initiatives over the past several years, we remain focused on improving our cost structure and reducing net debt. We have comprehensive plans for providing for a steady flow of exciting, new products. Above all else, our top priority is to continue to deliver on our commitments in the future. As we do this, we look forward to the continued support of our shareholders.

5) Basic Philosophy of Corporate Governance and Implementation of Related Matters

Mazda is actively implementing various measures to enhance corporate governance.

In addition to bodies prescribed by law such as the general meeting of stockholders, board of directors and board of corporate auditors, an executive committee has been established as an advisory body that assists the president with decision-making. Executive committee meetings are held to propose and debate important company-wide policies and measures and to report on information necessary for business management.

The company has introduced the executive officer system. By promoting the separation of execution and management, the effectiveness of the board of directors as a supervisory body has been enhanced. And by overhauling the board's administration, debate has been enhanced and decision-making has been speeded up. In these ways we are working to further improve management efficiency.

Mazda has established a Management Advisory Committee composed of outside notable figures and Mazda's directors. The committee meets four times a year. The company gets a wide range of opinions from a broad, global perspective from the committee members, who possess unsurpassed specialized knowledge and insight in their fields of expertise. Their opinions will be reflected in Mazda's management and enhance transparency.

By avoiding holding the general meeting of shareholders on the same date as other companies, and by making timely disclosures to shareholders and investors, and by engaging in IR activities such as enhancing the IR website, Mazda will continue to actively implement various measures to enhance corporate governance.

The company currently has two outside auditors. There are no business dealings or other interests between the company and these auditors.

3. Financial Results, Position and Projection

1) Financial Results and Position

During the first half of fiscal year 2003, the Japanese economy gained strength in the export and manufacturing sectors, although private consumption remained weak. Deflationary pressures, while still a concern, showed signs of moderating. In the U.S., the recovery gained momentum, in part due to a reduction in personal taxes and record low interest rates. The economies in Europe and other major markets generally showed signs of improvement, although it wasn't strong and it wasn't universal. Certain markets and sectors continued to deteriorate, and economic indicators are giving mixed signals regarding the strength and sustainability of the recovery.

Automotive sales in Japan, including micro-mini vehicles, totaled 2.75 million units, down 1.3% from the prior year. In the U.S., industry sales were 8.13 million units (calendar year basis), down 2.4% from the previous year, while sales in Western Europe were 8.63 million units and also down 2.4% (calendar year basis).

Turning to Mazda's performance in the first half of this fiscal year, our retail sales in the Japanese market totaled 134,000 units, up 4.1% compared with the same period of the last fiscal year, reflecting the successful performance of new models partially offset by lower sales of older models. Registered vehicle share in the domestic market was 6.0%, up 0.4 points from year ago levels. Total share, including micro-mini vehicles, was 4.9%, up 0.3 points.

Mazda's retail sales and market shares in major overseas markets on a calendar year basis were mixed. In the U.S., Mazda's retail sales were down 7.7% to 119,000 units compared with the same period last year. Market share was 1.5%, unchanged from the prior year. In Western Europe, retail sales were up 32.3% to 109,000 units, and market share was up 0.4 points to 1.3%.

Consolidated wholesales in the first half totaled 526,000 units, up 28,000 units or 5.5% from the same period a year ago.

Turning to financial results, on a consolidated basis, sales revenue was ¥1,209.5 billion, up ¥50.2 billion or 4.3% year-over-year. Operating income was ¥28.4 billion, up ¥13.8 billion or 93.7%. This significantly improved performance reflected higher sales revenue primarily due to the impact of the new models introduced in the prior fiscal year and this first half, as well as cost reductions in various areas of Mazda's business and favorable exchange rates, partially offset by product enhancement expense, marketing expense related to the introduction of new models, and fixed costs. Ordinary income was ¥19.0 billion, up ¥9.9 billion or 106.7%. Net income was ¥11.2 billion, up ¥5.7 billion or 100%. Consolidated cash flow (operating and investing activities) was negative ¥21.8 billion, primarily due to an inventory increase at the North American subsidiaries. Gross debt on a consolidated basis at September 30, 2003 was ¥687.0 billion, ¥8.8 billion higher than at March 31, 2003. Cash and cash equivalents totaled ¥258.9 billion. As a result, net debt (gross debt less cash and cash equivalents) was ¥428.1 billion, ¥24.6 billion or 6.1% higher than at March 31, 2003.

Mazda issued ¥20.0 billion of unsecured bonds in June, followed by a ¥40.0 billion, long-term syndicated bank borrowing in July.

No interim dividends will be declared for the first half of FY2003. We offer sincere apologies to our shareholders, and we ask for their understanding in this matter.

2) **Financial Projection**

Our financial projection for Fiscal Year 2003 is as follows[1].

Consolidated

Wholesales	1,060 thousand units	(up 4.2% compared to the prior year)
Sales revenue	2,500.0 billion	(up 5.7% compared to the prior year)
Ordinary income	57.0 billion	(up 40.0% compared to the prior year)
Net income	30.0 billion	(up 24.3% compared to the prior year)
Cash flow (operating and investing)	40.0 billion	

Unconsolidated

Wholesales	897 thousand units	(up 2.9% compared to the prior year)
Sales revenue	1,660.0 billion	(up 8.0% compared to the prior year)
Ordinary income	14.0 billion	(down 43.0% compared to the prior year)
Net income	4.0 billion	

[1] The financial projection is the judgement of our management based on the information presently available. By nature, such financial projection is subject to uncertainty and 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.

4. Consolidated Financial Statements

(1) Consolidated Statement of Operations

Six months ended September 30, 2003

With comparative figures for the six months ended September 30, 2002 and for the fiscal year ended March 31, 2003

(in millions of yen)

		FY2003 1st. Half (Apr. 2003 - Sep. 2003)	FY2002 1st. Half (Apr. 2002 - Sep. 2002)	Increase/ (Decrease)	FY2002 (Apr. 2002 - Mar. 2003)
Net sales	1	**1,209,497**	1,159,331	50,166	2,364,512
Costs of sales	2	**888,651**	857,234	31,417	1,725,058
Gross profit on sales	3	**320,846**	302,097	18,749	639,454
Selling, general and administrative expenses	4	**292,414**	287,421	4,993	588,798
Operating income	5	**28,432**	14,676	13,756	50,656
Non-operating income					
Interest and dividend income	6	**882**	1,061	(179)	1,907
Equity in net income of unconsolidated subsidiaries and affiliates	7	**4,138**	3,013	1,125	7,674
Other	8	**2,737**	4,169	(1,432)	6,739
Total	9	**7,757**	8,243	(486)	16,320
Non-operating expenses					
Interest expense	10	**8,641**	9,310	(669)	16,927
Other	11	**8,541**	4,413	4,128	9,339
Total	12	**17,182**	13,723	3,459	26,266
Ordinary income	13	**19,007**	9,196	9,811	40,710
Extraordinary profits					
Profit on sale of tangible fixed assets	14	**892**	492	400	654
Profit on sale of investment securities	15	**608**	3,142	(2,534)	3,197
Other	16	**4**	308	(304)	584
Total	17	**1,504**	3,942	(2,438)	4,435
Extraordinary losses					
Loss on retirement and sale of tangible fixed assets	18	**1,815**	1,816	(1)	5,615
Loss on sale of investment securities	19	**55**	811	(756)	1,485
Valuation loss on investment securities	20	**42**	45	(3)	607
Valuation loss on investments	21	**2,788**	—	2,788	2,553
Loss on restructuring of subsidiaries and affiliates	22	**—**	451	(451)	683
Investment valuation allowance	23	**10**	2,570	(2,560)	50
Loss on business restructuring	24	**—**	—	—	2,695
Other	25	**401**	314	87	3,323
Total	26	**5,111**	6,007	(896)	17,011
Income before income taxes	27	**15,400**	7,131	8,269	28,134
Income taxes					
Current	28	**5,277**	5,665	(388)	7,450
Deferred	29	**(2,741)**	(4,856)	2,115	(4,364)
Minority interests of consolidated subsidiaries	30	**1,714**	747	967	914
Net income	31	**11,150**	5,575	5,575	24,134

(2) Consolidated Balance Sheet

September 30, 2003
With comparative figures for March 31, 2003 and for September 30, 2002

(in millions of yen)

		FY2003 1st. Half (September 30, 2003)	FY2002 (March 31, 2003)	Increase/ (Decrease)	FY2002 1st. Half (September 30, 2002)
ASSETS					
Current Assets:					
Cash and time deposits	1	**257,311**	278,072	(20,761)	213,469
Trade notes and accounts receivable	2	**133,883**	132,443	1,440	124,894
Inventories	3	**274,997**	237,663	37,334	237,955
Deferred taxes	4	**82,355**	54,398	27,957	68,748
Other	5	**66,931**	49,621	17,310	57,183
Allowance for doubtful receivables	6	**(6,558)**	(6,448)	(110)	(2,308)
Total current assets	7	**808,919**	745,749	63,170	699,941
Fixed Assets:					
Tangible fixed assets:					
Buildings and structures	8	**145,282**	147,041	(1,759)	149,916
Machinery and vehicles	9	**152,912**	153,460	(548)	148,295
Land	10	**435,683**	437,335	(1,652)	439,217
Construction in progress	11	**15,196**	20,387	(5,191)	23,688
Other	12	**36,966**	35,275	1,691	36,114
Total tangible fixed assets	13	**786,039**	793,498	(7,459)	797,230
Intangible fixed assets:	14	**19,485**	18,835	650	17,649
Investments and other fixed assets:					
Investment securities	15	**46,460**	47,275	(815)	48,938
Long-term loans receivable	16	**18,848**	23,073	(4,225)	26,961
Deferred taxes	17	**96,285**	121,310	(25,025)	105,864
Other	18	**23,840**	27,020	(3,180)	31,802
Allowance for doubtful receivables	19	**(17,181)**	(21,937)	4,756	(25,831)
Investment valuation allowance	20	**(776)**	(812)	36	(3,993)
Total investments and other fixed assets	21	**167,476**	195,929	(28,453)	183,741
Total fixed assets	22	**973,000**	1,008,262	(35,262)	998,620
Deferred assets	23	**4**	6	(2)	14
Total Assets	24	**1,781,923**	1,754,017	27,906	1,698,575

(in millions of yen)

		FY2003 1st. Half (September 30, 2003)	FY2002 (March 31, 2003)	Increase/ (Decrease)	FY2002 1st. Half (September 30, 2002)
LIABILITIES					
Current Liabilities:					
Trade notes and accounts payable	1	**265,773**	241,097	24,676	251,691
Short-term loans payable	2	**222,365**	214,637	7,728	244,827
Long-term loans payable due within one year	3	**73,906**	71,412	2,494	60,721
Bonds due within one year	4	**20,100**	35,046	(14,946)	41,900
Other accounts payable	5	**103,883**	140,559	(36,676)	112,589
Accrued expenses	6	**141,946**	142,271	(325)	132,364
Reserve for warranty expenses	7	**20,824**	18,361	2,463	17,109
Reserve for loss on restructuring of subsidiaries and affiliates	8	—	1,695	(1,695)	4,458
Reserve for loss on business restructuring	9	**2,310**	2,695	(385)	—
Other	10	**54,224**	42,892	11,332	47,144
Total current liabilities	11	**905,331**	910,665	(5,334)	912,803
Fixed Liabilities:					
Bonds	12	**100,400**	100,400	—	100,000
Bonds with stock acquisition rights	13	**60,000**	60,000	—	—
Long-term loans payable	14	**210,237**	196,710	13,527	219,833
Deferred tax liability related to land revaluation	15	**91,396**	90,833	563	92,958
Employees' and executive officers' severance and retirement benefits	16	**190,652**	182,900	7,752	178,153
Directors' and corporate auditors' retirement benefits	17	**1,302**	1,275	27	1,255
Other	18	**9,011**	10,688	(1,677)	12,610
Total fixed liabilities	19	**662,998**	642,806	20,192	604,809
Total Liabilities	20	**1,568,329**	1,553,471	14,858	1,517,612
Minority Interests in Consolidated Subsidiaries	21	**8,051**	6,475	1,576	6,757
SHAREHOLDERS' EQUITY					
Common stock	22	**120,078**	120,078	—	120,078
Capital surplus	23	**104,217**	104,217	—	104,269
Retained earnings/(deficit)	24	**(100,958)**	(107,742)	6,784	(125,179)
Land revaluation	25	**131,865**	129,939	1,926	125,885
Net unrealized gain/(loss) on available-for-sale securities	26	**112**	(193)	305	162
Foreign currency translation adjustments	27	**(48,276)**	(51,316)	3,040	(50,515)
Treasury stock	28	**(1,495)**	(912)	(583)	(494)
Total shareholders' equity	29	**205,543**	194,071	11,472	174,206
Total Liabilities, Minority Interests and Shareholders' Equity	30	**1,781,923**	1,754,017	27,906	1,698,575

(3) Consolidated Statement of Capital Surplus and Retained Earnings

Six months ended September 30, 2003
With comparative figures for the six months ended September 30, 2002 and for the fiscal year ended March 31, 2003

(in millions of yen)

		FY2003 1st. Half (Apr. 2003 - Sep. 2003)	FY2002 1st. Half (Apr. 2002 - Sep. 2002)	FY2002 (Apr. 2002 - Mar. 2003)
CAPITAL SURPLUS				
Balance at the beginning of the period	1	**104,217**	**104,217**	**104,217**
Increases due to:				
Treasury stock transactions	2	—	**52**	**52**
Decrease due to:				
Exclusion of consolidated subsidiaries and companies accounted for by the equity method	3	—	—	**52**
Balance at the end of the period	4	**104,217**	**104,269**	**104,217**
RETAINED EARNINGS				
Balance at the beginning of the period	5	**(107,742)**	(128,565)	(128,565)
Increases due to:				
Net income	6	**11,150**	5,575	24,134
Reversal of land revaluation	7	—	265	—
Decreases due to:				
Dividends	8	**2,438**	2,442	2,442
Reversal of land revaluation	9	**1,928**	—	858
Exclusion of consolidated subsidiaries and companies accounted for by the equity method	10	—	12	11
Balance at the end of the period	11	**(100,958)**	**(125,179)**	**(107,742)**

(4) Consolidated Statement of Cash Flows

Six months ended September 30, 2003

With comparative figures for the six months ended September 30, 2002 and for the fiscal year ended March 31, 2003

(in millions of yen)

		FY2003 1st. Half (Apr. 2003 - Sep. 2003)	FY2002 1st. Half (Apr. 2002 - Sep. 2002)	FY2002 (Apr. 2002 - Mar. 2003)
Cash flows from operating activities:				
Income before income taxes	1	**15,400**	7,131	28,134
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:				
Depreciation and amortization	2	**18,020**	18,755	36,989
Allowance for doubtful receivables	3	**(312)**	1,099	3,117
Investment valuation allowance	4	**(36)**	2,604	(10)
Reserve for warranty expenses	5	**2,347**	1,766	3,032
Reserve for loss on business restructuring	6	**—**	—	2,695
Employees' and executive officers' severance and retirement benefits	7	**7,752**	3,681	8,600
Interest and dividend income	8	**(882)**	(1,061)	(1,907)
Interest expense	9	**8,641**	9,310	16,927
Equity in net income of unconsolidated subsidiaries and affiliates	10	**(4,138)**	(3,013)	(7,674)
Loss/(gain) on sale of fixed assets	11	**923**	1,324	4,961
Loss/(gain) on sale of investment securities	12	**(553)**	(2,331)	(1,712)
Loss on restructuring of subsidiaries and affiliates	13	**—**	451	683
Changes in trade notes and accounts receivable	14	**4,683**	(12,138)	(17,437)
Changes in inventories	15	**(25,523)**	7,112	11,896
Changes in trade notes and accounts payable	16	**15,949**	2,995	(14,903)
Changes in other current liabilities	17	**(35,507)**	(2,386)	28,112
Other	18	**(5,072)**	(7,902)	9,814
Subtotal	19	**1,692**	27,397	111,317
Interest and dividends received	20	**1,266**	1,469	2,463
Interest paid	21	**(8,847)**	(9,413)	(16,781)
Income taxes paid	22	**(5,873)**	(3,930)	(7,331)
Net cash provided by/(used in) operating activities	23	**(11,762)**	15,523	89,668
Cash flows from investing activities:				
Purchase of investment securities	24	**(657)**	(2,830)	(3,254)
Sale of investment securities	25	**421**	720	2,325
Acquisition of investment in subsidiaries affecting scope of consolidation	26	**(760)**	—	—
Sale of investment in subsidiaries affecting scope of consolidation	27	—	4,090	5,790
Acquisition of tangible fixed assets	28	**(16,728)**	(33,505)	(62,431)
Proceeds from sale of tangible fixed assets	29	**4,810**	16,818	25,696
Changes in short-term loans receivable	30	**(140)**	(688)	80
Long-term loans made	31	**(48)**	(82)	(122)
Collections of long-term loans receivable	32	**610**	346	1,150
Other	33	**2,465**	(2,497)	(11,848)
Net cash used in investing activities	34	**(10,027)**	(17,628)	(42,614)
Cash flows from financing activities:				
Changes in short-term loans payable	35	**4,522**	(20,515)	(50,815)
Proceeds from long-term loans payable	36	**53,503**	45,801	70,323
Repayment of long-term loans payable	37	**(37,521)**	(14,755)	(51,597)
Proceeds from issuance of bonds	38	**20,000**	—	60,600
Redemption of bonds	39	**(34,946)**	(20,000)	(27,054)
Cash dividends paid	40	**(2,438)**	(2,442)	(2,442)
Other	41	**(1,163)**	(570)	(1,089)
Net cash provided by/(used in) financing activities	42	**1,957**	(12,481)	(2,074)
Effect of exchange rate fluctuations on cash and cash equivalents	43	**4,023**	(551)	298
Net increase/(decrease) in cash and cash equivalents	44	**(15,809)**	(15,137)	45,278
Cash and cash equivalents at beginning of the period	45	**274,722**	229,444	229,444
Cash and cash equivalents at end of the period	46	**258,913**	214,307	274,722

Notes to Consolidated Financial Statements

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries 57

Overseas	16	Mazda Motor of America, Inc., Mazda Motors (Deutchland) GmbH and 14 others
Domestic	41	18 dealers and 23 others

2) Equity Method-Applied Companies 13

Overseas	2	AutoAlliance International, Inc., and AutoAlliance (Thailand) Co., Ltd.
Domestic	11	3 dealers, 3 automotive parts sales companies and 5 others

2. Changes in Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries

Newly added:	1	
Overseas	1	Mazda Austria GmbH (reclassified from an equity method-applied company)
Excluded:	9	
Domestic	9	Mazda Enfini Tokyo Co., Ltd. and 8 other dealers (merged, etc.)

2) Equity Method-Applied Companies

Excluded:	2	
Overseas	1	Mazda Austria GmbH (Reclassified to a consolidated subsidiary)
Domestic	1	Enfini Chiba Co., Ltd. (sold)

3. Accounting Periods of Consolidated Subsidiaries

The first-half consolidated balance sheet date is September 30. Among the consolidated subsidiaries, 16 companies (including Mazda Motor of America, Inc.) 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 first half consolidated financial statements, the financial statements of each of these companies were used. However, adjustments necessary in consolidation were made for material transactions that occurred between the first-half balance sheet dates of the above subsidiaries and the first-half consolidated balance sheet date.

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 shareholders' equity net of tax. The bases of cost are on a historical cost basis 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:	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

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

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.

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) Reserve for loss on business restructuring

Reserve for loss on business restructuring provides for losses related to the closure of a plant in accordance with Mazda's business restructuring plan. The amount estimated rationally for such losses is recognized.

c) 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 a straight-line basis over a period equal to or less than the average remaining service period of employees at the time such gains or losses are realized (mainly 13 years). The amortization of net gains or losses starts from the fiscal year immediately following the year in which such gains or losses are realized. For executive officers' retirement benefits, the liability is provided for the amount that would be required if all the eligible executive officers retired at the balance sheet date.

d) 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 half-year period is recognized.

e) 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.

f) 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) Accounting policies of foreign consolidated subsidiaries

Among the foreign consolidated subsidiaries, Compania Colombiana Automotriz S.A. prepares its financial statements based on the accounting principles generally accepted in Colombia to reflect adjustments for the country's inflationary economy and changing prices.

5) Foreign currency translation

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate on the half-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 half-year ends of the subsidiaries' accounting periods except for shareholders' equity accounts, which are translated at the historical rates. Income statements of consolidated overseas subsidiaries are translated at average rates of the subsidiaries' half-year periods, with the translation differences prorated and included in the shareholders' equity as foreign currency translation adjustments and minority interests.

6) Accounting for Leases

Lease transactions other than those finance leases with an unconditional title transfer clause are accounted for by the method equivalent to rental transactions.

7) Accounting for Hedging Activities

Full-deferral hedge accounting is mainly applied.

8) 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.

Accounting Change

Accounting for Forward Foreign Exchange Contracts

Until the year ended March 31, 2003, Mazda Motor Corporation ("the Company") accounted for sales and purchases in foreign currencies and related forward foreign exchange contracts qualifying as hedges in the manner that sales and purchases hedged by qualifying forward foreign exchange contracts were translated at the corresponding foreign exchange contract rates. Commencing in April 1, 2003, however, the Company changed the accounting to the method defined as standard. Under the standard method, sales and purchases are translated into Japanese yen at the exchange rates in effect at the dates they are transacted, and related receivables and payables are translated at the exchange rates in effect at the balance sheet date, while forward foreign exchange contracts qualifying as hedges on those sales and purchases transactions are recognized at their fair value at the balance sheet date and changes in fair values are charged to earnings. This change was made as a result of the improvement made in the Company's internal system to properly grasp the conditions of derivative transactions.

The effects of this change for the six months ended September 30, 2003 are to increase operating income by 5,695 million yen and to increase ordinary income and income before income taxes by 168 million yen.

Also, the effects of this change on segment information are discussed in Segment Information.

Additional Information

Real Estate Trust Contract

In September of 1999, the Company entered into a real estate trust contract. The beneficial ownership of property was transferred to a third party, and the real estate was leased back to the Company. The real estate includes an educational facility, a research and development facility, distribution centers, and stores of domestic dealers.

In addition, the Company entered a "*Tokumei Kumiai*" agreement with, and made an investment in the transferee. In order to fairly state the Company's investment at its substantial value, the cumulative amount of investment loss that the Company is responsible for is directly deducted from the balance of the investment, with the excess of cumulative loss over investment, i.e., 1,824 million yen, is reported in the Other category of current liabilities.

Footnotes

(in millions of yen)

	FY2003 1st. Half (September 30, 2003)	FY2002 1st. Half (September 30, 2002)	FY2002 (March 31, 2003)
(Consolidated Balance Sheet)			
1. Accumulated depreciation on tangible fixed assets	1,105,418	1,112,953	1,106,313
2. Assets offered as collateral and collateralized loans			
Assets offered as collateral	481,317	477,686	488,900
Collateralized loans	285,114	335,428	309,323
3. Contingent liabilities for guarantee and similar agreements	51,074	59,922	57,293
4. Notes and other receivables discounted			
Discounted notes receivable	206	719	893
Factoring of receivables with recourse	6,377	11,167	6,322

(in millions of yen)

	FY2003 1st. Half (September 30, 2003)	FY2002 1st. Half (September 30, 2002)	FY2002 (March 31, 2003)
(Consolidated Statement of Cash Flows)			
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	257,311	213,469	278,072
Time deposits with original maturities that exceed 3 months	(229)	(407)	(5,208)
Short-term investments in securities with an original maturity of 3 months or less	1,831	1,245	1,858
Cash and cash equivalents	258,913	214,307	274,722

Leases

	FY2003 1st. Half (Apr. 2003 - Sep. 2003)	FY2002 1st. Half (Apr. 2002 - Sep. 2002)	FY2002 (Apr. 2002 - Mar. 2003)
			(in millions of yen)
1. Finance lease transactions other than those with an unconditional title transfer clause to lessee			
(Lessees)			
1) Equivalent of acquisition costs	139,870	144,070	143,471
Equivalent of accumulated depreciation	81,561	79,266	81,921
Equivalent of net book value as of balance sheet date	58,309	64,804	61,550
2) Future minimum lease payments as of balance sheet date	61,968	68,804	65,301
(due within 1 year)	(23,071)	(20,548)	(20,301)
3) Lease fees paid for this fiscal period	11,185	11,525	22,342
Equivalent of depreciation	9,309	9,565	18,638
Equivalent of interest	1,193	1,409	2,671
4) Depreciation of leased assets is calculated at 100% of acquisition costs or up to the contracted residual value for the assets, using the straight-line method over the lease term.			
5) Interest included in lease fees is computed as a difference between total lease fees and acquisition costs of the leased assets. This amount is allocated to each fiscal period by interest method.			
(Lessors)			
1) Acquisition costs	-	-	-
Accumulated depreciation	-	-	-
Net book value as of balance sheet date	-	-	-
2) Future minimum lease payments to be received as of balance sheet date	-	-	-
(due within 1 year)	-	-	-
3) Lease fees received for this fiscal period	-	489	489
Depreciation	-	-	-
Equivalent of interest	-	-	-
4) Interest included in lease fees is computed as a difference between total lease fees and acquisition costs of the leased assets. This amount is allocated to each fiscal period by interest method.			
2. Operating lease transactions			
(Lessees)			
Future minimum lease payments as of balance sheet date	61,254	46,308	48,025
(due within 1 year)	(10,146)	(6,317)	(6,888)
(Lessors)			
Future minimum lease payments to be received as of balance sheet date	39	41	46
(due within 1 year)	(12)	(17)	(13)

Fair Value Information of Securities

FY2003 First Half (As of September 30, 2003)

1. Available-for-sale securities that have a market value

(in millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gain/loss
1) Equity securities	581	1,038	457
2) Debt securities			
Corporate bonds	-	-	-
Other	11	13	2
3) Other	1,956	1,956	-
Total	2,548	3,007	459

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities	
Unlisted stocks (excluding those traded over-the-counter)	4,782

FY2002 First Half (As of September 30, 2002)

1. Available-for-sale securities that have a market value

(in millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gain/loss
1) Equity securities	1,960	2,431	471
2) Debt securities			
Corporate bonds	-	-	-
Other	13	15	2
3) Other	1,357	1,357	-
Total	3,330	3,803	473

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities	
Unlisted stocks (excluding those traded over-the-counter)	12,225

FY2002 (As of March 31, 2003)

1. Available-for-sale securities that have a market value

(in millions of yen)

	Acquisition cost	Balance sheet amount	Unrealized gain/loss
1) Equity securities	966	862	(104)
2) Debt securities			
Corporate bonds	-	-	-
Other	12	14	2
3) Other	1,929	1,929	-
Total	2,907	2,805	(102)

2. Securities that are not valued at fair value

(in millions of yen)

	Balance sheet amount
Available-for-sale securities	
Unlisted stocks (excluding those traded over-the-counter)	12,490

Derivative Transactions

The following table summarizes fair value information of derivative transactions for which hedge accounting has not been applied:

1. Currency-related transactions

(in millions of yen)

	FY2003 First Half (September 30, 2003)			FY2002 First Half (September 30, 2002)			FY2002 (March 31, 2003)		
Forward foreign exchange contracts:	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)
Sell:									
U.S. dollar	9,231	8,812	419	1,115	1,178	(63)	1,160	1,134	26
Canadian dollar	1,116	1,119	(3)	286	291	(5)	620	656	(36)
Australian dollar	1,904	1,956	(52)	1,741	1,728	13	1,695	1,797	(102)
Euro	36,366	34,850	1,516	1,616	1,673	(57)	3,641	3,844	(203)
British pound	5,329	5,174	155	-	-	-	4,222	4,190	32
Swiss franc	3,309	3,141	168	-	-	-	1,428	1,520	(92)
Buy:									
Thai Baht	2,766	2,771	5	-	-	-	-	-	-
Australian dollar	2,215	2,311	96	-	-	-	3,002	2,864	(138)
Total	62,236	60,134	2,304	4,758	4,870	(112)	15,768	16,005	(513)

Notes: 1) Fair values at the end of each accounting period are estimated based on prevailing forward exchange rates at that date.
2) Derivative contracts that are accounted for by hedge accounting are excluded.

2. Interest rate-related transactions

(in millions of yen)

	FY2003 First Half (September 30, 2003)			FY2002 First Half (September 30, 2002)			FY2002 (March 31, 2003)		
Interest rate swap contracts:	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)	Contract amount	Estimated fair value	Unrealized gain/(loss)
Receive/floating and pay/fixed	-	-	-	275	(2)	(2)	-	-	-
Total	-	-	-	275	(2)	(2)	-	-	-

Notes: 1) Fair values at the end of each accounting period are estimated based on information provided by financial institutions engaged in the contracts and other sources.
2) Derivative contracts that are accounted for by hedge accounting are excluded.

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 Areas

(in millions of yen)

FY2003 1st. Half (Period ended Sep. 30, 2003)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	557,923	356,594	221,874	73,106	1,209,497	-	1,209,497
Inter-areas	360,214	2,954	3,905	17	367,090	(367,090)	-
Total	918,137	359,548	225,779	73,123	1,576,587	(367,090)	1,209,497
Operating expenses	883,647	368,012	220,457	70,480	1,542,596	(361,531)	1,181,065
Operating income (loss)	34,490	(8,464)	5,322	2,643	33,991	(5,559)	28,432

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, Belgium and England
      Other areas: Australia and Colombia

2) As discussed in the Accounting Change of the Notes to the Consolidated Financial Statements, commencing in the first half ended September 30, 2003, the Company has changed its accounting for forward foreign exchange contracts. The effect of this change to the Japanese segment is to increase operating income by 5,695 million yen.

(in millions of yen)

FY2002 1st. Half (Period ended Sep. 30, 2002)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	547,047	431,309	128,186	52,789	1,159,331	-	1,159,331
Inter-areas	306,398	7,466	1,962	3	315,829	(315,829)	-
Total	853,445	438,775	130,148	52,792	1,475,160	(315,829)	1,159,331
Operating expenses	837,076	446,064	127,358	50,950	1,461,448	(316,793)	1,144,655
Operating income (loss)	16,369	(7,289)	2,790	1,842	13,712	964	14,676

(in millions of yen)

FY2002 (Year ended March 31, 2003)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	1,110,796	825,569	313,843	114,304	2,364,512	-	2,364,512
Inter-areas	634,994	16,012	7,785	230	659,021	(659,021)	-
Total	1,745,790	841,581	321,628	114,534	3,023,533	(659,021)	2,364,512
Operating expenses	1,705,835	835,124	316,140	110,167	2,967,266	(653,410)	2,313,856
Operating income (loss)	39,955	6,457	5,488	4,367	56,267	(5,611)	50,656

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, Belgium, and England
      Other areas: Australia and Colombia

3. Overseas Sales

FY2003 1st. Half (Period ended Sep. 30, 2003)	North America	Europe	Other areas	Total
	(in millions of yen)			
Overseas sales	364,601	227,037	208,283	799,921
Consolidated sales	-	-	-	1,209,497
Percentage of overseas sales to consolidated sales	30.1%	18.8%	17.2%	66.1%

FY2002 1st. Half (Period ended Sep. 30, 2002)	North America	Europe	Other areas	Total
	(in millions of yen)			
Overseas sales	440,329	155,765	156,959	753,053
Consolidated sales	-	-	-	1,159,331
Percentage of overseas sales to consolidated sales	38.0%	13.4%	13.6%	65.0%

FY2002 (Year ended March 31, 2003)	North America	Europe	Other areas	Total
	(in millions of yen)			
Overseas sales	845,241	368,045	332,955	1,546,241
Consolidated sales	-	-	-	2,364,512
Percentage of overseas sales to consolidated sales	35.7%	15.6%	14.1%	65.4%

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
   a) Method: Segmentation by geographic adjacency
   b) Principal countries or regions belonging to each segment

North America:	U.S.A. and Canada
Europe:	Germany and England
Other areas:	Australia, Thailand and China for FY2003 first half
	Australia, Thailand and Colombia for FY2002 first half and FY2002

5. Production and Sales Information

1. Production Volume

Type	FY 2003 1st. Half (Apr. 2003 to Sep. 2003)	FY 2002 1st. Half (Apr. 2002 to Sep. 2002)	Increase/ (Decrease)	FY 2002 (Apr. 2002 to Mar. 2003)
	units	units	units	units
Passenger cars	354,925	366,555	(11,630)	719,259
Trucks	35,071	28,866	6,205	57,423
Vehicles Total	389,996	395,421	(5,425)	776,682

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):

	FY 2003 1st. Half	FY 2002 1st. Half	Increase/ (Decrease)	FY 2002
AutoAlliance International, Inc.	44,986 units	24,261 units	20,725 units	47,603 units
AutoAlliance (Thailand) Co., Ltd.	13,949	15,037	(1,088)	31,857

2. Sales Volume and Revenue

Type	FY 2003 1st. Half (Apr. 2003 to Sep. 2003)		FY 2002 1st. Half (Apr. 2002 to Sep. 2002)		Increase/ (Decrease)		FY 2002 (Apr. 2002 to Mar. 2003)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen	units	million yen
Vehicles	525,989	868,483	498,409	852,437	27,580	16,046	1,017,130	1,735,428
Knockdown Parts (Overseas)	—	59,648	—	30,588	—	29,060	—	74,617
Parts	—	86,723	—	82,455	—	4,268	—	147,697
Others	—	194,643	—	193,851	—	792	—	406,770
Total	—	1,209,497	—	1,159,331	—	50,166	—	2,364,512

＜Sales Volume by Market＞

Type	FY 2003 1st. Half (Apr. 2003 to Sep. 2003)	FY 2002 1st. Half (Apr. 2002 to Sep. 2002)	Increase/ (Decrease)	FY 2002 (Apr. 2002 to Mar. 2003)
	units	units	units	units
Japan	141,031	142,418	(1,387)	293,700
North America	160,844	178,995	(18,151)	347,911
Europe	123,967	91,039	32,928	200,859
Others	100,147	85,957	14,190	174,660
Overseas Total	384,958	355,991	28,967	723,430
Total	525,989	498,409	27,580	1,017,130

FY2003 First Half Financial Summary (Consolidated)

Nov 6, 2003
Mazda Motor Corporation

(in 100 millions of yen) (in thousands of units) (upper left: ratio on sales)			FY2002 1st.HF (Apr.02-Sep.02)		FY2003 1st.HF (Apr.03-Sep.03)		FY2002 (Apr.02-Mar.03)		FY2003 (Apr.03-Mar.04) Projection	
				%		%		%		%
Domestic		1	4,063	(2.0)	4,096	0.8	8,183	0.9	8,600	5.1
Overseas		2	7,530	20.7	7,999	6.2	15,462	20.4	16,400	6.1
Net sales		3	11,593	11.7	12,095	4.3	23,645	12.9	25,000	5.7
Operating income		4	1.3% 146	31.0	2.4% 284	93.7	2.1% 506	77.4	2.6% 650	28.3
Ordinary income		5	0.8% 91	91.3	1.6% 190	106.7	1.7% 407	111.8	2.3% 570	40.0
Income before income taxes		6	0.6% 71	22.6	1.3% 154	116.0	1.2% 281	81.4	2.0% 490	74.2
Net income		7	0.5% 55	324.6	0.9% 112	100.0	1.0% 241	173.3	1.2% 300	24.3
Operating income/(loss) by geographic area	Japan	8	163		345		399			
	North America	9	(72)		(85)		65			
	Europe	10	28		53		55			
	Other	11	18		26		43			
Operating profit change										
Volume & mix		12			82				164	
Exchange rate & pricing		13			84				52	
Product enrichment		14			(59)				(308)	
Cost reduction		15			136				500	
Marketing expense		16			(26)				—	
Fixed costs & other		17			(79)				(264)	
Total		18			138				144	
Average rate for the period		19	128 Yen/US$ 116 Yen/EUR		118 Yen/US$ 134 Yen/EUR		124 Yen/US$ 119 Yen/EUR		114 Yen/US$ 129 Yen/EUR	
Transaction rate		20	128 Yen/US$ 116 Yen/EUR		118 Yen/US$ 131 Yen/EUR		124 Yen/US$ 119 Yen/EUR		115 Yen/US$ 130 Yen/EUR	
Capital investment		21	206		157		440		480	
Depreciation		22	187		180		369		370	
R & D cost		23	469		420		878		910	
Total assets		24	16,985		17,819		17,540			
Net worth		25	1,742		2,055		1,940			
Financial debt		26	6,673		6,870		6,782		6,502	
Net financial debt		27	4,530		4,281		4,035		3,671	
Cash flow		28	(21)		(218)		470		400	
Performance of operation		29			Sales: Increase Net Income: Increase				Sales: Increase Net Income: Increase	
Domestic		30	142	(3.3)	141	(1.0)	294	1.9	294	–
North America		31	179	(2.6)	161	(10.1)	348	0.3	330	(5.0)
Europe		32	91	22.0	124	36.2	201	33.5	245	21.8
Other		33	86	(1.7)	100	16.5	174	7.2	191	9.6
Overseas		34	356	2.9	385	8.1	723	9.6	766	6.0
Sales volume		35	498	1.1	526	5.5	1,017	7.2	1,060	4.2
Number of Employees (full time employees)		36	36,972		36,167		36,184			