Consolidated Financial Results for FY2000
(April 1, 2000 through March 31, 2001)

May 25, 2001

Mazda Motor Corporation

Code No: 7261 Listed in : Tokyo, Osaka, Nagoya, Fukuoka, Kyoto and Sapporo Stock Exchanges
Headquartered in: Hiroshima-prefecture

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Meeting of the Board of Directors for Consolidated Account Settlement: May 25, 2001
Adoption of the United States Generally Accepted Accounting Principles: Not Adopted

1. Consolidated Financial Highlights (April 1, 2000 through March 31, 2001)

(1) Consolidated Financial Results

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

	Sales		Operating (Loss)/Income		Ordinary (Loss)/Income	
	million yen	%	million yen	%	million yen	%
FY2000	2,015,812	(6.7)	(14,937)	-	(29,770)	-
FY1999	2,161,572	5.1	25,111	(59.8)	6,188	(86.8)

	Net (Loss)/Income		Net (Loss)/Income per Share	Net (Loss)/Income per Share (Diluted)	Return on Equity	Ordinary Income to Total Assets	Ordinary Income to Sales
	million yen	%	yen	yen	%	%	%
FY2000	(155,243)	-	(126.99)	-	(76.7)	(1.9)	(1.5)
FY1999	26,155	(32.4)	21.39	-	8.4	0.4	0.3

Notes: ① Equity in income of unconsolidated subsidiaries and affiliates accounted for by the equity method: FY2000 2,356 million yen; FY1999 2,016 million yen
② Average no. of shares of common stock issued (on a consolidated basis): FY2000 1,222,494,579 shares; FY1999 1,222,494,261 shares
③ Accounting policy changes: None
④ Changes in sales, operating income, ordinary income, and net income from the previous period are shown in percentage.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Equity Ratio	Equity per Share
	million yen	million yen	%	Yen
FY2000	1,743,627	158,872	9.1	129.96
FY1999	1,469,533	245,709	16.7	200.98

Notes: No. of shares of common stock issued as of year end (on a consolidated basis): FY2000 1,222,495,323 shares; FY1999 1,222,496,221 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
FY2000	84,351	(32,094)	2,971	292,615
FY1999	117,959	8,679	(101,438)	233,593

(4) Scope of Consolidation and Equity Method

Consolidated subsidiaries 82 companies
Non-consolidated subsidiaries accounted for by the equity method 11 companies
Affiliates accounted for by the equity method 20 companies

(5) Changes in Scope of Consolidation and Equity Method

Consolidation (Addition) 6 companies; (Exclusion) 19 companies
Equity method (Addition) 0 companies; (Exclusion) 40 companies

2. FY2001 Consolidated Financial Forecast (April 1, 2001 through March 31, 2002)

	Net Sales	Ordinary Income/(Loss)	Net Income/(Loss)
	million yen	million yen	million yen
First Half	1,070,000	(14,000)	(9,500)
Full Year	2,140,000	2,000	0

Reference: Net income per share for the full year 0 yen

Supplementary Information

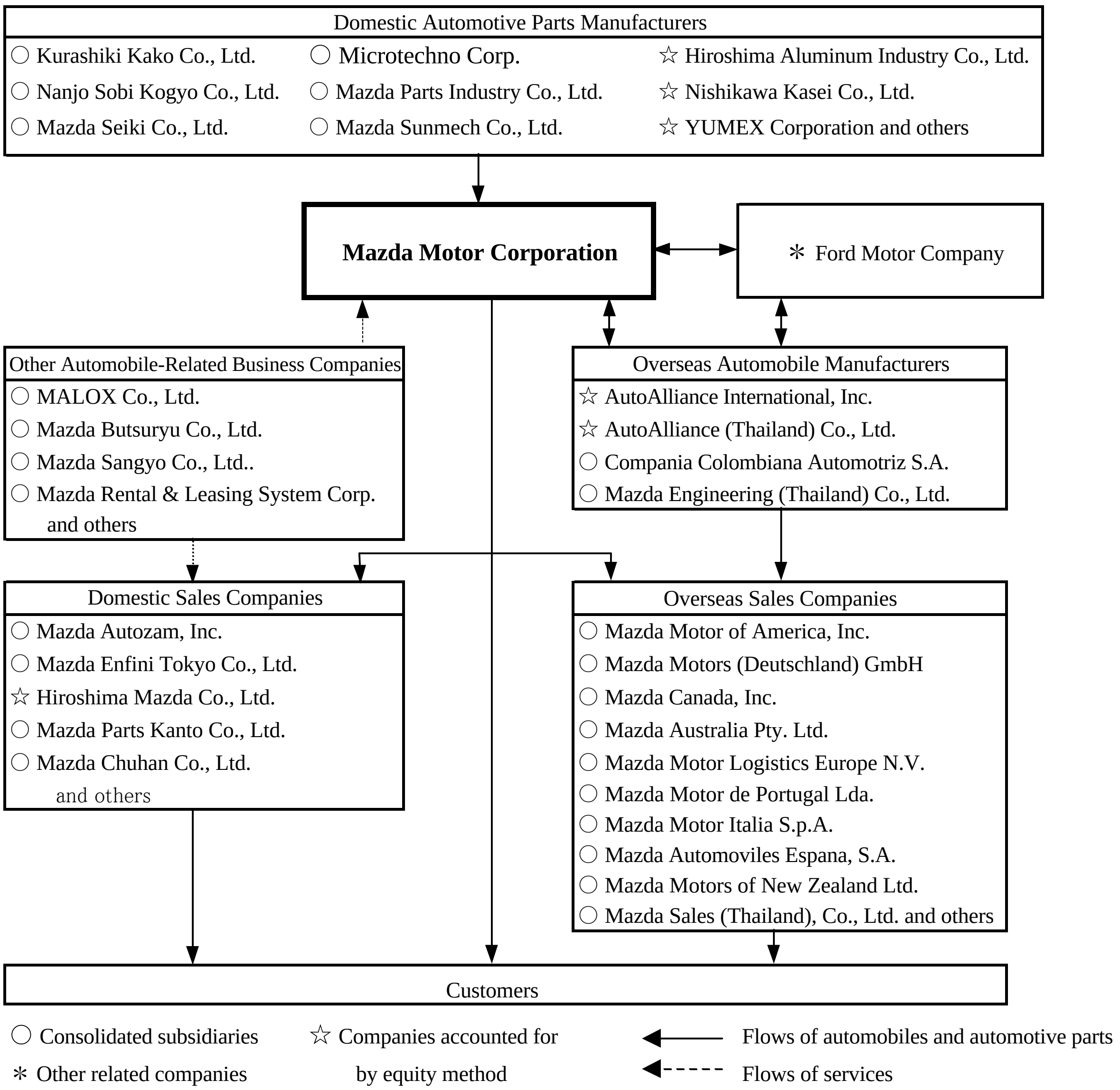
1. Mazda Group of Companies

Mazda group of companies consists of Mazda Motor Corporation, 82 consolidated subsidiaries and 31 equity method-applied companies and is mainly engaged in the manufacturing and sales of automobiles and automotive parts as well as 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 our customers by our sales companies. In Japan, Mazda Autozam, Inc., Mazda Enfini Tokyo 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 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 to 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 are working to create the following three types of values:

a) We value integrity, customer focus, creativity, and efficient and nimble actions. We respect highly motivated people and team spirit.

b) We positively support actions to improve the environment, safety and society in general.

c) Guided by these values, we expect to 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 Challenges

Despite the Japanese government’s emergency economic measures recently announced, there are no signs yet of economic recovery. As for the rest of the world, the European economy appears to be in a period of relatively stable growth, although there are signs of a slowdown in Germany. The U.S. economy is uncertain with signs of slowdown in such areas as facility investment and the profitability of private companies. The U.S. Federal Reserve has been reducing interest rates aggressively to stimulate the economy and put it back on a path of strong growth; the impact of these measures has yet to be realized.

Turning to the automotive industry, competitors are expected to aggressively introduce new products in major markets worldwide. Although the situation regarding vehicle exports may become more favorable due to a weaker yen, Fiscal Year 2001 will be a challenging year for Mazda, as we have no new model introductions planned for Japan. We plan to maintain strong product activity during the year, however, by actively introducing special versions of our existing product lineup supported by innovative sales and marketing initiatives.

We are optimistic about sales in North America and Australia, reflecting the momentum created by recent product introductions, including Tribute. In Europe, we expect our sales to decline because of the continued strength of the yen versus local currencies including the Euro, the transition in several markets to new Mazda-controlled distribution networks, and a harsh competitive environment in Germany, our largest market in Europe. We will continue our best efforts to increase and stabilize our sales.

In other overseas markets, local production and sale of Premacy will start in Hainan Province in China with our local partner, First Auto Works Hainan, with a planned volume eventually reaching 20,000 units per year. Growth is expected in other markets such as Taiwan, Thailand, and Colombia; we will aggressively promote our vehicles to increase sales in these markets.

Mazda will continue to promote its strategic relationship with Ford Motor Company, including progressing work on the establishment of production in Spain and the launch of new derivatives and manufacturing sites of the new, large I4 engine family.

Mazda will pursue new, innovative ways of harnessing and fully utilizing the Internet as a business tool to strengthen our internal processes as well as our interfaces with our suppliers and customers. We will further enhance our “People Success” initiatives, including the second round of the leadership development training called “Mazda Business Leader Development” that was started last year.

We have identified Fiscal Year 2001, an important year to our mid-term plan, or the Millennium Plan, as a year of “Flawless Execution and Delivering Our Commitments”. We will strive to execute flawlessly the commitments made in our Millennium Plan, including the continued promotion of our strategic relationship with Ford and positioning ourselves to grow profitably in the future.

3. Financial Results and Projection

1) Financial Results

Progress and Results of Operations

During Fiscal Year 2000, the Japanese economy continued to be weak, reflecting slow recovery of facilities investment by business and continued stagnant consumer spending throughout the year. In overseas, European and Asian economies remained relatively strong although the U.S. economy entered a phase of slow growth.

Automotive sales in Japan increased for the second consecutive year to 5.97 million units, up 1.6% from the previous fiscal term despite a 2.5% decrease in sales of micro-mini vehicles to 1.85 million units, more than offset by a 3.5% increase in the sales of registered vehicles to 4.12 million units. Vehicle exports, at 4.38 million units, were up 0.8 %.

Mazda strengthened its drive to improve customer satisfaction, as well as our brand management, during the year. All of our activities are focused on these strategic initiatives. We are committed to developing and offering products that deliver Mazda's brand promise of ”stylish, insightful, and spirited” in design, functionality, and handling and performance, while achieving the highest levels of customer satisfaction.

In November 2000, Mazda announced the “Mazda Millennium Plan”. Built on the foundation of various actions taken over the past few years to streamline and strengthen our operations, the Millennium Plan will position Mazda to compete successfully and profitably in an increasingly difficult environment. The plan includes the closing of our Ujina 2 assembly plant to improve our facility capacity utilization, the establishment by 2003 of production of our next-generation small car in Europe at Ford Motor Company's plant in Valencia, Spain, and an early retirement special program for our indirect employees. The Millennium Plan also clarified Mazda’s roles within the Ford group as a unique brand, a center of excellence for large, inline 4-cylinder engines, as well as a mid-size front-wheel-drive vehicle platform, and a partner in achieving synergies in a broad range of business operations.

We continued to improve the financial and operating health of our domestic dealers through initiatives to rationalize and improve efficiency, including several mergers, along with measures to enhance customer satisfaction. Mazda also executed several other reorganizations of its domestic affiliated parts sales companies to realize a more financially solid organization on a consolidated basis. In overseas markets, we continued efforts to strengthen our sales network in Europe through initiatives to take direct control of distribution in selected markets.

The fiscal year saw significant momentum in our e-business-driven process re-engineering, including our Build-To-Order Web-Tuned-Factory sales programs for Roadster and Familia S-Wagon in the domestic market. This first-to-market tool offers 4,160 combinations of specifications (e.g. engine, transmission, interior, etc.) for the Roadster and 912 for S-Wagon. We also formed the Mazda Supplier Network, and our Purchasing Division conducted Internet auctions, which achieved substantial cost reductions for the commodities involved. Mazda implemented “Mazda Digital Innovation Phase III”, which will reduce the design fix to Job#1 lead time from 18 months to 14 months and significantly reduce our product development costs.

With regard to our environmental efforts, all of Mazda's facilities in the Hiroshima district, including our Head Office, Hiroshima Plant, and Miyoshi Plant were awarded ISO 14001 (commonly known as environmental ISO) certification, following the same certifications previously awarded to Mazda’s Hofu Plant and AutoAlliance (Thailand) Company Limited, our joint venture assembly plant with Ford.

This fiscal year we introduced several new products that reflected more than ever the Mazda brand philosophy. One of these, the Mazda Tribute, an exciting new SUV, was the first product developed jointly with Ford based on the same platform. It is an outstanding success in North America, the world's largest SUV market and is off to a good start in Japan and Australia. Familia, Roadster, and Millenia were facelifted, further enhancing their driving performance and overall product attractiveness. Full model changes of Titan and Titan Dash were also introduced, offering exceptional roominess and driving comfort in the commercial vehicle market.

In the fiscal year, Mazda’s sales in the Japanese market totaled 333,803 units, down 3.4% from the prior year due to slower sales of carryover models. Our share of the registered vehicle industry was 6.5%, down half a point from the previous fiscal term. Our total Japanese share, including micro-mini vehicles, was 5.1%, down 0.4 percentage points.

Overseas sales totaled 630,188 units, down 5.6% from the previous fiscal term, reflecting lower sales in Europe, offset partially by strong sales in Australia and a recovery in sales in Asia. Combined domestic and overseas sales totaled 963,991 units, down 4.8%.

Turning to financial results, consolidated sales revenue was ¥2,015.8 billion, down 6.7% from the previous fiscal term. Consolidated ordinary loss was ¥29.7 billion, a reduction of ¥35.9 billion from the prior year. Consolidated net loss was ¥155.2 billion, a reduction of ¥181.3 billion from the prior year. This unfavorable result includes ¥154.6 billion for the full writeoff of our transitional obligation for retirement benefits, as well as ¥39.6 billion for restructuring measures under the Millennium Plan including closure of Ujina 2 assembly plant and the Early

Retirement Special Program. The adverse impact of lower sales and a stronger yen were offset partially by continued cost reductions in the parent company.

Consolidated cash flow (from operating and investing activities) was ¥52.2 billion, reflecting management's continued focus on improving Mazda's financial structure. As a result, consolidated net debt (the balance of interest-bearing debt minus cash and cash equivalents) was reduced by 9.7%, to ¥484.6 billion, down over 50% from fiscal year 1995 at comparable consolidation accounting standards.

Unconsolidated sales revenue totaled ¥1,322.7 billion, down 9.8% from the previous fiscal term. Ordinary loss, at ¥32.3 billion, was down ¥40 billion because of a stronger yen and lower sales volume, offset partially by cost reductions throughout the company. Net loss was ¥127.5 billion, down by ¥132.7 billion compared with the previous term, reflecting extraordinary losses including the full write-off of transitional obligations for retirement benefits.

Unconsolidated cash flow was a positive ¥5.9 billion.

Mazda, at the fiscal year end, recorded a revaluation of land totaling ¥217.9 billion before tax, or ¥124.5 billion after tax, under the provisions of the recently extended Land Revaluation Law. This adjustment was not reflected in the income statement, but it enabled Mazda to strengthen its balance sheet despite the pension writeoff and other restructuring actions taken in the year.

We will not declare a term-end dividend. We offer sincere apologies to our shareholders, and ask for their understanding in this matter.

2) Financial Projection

Fiscal Year 2001 will be a challenging year for Mazda. The economic outlook in Japan and major Western markets is mixed. Competitors are expected to introduce a number of new models, many of which will offer enhanced value. Mazda, on the other hand, plans no major new models in Japan this year.

Despite this business environment, we plan to maintain strong product activity during the year by actively introducing various special versions of our existing product lineup supported by innovative sales and marketing initiatives.

Under these conditions, our projection of financial results for FY2001 (the period from April 1, 2001 to March 31, 2002) is as follows[1]. The following projections reflect a yen exchange rate versus the U.S. dollar of ¥115 and ¥110 versus the Euro.

Consolidated:		
Sales volume	978 thousand units	(up 1.5% compared to the prior year)
Sales revenue	¥2,140.0 billion	(up 6.2% compared to the prior year)
Ordinary income	¥2.0 billion	
Net income	¥0.0 billion	
Cash flow (operating and investing)	¥5.0 billion	
Non-consolidated		
Sales volume	858 thousand units	(up 3.7% compared to the prior year)
Sales revenue	¥1,410.0 billion	(up 6.6% compared to the prior year)
Ordinary income	¥6.0 billion	
Net income	¥6.0 billion	
Cash flow (operating and investing)	¥(56.0) 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 Income

For the Years Ended March 31, 2001 and 2000

(in millions of yen)

		FY2000 (Apr. 2000 - Mar. 2001)	FY1999 (Apr. 1999 - Mar. 2000)	Increase/ (Decrease)
Sales	1	**2,015,812**	2,161,572	(145,760)
Costs of sales	2	**1,555,130**	1,628,814	(73,684)
Gross profit on sales	3	**460,682**	532,758	(72,076)
Selling, general and administrative expenses	4	**475,619**	507,647	(32,028)
Operating (loss)/income	5	**(14,937)**	25,111	(40,048)
Non-operating income				
Interest and dividend income	6	**3,176**	3,994	(818)
Profit on sale of marketable securities	7	**—**	1,518	(1,518)
Equity in income of unconsolidated subsidiaries and affiliates	8	**2,356**	2,016	340
Other	9	**12,013**	16,935	(4,922)
Total	10	**17,545**	24,463	(6,918)
Non-operating expenses				
Interest expense	11	**25,457**	28,698	(3,241)
Other	12	**6,921**	14,688	(7,767)
Total	13	**32,378**	43,386	(11,008)
Ordinary (loss)/income	14	**(29,770)**	6,188	(35,958)
Extraordinary profits				
Profit on sale of tangible fixed assets	15	**1,809**	29,821	(28,012)
Profit on sale of investment securities	16	**4,504**	13,660	(9,156)
Other	17	**391**	565	(174)
Total	18	**6,704**	44,046	(37,342)
Extraordinary losses				
Loss on retirement of tangible fixed assets	19	**7,847**	6,518	1,329
Prior service costs related to the pension plan	20	**—**	3,064	(3,064)
Loss on sale of investment securities	21	**3,896**	4,866	(970)
Devaluation of investment securities	22	**2,250**	696	1,554
Loss on restructuring of subsidiaries and affiliates	23	**5,335**	6,523	(1,188)
Investment valuation allowance	24	**351**	657	(306)
Loss on guarantees of loans	25	**2,140**	—	2,140
Unrecognized net retirement benefit obligation at transition	26	**154,608**	—	154,608
Severance pay for early retirement	27	**36,608**	—	36,608
Loss on business restructuring	28	**3,011**	—	3,011
Other	29	**3,330**	5,232	(1,902)
Total	30	**219,376**	27,556	191,820
(Loss)/Income before income taxes	31	**(242,442)**	22,678	(265,120)
Income taxes				
Current	32	**6,089**	9,888	(3,799)
Deferred	33	**(92,552)**	(12,453)	(80,099)
Minority interests of consolidated subsidiaries	34	(Add) **736**	(Add) 912	(176)
Net (loss)/income	35	**(155,243)**	26,155	(181,398)

(2) Consolidated Balance Sheet

As of March 31, 2001 and 2000

(in millions of yen)

ASSETS		**FY2000 (Mar. 31, 2001)**	FY1999 (Mar. 31, 2000)	Increase/ (Decrease)
Current Assets:				
Cash and time deposits	1	**294,891**	236,746	58,145
Trade notes and accounts receivable	2	**125,724**	160,044	(34,320)
Marketable securities	3	**7**	19,663	(19,656)
Inventories	4	**207,098**	179,982	27,116
Deferred tax assets	5	**42,785**	35,520	7,265
Other	6	**42,457**	42,843	(386)
Bad debt reserve	7	**(4,877)**	(8,546)	3,669
Total current assets	8	**708,085**	666,252	41,833
Fixed Assets:				
Tangible fixed assets:				
Buildings and structures	9	**158,539**	167,901	(9,362)
Machinery and vehicles	10	**130,829**	138,394	(7,565)
Land	11	**443,874**	233,324	210,550
Construction in progress	12	**36,092**	27,119	8,973
Other	13	**45,885**	49,571	(3,686)
Total tangible fixed assets	14	**815,219**	616,309	198,910
Intangible fixed assets:	15	**14,088**	11,196	2,892
Investments and other fixed assets:				
Investment securities	16	**45,229**	44,590	639
Long-term loans receivable	17	**25,795**	27,080	(1,285)
Deferred tax assets	18	**121,294**	33,747	87,547
Other	19	**33,455**	36,667	(3,212)
Bad debt reserve	20	**(18,441)**	(23,515)	5,074
Investment valuation allowance	21	**(1,130)**	(4,827)	3,697
Total investments and other fixed assets	22	**206,202**	113,742	92,460
Total fixed assets	23	**1,035,509**	741,247	294,262
Deferred assets	24	**33**	46	(13)
Foreign currency translation adjustments	25	**—**	61,988	(61,988)
Total Assets	26	**1,743,627**	1,469,533	274,094

(in millions of yen)

		FY2000 (Mar. 31, 2001)	FY1999 (Mar. 31, 2000)	Increase/ (Decrease)
LIABILITIES				
Current Liabilities:				
Trade notes and accounts payable	1	**206,399**	195,835	10,564
Short-term loans payable	2	**344,804**	376,597	(31,793)
Long-term loans payable due within one year	3	**35,465**	28,808	6,657
Bonds due within one year	4	**30,000**	55,000	(25,000)
Accrued expenses	5	**111,809**	61,185	50,624
Reserve for employees' bonuses	6	**19,728**	24,028	(4,300)
Reserve for warranty expenses	7	**15,298**	19,968	(4,670)
Reserve for loss on restructuring of subsidiaries and affiliates	8	**4,545**	—	4,545
Reserve for loss on guarantees of loans	9	**2,140**	—	2,140
Reserve for loss on business restructuring	10	**3,011**	—	3,011
Other	11	**154,210**	86,624	67,586
Total current liabilities	12	**927,409**	848,045	79,364
Fixed Liabilities				
Bonds	13	**131,900**	111,900	20,000
Long-term loans payable	14	**235,123**	198,305	36,818
Deferred tax liabilities related to land revaluation	15	**93,429**	—	93,429
Reserve for retirement allowances	16	—	33,353	(33,353)
Reserve for retirement benefits	17	**173,209**	—	173,209
Liabilities from application of equity method	18	**8,133**	13,122	(4,989)
Other	19	**8,301**	7,437	864
Total fixed liabilities	20	**650,095**	364,117	285,978
Total Liabilities	21	**1,577,504**	1,212,162	365,342
Minority Interests	22	**7,251**	11,662	(4,411)
SHAREHOLDERS' EQUITY				
Capital stock	23	**120,078**	120,078	—
Legal capital surplus	24	**104,216**	104,216	—
Variance of land revaluation	25	**124,570**	—	124,570
Retained earnings	26	**(136,639)**	21,415	(158,054)
Foreign currency translation adjustments	27	**(53,353)**	—	(53,353)
Treasury stock	28	**(0)**	(0)	—
Total shareholders' equity	29	**158,872**	245,709	(86,837)
Total Liabilities and Shareholders' Equity	30	**1,743,627**	1,469,533	274,094

(3) Consolidated Statement of Retained Earnings

For the Years Ended March 31, 2001 and 2000

(in millions of yen)

		FY2000 (Apr. 2000 - Mar. 2001)	FY1999 (Apr. 1999 - Mar. 2000)
Balance at the beginning of the period	1	**21,415**	153,622
Adjustments for cumulative tax effects from prior periods	2	—	25,174
Decreases due to:			
Dividends	3	**2,444**	4,889
Bonuses to directors and statutory auditors	4	**3**	7
Inclusion of new consolidated subsidiaries and equity method-applied companies into the scope of consolidation	5	364	178,640
Total	6	**2,811**	183,537
Net (loss)/income	7	**(155,243)**	26,155
Balance at the end of the period	8	**(136,639)**	21,415

(4) Consolidated Statement of Cash Flows

For the Years Ended March 31, 2001 and 2000

(in millions of yen)

		FY2000 **(Apr. 2000 - Mar. 2001)**	FY1999 (Apr. 1999 - Mar. 2000)
Cash flows from operating activities:			
(Loss)/Income before income taxes	1	**(242,442)**	22,678
Adjustments to reconcile (loss)/income before income taxes to net cash provided by operating activities:			
Depreciation	2	**49,531**	51,800
Increase/(Decrease) in bad debt reserve	3	**(9,176)**	6,986
Increase/(Decrease) in investment valuation allowance	4	**(3,697)**	657
Increase/(Decrease) in reserve for warranty expenses	5	**(4,670)**	15,013
Increase in reserve for loss on guarantees of loans	6	**2,140**	-
Increase in reserve for loss on business restructuring	7	**3,011**	-
Increase/(Decrease) in reserve for retirement allowances	8	**(33,353)**	(35)
Increase/(Decrease) in reserve for retirement benefits	9	**173,163**	-
Interest and dividend income	10	**(3,176)**	(3,994)
Interest expense	11	**25,457**	28,698
Equity in income of unconsolidated subsidiaries and affiliates	12	**(2,356)**	(2,016)
(Gain)/Loss on sale of fixed assets	13	**6,038**	(23,303)
(Gain)/Loss on sale of investment securities	14	**(608)**	(8,794)
Loss on restructuring of subsidiaries and affiliates	15	**5,335**	6,523
(Increase)/Decrease in accounts receivable	16	**25,526**	17,037
(Increase)/Decrease in inventory	17	**(9,244)**	(15,782)
Increase/(Decrease) in accounts payable	18	**13,942**	11,779
Accrued severance pay for early retirement	19	**45,232**	-
Increase/(Decrease) in other current liabilities	20	**57,259**	-
Other	21	**14,358**	36,025
Subtotal	22	**112,270**	143,272
Interest received and dividends received	23	**4,028**	5,326
Interest paid	24	**(25,767)**	(29,010)
Income taxes paid	25	**(6,180)**	(1,629)
Net cash provided by operating activities	26	**84,351**	117,959
Cash flows from investing activities:			
Sale of marketable securities	27	**1,312**	21,268
Purchase of investment securities	28	**(2,082)**	(17,073)
Sale of investment securities	29	**13,327**	19,024
Sale of investments in subsidiaries affecting scope of consolidation	30	**228**	(11,245)
Acquisition of distribution rights	31	**(7,190)**	-
Acquisition of tangible fixed assets	32	**(45,060)**	(52,109)
Proceeds from sale of tangible fixed assets	33	**16,303**	67,299
(Increase)/Decrease in short-term loans receivable	34	**1,427**	(2,568)
Long-term loans made	35	**(9,613)**	(12,393)
Collections of long-term loans receivable	36	**1,203**	5,253
Other	37	**(1,949)**	(8,777)
Net cash (used in)/provided by investing activities	38	**(32,094)**	8,679
Cash flows from financing activities:			
Increase/(decrease) in short-term loans payable	39	**(37,044)**	(162,772)
Proceeds from long-term loans payable	40	**96,828**	182,379
Repayment of long-term loans payable	41	**(49,172)**	(105,674)
Proceeds from issuance of bonds	42	**50,000**	20,000
Redemption of bonds	43	**(55,000)**	(30,000)
Payment of dividends	44	**(2,444)**	(4,889)
Other	45	**(197)**	(482)
Net cash provided by/(used in) financing activities	46	**2,971**	(101,438)
Effects of exchange rate fluctuations on cash and cash equivalents	47	**511**	(1,871)
Net increase in cash and cash equivalents	48	**55,739**	23,329
Cash and cash equivalents at beginning of the period	49	**233,593**	152,761
Increase in cash and cash equivalents due to expansion of consolidation scope	50	**1,200**	57,502
Increase in cash and cash equivalents due to mergers	51	**2,083**	-
Cash and cash equivalents at end of the period	52	**292,615**	233,593

Notes to Consolidated Financial Statements

1. Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries	82	
Overseas	13	Mazda Motor of America, Inc., Mazda Motors (Deutchland) GmbH and 11 others
Domestic	69	52 dealers and 17 others
2) Equity Method-Applied Companies	31	
Overseas	2	AutoAlliance International, Inc. and AutoAlliance (Thailand) Co., Ltd.
Domestic	29	7 dealers, 14 automotive parts sales companies, and 8 others

2. Changes in Consolidation Scope and Application of Equity Method

1) Consolidated Subsidiaries

Newly added:	6	
Overseas	2	Mazda Automoviles Espana S.A. and Mazda Motor Italia S.p.A.
Domestic	4	Tokai Mazda Co., Ltd., Shin-Gifu Mazda Co., Ltd. and 2 others
Excluded:	19	
Domestic	19	Mitsuba Kogyo Corp., Yamaguchi Daikyo Co., Ltd., Shin-Ei Industry Co., Ltd., and 16 others, inc. dealers (sold or merged)

2) Equity Method-Applied Companies

Excluded:	40	
Domestic	40	YNS, Inc. (sold), 4 automotive parts sales companies (merged), 33 AUTOZAM distributors (merged or liquidated), and 2 others

3. Accounting Periods of Consolidated Subsidiaries

The annual consolidated balance sheet date is March 31. Among the consolidated subsidiaries, 14 companies (including Mazda Motor of America, Inc.) have an annual balance sheet date different from the annual consolidated balance sheet date, all of which are December 31.

In preparing the 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 balance sheet date of the above 14 companies and the consolidated balance sheet date.

4. Accounting Policies

1) Valuation Standards and Methods of Significant Assets

a) Securities

Other securities:	Mainly a historical cost basis based on moving average method
b) Derivative instruments:	Fair value method
c) Inventories	Mainly a historical cost basis based on average method

2) Depreciation and Amortization Methods of Significant Fixed Assets

a) Tangible Fixed Assets

Mainly declining balance method, except for buildings (excluding fixtures) acquired on or after April 1, 1998 and tools that are accounted for by straight-line method

b) Intangible Fixed Assets

Mainly straight-line method

3) Standards for Recognition of Reserves

a) Reserve for Employees' Bonuses

Reserve for employees' bonuses provides for the payment of bonuses to employees. The amount estimated to be charged in the current fiscal year is recognized.

b) 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.

c) Reserve for loss on restructuring of subsidiaries and affiliates

Reserve for loss on restructuring of subsidiaries and affiliates provides for losses related to restructuring of subsidiaries and affiliates. The amount is estimated in light of the financial positions and other conditions of the subsidiaries and affiliates.

d) Reserve for loss on guarantees of loans

Reserve for loss on guarantees of loans provides for losses related to guarantees of loans. The amount is estimated in light of the financial positions and other conditions of the guarantee companies.

e) 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 in a reasonable manner is recognized.

f) Reserve for retirement benefits

Reserve for retirement benefits provides for the costs of retirement benefits to employees. The amount is recognized based on the estimated amount of liabilities for retirement benefits and the estimated fair value of the pension plan assets at the end of the current fiscal year. The unrecognized net retirement benefit obligation at transition of 154,608 million yen is immediately recognized for the full amount in 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.

g) Bad debt reserve

1) Receivables at an ordinary risk: Based on the past default ratio

2) Receivables at a high risk and receivables from debtors under bankruptcy proceedings: Based on the financial standing of the debtor

h) 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) 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.

6) Accounting for Hedging Activities

Full-deferral hedge accounting is mainly applied. However, certain hedging instruments, such as a forward exchange contract designated as hedging a foreign-currency-denominated receivable or payable, are translated into yen at the fixed exchange rate stipulated in the contract. Also, for certain interest swap agreements that qualify for hedge accounting, net interest income (expense) under the swap agreement is accrued (incurred) and is included in determining net income.

7) 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.

Changes in Presentation

1. Consolidated Statement of Cash Flows

Until the prior period, the adjustment for the changes in other current liabilities (5,249 million yen in the prior period) was included in the "Other" category of the cash flows from operating activities. Starting in this year, however, the adjustment is separately presented as "Increase/(Decrease) in Other Current Liabilities" for clarity.

Additional Information

1. Retirement Benefits

Starting in this fiscal period, Mazda has adopted “Accounting Standards for Retirement Benefits” (The Business Accounting Deliberation Council, June 16, 1998). The effect of this change is to increase expenses related to retirement benefits by 144,639 million yen, to decrease ordinary loss by 7,449 million yen, and to increase loss before income taxes by 144,808 million yen.

Also, starting in this fiscal year, the account title for the retirement benefit-related liabilities has been changed from “Reserve for Retirement Allowances” to “Reserve for Retirement Benefits”.

For the first-half of this fiscal year, the recognition of transition obligation was deferred on a straight-line basis over 15 years. Accordingly, the amount estimated to be incurred as of the end of this first-half period was recognized in non-operating expense. For this full-year period, however, the entire transition obligation has been immediately recognized in extraordinary loss.

Out of the employees of Mazda Motor Corporation that were on the payroll as of the beginning of this fiscal period, a large number of employees (2,210 employees) terminated their employment with the company through its Early Retirement Special Program in this second-half period. In light of this incident, Mazda has elected to immediately recognize the entire transition obligation. Also, due to this immediate recognition, the amount of charge to income has become material and has been included in extraordinary loss.

The results of operations for the first half of this fiscal year would have been different if the transition obligation had been immediately recognized in the first half in the same manner as this full-year period. Compared to what the results of operations for the first half would have been if the transition obligation had been immediately recognized, expenses related to retirement benefits were reported smaller by 147,386 million yen, ordinary loss larger by 5,059 million yen, and loss before income taxes smaller by 147,386 million yen.

2. Financial Instruments

Starting in this fiscal period, Mazda has adopted “Accounting Standards for Financial Instruments” (The Business Accounting Deliberation Council, January 22, 1999). The effect of this change is to increase ordinary loss and loss before income taxes by 322 million yen and 654 million yen, respectively. In this connection, for those securities held at the beginning of the period, the purposes for which such securities are held are reviewed. As a result of the review, those securities held for trading purposes and those securities to mature within one year are included in current assets as marketable securities; all other securities are included in fixed assets as investment securities. As a result, at the beginning of this fiscal year, the balance of marketable securities decreased by 17,982 million yen, and the balance of investment securities increased by the same amount.

In accordance with the Ministerial Ordinance No. 9-3, promulgated in 2000, those securities classified as “other securities that are available for sale” are not recorded at estimated fair value even when their market values are available. As of the end of this fiscal period, the aggregate amount of other securities that are available for sale on the balance sheet was 4,187 million yen while the estimated fair value of those securities was 4,515 million yen. Also, the amounts equivalent to net unrealized gains, deferred tax liabilities and minority interests were 193 million yen, 137 million yen and negative 2 million yen, respectively.

3. Foreign Currency Transactions

Starting in this fiscal period, Mazda has adopted "Accounting Standards for Foreign Currency Transactions" (The Business Accounting Deliberation Council, October 22, 1999). The effect of this change on income is not material.

Also, until the prior period, foreign currency translation adjustments were included in the assets section of the balance sheet. Starting in this period, however, foreign currency translation adjustments are included in the shareholders' equity section (53,353 million yen at the end of this fiscal period) and the minority interests section (5,131 million yen at the end of this fiscal period) of the balance sheet.

4. Real Estate Trust Contract

In the year ended March 31, 2000, Mazda Motor Corporation 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 Mazda. The real estate includes an educational facility, a research and development facility, distribution centers, and stores of domestic dealers. In addition, Mazda entered a "*Tokumei Kumiai*" agreement with, and made an investment in the transferee. The balance of the investment of 4,808 million yen is included in the Other category of the Investment and Other Fixed Assets.

Footnotes

(in millions of yen)

	FY2000 (Apr. 2000 - Mar. 2001)	FY1999 (Apr. 1999 - Mar. 2000)
1. Accumulated depreciation on tangible fixed assets	1,178,601	1,202,904

2. In FY2000, in accordance with the Law to Partially Revise the Land Revaluation Law (Law No. 19, enacted on March 31, 2001), land owned by Mazda for business uses was revalued. The unrealized gains on the revaluation are included in the shareholders' equity as "Variance of Land Revaluation" for the amount net of deferred taxes. The deferred taxes on the unrealized gains are included in the liabilities as "Deferred Tax Liabilities Related to Land Revaluation".

   Method of revaluation:

   The fair value of land is determined based on official notice prices that are assessed and published by the Commissioner of the National Tax Administration, as stipulated in Article 2-4 of the Ordinance Implementing the Law Concerning Land Revaluation (Article 119 of 1998 Cabinet Order, promulgated on March 31, 1998). Reasonable adjustments, including those for the timing of assessment, are made to the official notice prices.

	FY2000	FY1999
Timing of revaluation	As of March 31, 2001	
The aggregate book value of land for business uses before revaluation	76,886	
The aggregate book value of land for business uses after revaluation	294,886	

	FY2000	FY1999
3. Assets offered as collateral and collateralized loans		
Assets offered as collateral	474,738	334,036
Collateralized loans	361,378	304,251
4. Contingent liabilities for guarantee	8,487	14,619
Letters of awareness and similar agreements	50,460	49,009
5. Notes and other receivables discounted		
Discounted notes receivable	2,782	5,599
Endorsed notes receivable	13	179
Factoring of receivables with recourse	10,666	17,967

6. Accounting for notes payable and receivable matured on the balance sheet date

   Maturing notes payable and receivable are removed from the corresponding asset and liability accounts on the day the notes are actually settled. In FY2000, those notes matured on the balance sheet date are included in the corresponding accounts on the balance sheet, as the balance sheet day was a holiday and financial institutions were off.

	FY2000	FY1999
Notes receivable	1,178	
Notes payable	887	

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

	FY2000	FY1999
Cash and time deposits	294,891	236,746
Time deposits with original maturities of 3 months or longer	(2,276)	(3,453)
Short-term marketable securities with an original maturity of 3 months or less	—	300
Cash and cash equivalents	292,615	233,593

Leases

(in millions of yen)

	FY2000 (Apr. 2000 - Mar. 2001)	FY1999 (Apr. 1999 - Mar. 2000)
1. Finance lease transactions other than those with an unconditional title transfer clause to lessee		
(Lessees)		
1) Equivalent of acquisition costs	157,308	167,451
Equivalent of accumulated depreciation	84,100	82,671
Equivalent of net book value at this fiscal year end	73,208	84,779
2) Balance of lease obligation for future payment at this fiscal year end	79,688	91,263
(due within 1 year)	(21,741)	(22,836)
3) Lease fees paid for this fiscal year	25,357	27,244
Equivalent of depreciation	21,276	22,840
Equivalent of interest	3,838	4,516
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	6,201	6,201
Accumulated depreciation	4,457	4,505
Net book value	1,744	1,696
2) Balance of future lease payments to be received at this fiscal year end	2,582	2,498
(due within 1 year)	(794)	(964)
3) Lease fees received for this fiscal year	1,130	1,528
Depreciation	566	883
Equivalent of interest	86	108
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)		
Balance of lease obligation for future payment at this fiscal year end	48,499	37,367
(due within 1 year)	(5,535)	(3,208)
(Lessors)		
Balance of future lease payments to be received at this fiscal year end	10,140	10,585
(due within 1 year)	(4,517)	(4,830)

Fair Value Information of Securities

FY2000 (As of March 31, 2001)

1. Securities held for trading purposes

None.

2. Debt securities held for their maturities that have a market value

None.

3. Other securities that are available for sale and that have a market value

Fair value information is omitted in accordance with the Ministerial Ordinance No. 9-3, promulgated in 2000.

4. Debt securities held for their maturities that have been sold during this fiscal year

None.

5. Other securities that are available for sale and that have been sold during this fiscal year

(in millions of yen)

Amount Sold	Gain	Loss
10,209	214	3,798

6. Securities for which market values are not available

(in millions of yen)

	Balance Sheet Amount
a) Debt securities held for their maturities	None
b) Other securities that are available for sale	
Unlisted stocks (excluding those traded over-the-counter)	8,999

7. Redemption schedule (after March 31, 2001) of other securities that are available for sale and that have a maturity

(in millions of yen)

	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Debt securities				
Corporate bonds	10	10	4	-
Others	9	45	27	-
Total	19	55	31	-

FY1999 (As of March 31, 2000)

(in millions of yen)

	Amount on balance sheet	Estimated Fair Value	Unrealized gain/loss
a) Current assets			
Stocks	17,946	13,644	(4,301)
Bonds	4	3	(1)
Others	33	22	(11)
Sub-total	17,983	13,669	(4,313)
b) Fixed assets			
Stocks	1,136	1,085	(51)
Bonds	25	25	-
Sub-total	1,161	1,110	(51)
Total	19,144	14,779	(4,364)

Notes:

1. Methods to estimate fair value
   - a) Listed securities: Primarily based on closing prices of the Tokyo Stock Exchange
   - b) Over-the-counter securities: Based on trading prices published by the Japan Securities Dealers Association and others
   - c) Beneficiary certificates of unlisted securities investment trusts: Standard prices for beneficiary certificates of securities investment trusts
2. The balance sheet amounts of the securities excluded from the above disclosure information

Current assets		
Commercial paper	300	million yen
Unlisted foreign bonds	1,328	
Fixed assets		
Unlisted stocks (excluding those traded over-the-counter)	43,276	

Derivative Transactions

FY2000 (As of March 31, 2001)

1. Currency-related transactions

Forward exchange contracts (other than market transactions) (in millions of yen)

Description	Contract Amount		Estimated Fair Value	Unrealized Gain/Loss
		over 1 year		
Selling US$	6,508	-	7,516	(1,008)
Can$	770	-	784	(14)
Aus$	1,466	-	1,368	98
Euro	2,701	-	2,708	(7)
Total	11,445	-	12,376	(931)

Notes:

1) Fair values at year end 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-related transactions

Fair value information is excluded since interest-related derivative contracts are accounted for by hedge accounting.

FY1999 (As of March 31, 2000)

1. Currency-related transactions

Forward exchange contracts (other than market transactions) (in millions of yen)

Description	Contract Amount		Estimated Fair Value	Unrealized Gain/Loss
		over 1 year		
Selling US$	12,177	-	11,832	344
Can$	13,476	-	12,927	549
Aus$	108	-	107	0
Buying DM	387	-	340	(46)
Aus$	132	-	134	1
Total	-	-	-	849

Notes:
1) Fair values at year end are estimated based on prevailing forward exchange rates at that date.
2) Derivative contracts that are held for the purpose of hedging the risks of existing monetary assets and liabilities denominated in a foreign currency and already reflected in the balance sheet are excluded in accordance with the Accounting Standards for Foreign Currency Transactions.

2. Interest-related transactions

Interest rate swaps (other than market transactions) (in millions of yen)

Description	Contract Amount		Estimated Fair Value	Unrealized Gain/Loss
		over 1 year		
Fixed payment-variable receipt	400	400	3	3
Total	400	400	3	3

Note:
Fair values are estimated based on the information provided by the financial institutions engaged in the transactions.

Employee Retirement Benefits

1. Overview of Employee Retirement Plans

Mazda Motor Corporation and its domestic consolidated subsidiaries have various combinations of employer-sponsored pension plans and/or severance pay plans, all of which are defined benefit plans. In addition, certain overseas consolidated subsidiaries have defined benefit plans and/or defined contribution plans.

2. Retirement Benefit Obligation (as of March 31, 2001)

	(in millions of yen)
Benefit obligation	(481,087)
Fair value of plan assets	260,877
Plan assets less than benefit obligation	(220,210)
Unamortized:	
Transition obligation	0
Actuarial differences	42,567
Prior service cost	4,490
Total	(173,153)
Prepaid pension cost	56
Reserve for retirement benefits	(173,209)

Notes:

1) The above amounts include those ascribed to the portions of certain employer-sponsored pension plans that partially substitute the national pension plan.
2) In the consolidated balance sheet, the amount of severance pay for Early Retirement Special Program, i.e., 45,232 million yen, is not included in the "Reserve for Retirement Benefits", but included in the "Other" category of the current liabilities.
3) Certain consolidated subsidiaries estimate their benefit obligations by a "simplified" method.

3. Retirement Benefit Expenses (from April 1, 2000 to March 31, 2001)

	(in millions of yen)
Service cost	15,592
Interest cost	15,696
Expected return on plan assets	(15,171)
Amortization of transition obligation	154,608
Amortization of prior service cost	391
Retirement benefit expenses	171,116

Notes:

1) In addition to the retirement benefit expenses, an amount of 36,608 million yen is included in extraordinary loss for the severance pay under Early Retirement Special Program.
2) Employees' contributions to employer-sponsored pension plans are excluded from the expenses.
3) The retirement benefit expenses of those consolidated subsidiaries using the "simplified" method of estimation are included in the service cost.

4. Assumptions

Period allocation method for estimated retirement benefits	Allocated proportionally based on years worked
Discount rate	Primarily 3.5%
Expected return on plan assets	Primarily 5.5%
Amortization period of prior service cost	Primarily 12 years
Amortization period of actuarial differences	Primarily 13 years
Amortization period of transition obligation	1 year

Income Taxes

1. Deferred tax assets and liabilities reflect the estimated tax effects of accumulated temporary differences between assets and liabilities for financial accounting purposes and those for tax purposes. The significant components of deferred tax assets and liabilities at March 31, 2001 were as follows:

	(in millions of yen)
Deferred tax assets	
Bad debt reserve	7,183
Reserve for retirement benefits	66,017
Reserve for employees' bonuses and other reserves	16,786
Inventory valuation	3,482
Net operating loss carryforwards	65,129
Other	52,974
Total gross deferred tax assets	211,571
Less: valuation allowances	(33,280)
Net deferred tax assets	178,291
Deferred tax liabilities	
Reserves under Special Taxation Measures Law	(8,417)
Other	(5,922)
Total gross deferred tax liabilities	(14,339)
Net deferred tax assets	163,952
Deferred tax liabilities related to land revaluation	
Deferred tax liabilities related to land revaluation	(93,429)

The net deferred tax assets and deferred tax liabilities related to land revaluation are included in the following accounts in the consolidated balance sheet:

Current assets--Deferred tax assets	42,785
Fixed assets--Deferred tax assets	121,294
Current liabilities--Other	(51)
Fixed liabilities--Other	(76)
Fixed liabilities--Deferred tax liabilities related to land revaluation	(93,429)

2. The effective tax rate reflected in the consolidated statements of income for the year ended March 31, 2001 differs from the statutory tax rate for the following reasons:

	%
Statutory tax rate	41.7
Equity in income of unconsolidated subsidiaries and affiliated companies	0.4
Recognition of deferred taxes on net operating losses of consolidated subsidiaries and equity method-applied companies	(7.4)
Valuation allowances	7.0
Reversal of unrealized profits from intercompany transactions	(3.7)
Other	(2.3)
Effective tax rate	35.7

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, operating income (loss) and assets related to this industry have exceeded 90% of the respective consolidated amounts. Accordingly, information by industry segment is not shown.

2. Information by Geographic Areas

(in millions of yen)

FY2000 (Year ended March 31, 2001)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	1,195,609	580,767	168,957	70,479	2,015,812	-	2,015,812
Inter-areas	393,783	10,321	725	13	404,842	(404,842)	-
Total	1,589,392	591,088	169,682	70,492	2,420,654	(404,842)	2,015,812
Operating expenses	1,603,048	595,180	170,653	69,709	2,438,590	(407,841)	2,030,749
Operating income (loss)	(13,656)	(4,092)	(971)	783	(17,936)	2,999	(14,937)
Assets	1,614,139	151,935	65,806	24,706	1,856,586	(112,959)	1,743,627

(in millions of yen)

FY1999 (Year ended March 31, 2000)	Japan	North America	Europe	Other areas	Total	Elimination or corporate	Consolidated
Net sales:							
Outside Customers	1,311,253	564,985	216,073	69,261	2,161,572	-	2,161,572
Inter-areas	447,940	13,127	55	12	461,134	(461,134)	-
Total	1,759,193	578,112	216,128	69,273	2,622,706	(461,134)	2,161,572
Operating expenses	1,742,274	577,468	212,831	69,783	2,602,356	(465,895)	2,136,461
Operating income (loss)	16,919	644	3,297	(510)	20,350	4,761	25,111
Assets	1,293,509	126,111	70,275	27,675	1,517,570	(48,037)	1,469,533

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 and Belgium
      Other areas: Australia and Colombia

2) Included in the Elimination or Corporate column under assets are foreign currency translation adjustments of 61,988 million yen for FY1999 only. Starting in FY2000, Mazda has adopted "Accounting Standard for Foreign Currency Transactions" as amended; therefore, foreign currency translation adjustments are included in the shareholders' equity section.

3) As discussed in the Additional Information section, starting in FY2000, Mazda has adopted "Accounting Standard for Retirement Benefits". The effect of this change to the Japanese segment is to decrease operating expenses by 7,449 million yen and to decrease ordinary loss by the same amount.

3. Overseas Sales

FY2000 (Year ended March 31, 2001)	North America	Europe	Other areas	Total
	(in millions of yen)			
Overseas sales	618,076	236,324	249,444	1,103,844
Consolidated sales	-	-	-	2,015,812
Percentage of overseas sales to consolidated sales	30.7%	11.7%	12.4%	54.8%

FY1999 (Year ended March 31, 2000)	North America	Europe	Other areas	Total
	(in millions of yen)			
Overseas sales	627,371	341,386	237,355	1,206,112
Consolidated sales	-	-	-	2,161,572
Percentage of overseas sales to consolidated sales	29.0%	15.8%	11.0%	55.8%

Notes:

1) Overseas sales include exports by Mazda Motor Corporation and its domestic consolidated subsidiaries as well as sales (other than exports to Japan) by overseas consolidated subsidiaries.

2) Method of segmentation and principal countries or regions belonging to each segment
   a) Method: Segmentation by geographic adjacency
   b) Principal countries or regions belonging to each segment
      North America: U.S.A. and Canada
      Europe: Germany and England
      Other areas: Australia, Thailand and Colombia

Related Party Transactions

FY2000 (Year ended March 31, 2001)

1. Directors and Major Individual Stockholders

Party Type	Director and his family and relatives	Director and his family and relatives
Party Name	Mamoru Takebayashi	Kazuhide Watanabe
Line of Business	Representative Director and Chairman of the Board, Mazda Motor Corporation Chairman, The Mazda Foundation	Representative Director and Chairman of the Board, Mazda Motor Corporation Chairman, The Mazda Foundation
% of Voting Stock Held	0.0% (direct)	0.0% (direct)
Detail of Transaction	Mazda Motor Corp. donated funds to The Mazda Foundation.	Mazda Motor Corp. donated funds to The Mazda Foundation.
Amount	20 million yen	30 million yen
Account Title	-	-
Ending Balance	-	-

Party Type	Director and his family and relatives
Party Name	Takashi Yamanouchi
Line of Business	Senior Managing Director of the Board, Mazda Motor Corporation Chairman, Mazda Health Insurance Society
% of Voting Stock Held	0.0% (direct)
Detail of Transaction	Mazda Motor Corp. subcontracted legally-required and other physical examination services for the employees to Mazda Health Insurance Society
Amount	133 million yen
Account Title	-
Ending Balance	-

Notes:

1) These transactions are so-called related party transactions for a third party.
2) As of June 26, 2000, Mamoru Takebayashi resigned as the chairman of The Mazda Foundation. On the same day, Kazuhide Watanabe was appointed to and assumed the office of the chairman of The Mazda Foundation as the successor. The related party transaction with each of the two directors occurred when the director in question was in the relevant offices.
Also, as of the closing of the general meeting of the shareholders on June 23, 2000, Mamoru Takebayashi resigned as the representative director and chairman of the board of Mazda Motor Corporation.

2. Subsidiaries and Other Similar Parties

Party Type	Affiliate
Party Name	AutoAlliance International, Inc. (AAI)
Address	Flat Rock, Michigan, USA
Capital	US$760,000 thousand
Line of Business	Manufacturing and sales of automobiles
% of Voting Stock Held	50.0% (direct)
By Mazda's directors	2 persons
By Mazda's employees	1 person
By transfer from Mazda	-
Concurrent board appointment	
Business relation	Mazda to sell products to AAI
Nature of Relation	
Detail of Transaction	Mazda Motor Corp. issued letters of awareness to AAI's creditors for its loans.
Amount	41,867 million yen
Account Title	-
Ending Balance	-

Note:
Letters of awareness and similar agreements are issued by taking the financial positions and other conditions of the guarantee companies into consideration.

5. Production and Sales Information

1. **Production Volume**

Type		FY 2000 (Apr.2000 to Mar.2001)	FY 1999 (Apr.1999 to Mar.2000)	Increase/ (Decrease)
		units	units	units
	Passenger cars	659,918	726,855	(66,937)
	Trucks	78,025	78,036	(11)
Vehicles Total		737,943	804,891	(66,948)

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):

	FY2000	FY1999	Increase/ (Decrease)
AutoAlliance International, Inc.	68,203 units	90,935 units	(22,732) units
AutoAlliance (Thailand) Co., Ltd.	30,515 units	24,009 units	6,506 units

2. **Sales Volume and Revenue**

Type	FY 2000 (Apr.2000 to Mar.2001)		FY1999 （Apr.1999 to Mar.2000）		Increase/ (Decrease)	
	Volume	Revenue	Volume	Revenue	Volume	Revenue
	units	million yen	units	million yen	units	million yen
Vehicles	963,991	1,355,752	1,012,682	1,430,204	(48,691)	(74,452)
Knockdown Parts (Overseas)	—	59,513	—	59,324	—	189
Parts	—	203,042	—	228,816	—	(25,774)
Others	—	397,505	—	443,226	—	(45,721)
Total	—	2,015,812	—	2,161,572	—	(145,760)

＜Sales Volume by Market＞

Type		FY 2000 (Apr.2000 to Mar.2001)	FY1999 （Apr.1999 to Mar.2000）	Increase/ Decrease
		units	units	units
Japan		333,803	345,410	(11,607)
	North America	299,655	296,637	3,018
	Europe	175,421	240,756	(65,335)
	Others	155,112	129,879	25,233
Overseas Total		630,188	667,272	(37,084)
Total		963,991	1,012,682	(48,691)

Five Year Financial Summary (Consolidated)

May. 25, 2001

Mazda Motor Corporation

Upper left: Non-consolidated

(in 100 millions of yen)
(in thousands of units)

Item	No.	FY1997 *1 (Apr.97-Mar.98)	%	FY1998 (Apr.98-Mar.99)	%	FY1999 (Apr.99-Mar.00)	%	FY2000 (Apr.00-Mar.01)	%	FY2001 (Apr.01-Mar.02) Projection	%
Domestic (upper: non-consolidated)	1	6,311	(6.3)	6,034	(4.4)	6,514	8.0	6,396	(1.8)	6,100	(4.6)
Domestic	1	7,037	(6.2)	6,702	(4.8)	9,554	42.6	9,120	(4.6)	8,500	(6.8)
Overseas (upper: non-consolidated)	2	8,812	17.0	8,505	(3.5)	8,146	(4.2)	6,830	(16.2)	8,000	17.1
Overseas	2	13,376	16.9	13,868	3.7	12,061	(13.0)	11,038	(8.5)	12,900	16.9
Sales (upper: non-consolidated)	3	15,123	6.0	14,540	(3.9)	14,661	0.8	13,227	(9.8)	14,100	6.6
Sales	3	20,414	7.8	20,570	0.8	21,615	5.1	20,158	(6.7)	21,400	6.2
Operating (loss)/income (upper: non-consolidated)	4	312	-	556	78.2	130	(76.5)	(313)	-	60	-
Operating (loss)/income	4	332	-	625	88.2	251	(59.8)	(149)	-	170	-
Ordinary (loss)/income (upper: non-consolidated)	5	259	86.7	497	91.8	77	(84.5)	(323)	-	60	-
Ordinary (loss)/income	5	92	-	469	409.9	61	(86.8)	(297)	-	20	-
(Loss)/income before tax (upper: non-consolidated)	6	115	87.8	305	164.6	87	(71.5)	(2,186)	-	80	-
(Loss)/income before tax	6	(55)	-	235	-	226	(3.5)	(2,424)	-	20	-
Net (loss)/income (upper: non-consolidated)	7	115	88.4	305	165.2	51	(83.2)	(1,275)	-	60	-
Net (loss)/income	7	(68)	-	387	-	261	(32.4)	(1,552)	-	0	-
Net (loss)/income by geographic area: Mazda	8	115		305		51		(1,275)		60	
Other	8	(16)		(93)		218		(221)		(110)	
Japan	8	99		212		269		(1,496)		(50)	
North America	8	(100)		191		73		(31)		20	
Europe	8	(31)		26		1		(42)		0	
Other	8	(36)		(42)		(82)		17		30	
Capital investment (upper: non-consolidated)	9	341		374		415		399		530	
Capital investment	9	551		434		488		472		670	
Depreciation and amortization (upper: non-consolidated)	10	380		373		363		350		380	
Depreciation and amortization	10	465		485		518		495		520	
R & D cost (upper: non-consolidated)	11	700		828		670		685		700	
R & D cost	11	714		854		761		836		980	
Total assets (upper: non-consolidated)	12	10,148		10,749		11,046		14,283		14,100	
Total assets	12	14,563		14,790		14,695		17,436		17,100	
Net worth (upper: non-consolidated)	13	3,857		4,163		4,399		4,345		4,405	
Net worth	13	3,385		3,779		2,457		1,588		1,590	
Financial debts (upper: non-consolidated)	14	3,941		4,233		4,011		4,562		4,543	
Financial debts	14	7,355		7,287		7,706		7,772		7,188	
Net financial debts (upper: non-consolidated)	15	2,699		3,101		2,340		2,305		2,865	
Net financial debts	15	5,802		5,759		5,370		4,846		4,720	
Cash flow (upper: non-consolidated)	16	337		(401)		760		59		(560)	
Cash flow	16	—		—		2,750	*2	522		50	
Performance of operation	17							Sales to decrease Net income to decrease		Sales to increase Net income to break even	
Sales volume: Domestic (upper: non-consolidated)	18	345	(8.5)	337	(2.4)	344	2.4	337	(2.1)	303	(10.3)
Domestic	18	345	(8.5)	337	(2.4)	345	2.5	334	(3.4)	303	(9.3)
North America (upper: non-consolidated)	19	137	18.1	119	(13.3)	177	48.7	178	0.7	198	10.7
North America	19	250	(2.2)	261	4.1	297	13.8	300	1.0	326	8.6
Europe (upper: non-consolidated)	20	220	30.3	272	23.8	236	(13.4)	158	(32.9)	178	12.4
Europe	20	227	11.4	268	17.9	241	(10.2)	175	(27.1)	162	(7.4)
Other (upper: non-consolidated)	21	200	10.3	155	(22.3)	122	(21.4)	154	25.6	179	17.1
Other	21	193	7.9	159	(17.0)	130	(18.6)	155	19.4	187	20.7
Overseas (upper: non-consolidated)	22	557	19.5	546	(1.9)	535	(2.1)	490	(8.4)	555	13.3
Overseas	22	670	5.0	688	2.8	668	(3.0)	630	(5.6)	675	7.2
Sales volume (upper: non-consolidated)	23	902	7.0	883	(2.1)	879	(0.4)	827	(5.9)	858	3.7
Sales volume	23	1,015	(0.0)	1,025	1.0	1,013	(1.2)	964	(4.8)	978	1.5
Retail volume: Share	24	5.1%		5.4%		5.5%		5.1%		4.7%	
Retail volume: Domestic	24	322	(9.1)	314	(2.2)	323	2.8	307	(5.2)	280	(8.8)
Retail volume: USA *3	25	222	(6.9)	241	8.4	244	1.3	256	4.8	270	5.5
Retail volume: Europe *3	26	210	9.8	237	13.1	241	1.7	211	(12.6)	171	(19.0)

Note: *1 Certain FY1997 information was reclassified for consistency.
*2 Consolidated cash flow of positive ￥275 billion includes debt reduction(￥148.4 billion) from divestiture of equity in subsidiaries.
*3 Retail volumes of USA and Europe are of calendar year basis.