

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

Enhancing corporate governance and strengthening internal control systems are two of the most important management issues at Mazda, and the Company is actively taking a wide range of measures in this regard.

Corporate Governance

Mazda has statutory bodies and functions, such as the annual General Meeting of Shareholders, the Board of Directors and the Board of Corporate Auditors. Mazda has also separated the execution and management functions through the introduction of the executive officer system. These measures are intended to enhance management efficiency by helping the Board of Directors function more effectively as a supervisory body, enhancing the effectiveness of the Board's deliberations and speeding up decision making by delegation of authority to executive officers. As of the end of June 2009, this system comprises nine directors and 33 executive officers, some of whom hold concurrent posts as directors.

In addition, Mazda has established the executive committee to discuss policies and measures of importance for all of the Company and to make reports necessary for business management, as well as various other advisory bodies tasked with assisting the president in decision making.

Supervisory Framework

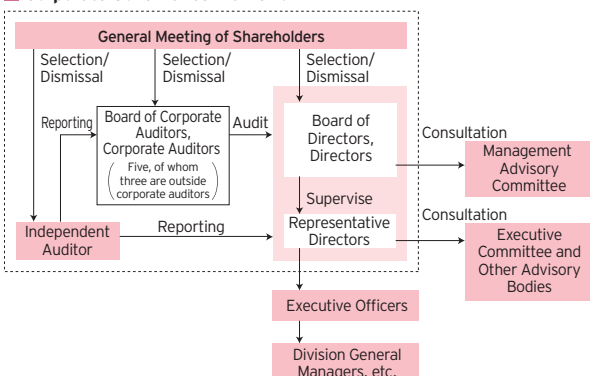
The Board of Corporate Auditors has five members, including three external corporate auditors. Each corporate auditor is responsible for auditing business execution by the directors in accordance with the Board of Corporate Auditors' annual audit plan. There are no business relationships or other conflicts of interest between Mazda and its external corporate auditors.

The Global Auditing Department contributes to sound and efficient management by checking management's targets, policies and plans, as well as compliance with laws and regulations. Auditing of accounts is carried out by an auditing corporation under contract with Mazda. The corporate auditors or Board of Corporate Auditors, Global Auditing Department and independent auditors meet periodically to cooperate in auditing.

Management Advisory Committee

Four times a year, Mazda convenes the Management Advisory Committee, consisting of leading figures outside the Company and all Mazda directors. The outside members are a group carefully selected for their outstanding professional expertise and fresh perspectives in a diverse range of fields. The global perspective and wide range of opinions the Company gleans from these committee meetings serve to ensure sound and transparent practices in Mazda's management.

Corporate Governance Framework



Internal Controls

Internal Control Promotion Framework

In 1998, Mazda began using a checklist to conduct an autonomous diagnosis of internal controls at its subsidiaries in Japan. In 1999, Mazda introduced the same system at its headquarter and at its affiliates both in Japan and around the world, using customized lists for each core business area. Through these and other pioneering measures, Mazda established itself as an early adopter of rigorous internal controls.

In order to raise its internal controls to international levels, in June 2007 Mazda established a dedicated sector within the CSR Promotion Department for the promotion of internal controls; worked with related departments and major affiliates to respond to the reporting requirements on internal controls mandated by the Financial Instruments and exchange law; enhanced its autonomous diagnosis framework; and carried out educational, awareness-raising and supporting activities throughout the Company and its affiliates. As this array of bold measures began bearing fruit, in February 2009 Mazda transferred its internal control promotion functions from the CSR Promotion Department to the Global Auditing Department in order to further strengthen internal controls by stepping up information sharing with auditing departments and further improving efficiency.

Mazda is also moving forward with efforts to strengthen its financial reporting processes. In January 2008, the Financial Internal Control Department was established within the Financial Services Division. This department implements international guidelines on financial controls, and promotes and supports effective controls from accounting and tax-management perspectives.

Internal Auditing Framework

Mazda has the Global Auditing Department for the internal auditing of its headquarter. In addition, in each of its major operational centers in North America, Europe, Australia and South America, Mazda has established internal auditing departments that are fully independent from the operating departments. These departments and the Global Auditing Department work closely to conduct a full range of auditing tasks, including internal control evaluations, based on the Company's auditing plan.

With qualifications such as Certified Internal Auditor (CIA) and Certified Information System Auditor (CISA), these dedicated professionals are at the forefront of Mazda's determined efforts to implement auditing of the highest quality. The Company is also focusing on the development of such personnel.

VOICE

Message from an External Corporate Auditor To All Stakeholders

Since my appointment as an external auditor at Mazda, I have had numerous opportunities for direct contact with directors and a wide range of employees. In addition to attending meetings of the Board of Directors and hearings with various officers in charge, I travel on observation tours to plants and subsidiaries, and participate in improvement exhibitions and other events. In the course of these encounters, I am often deeply inspired by Mazda employees' dedication and forward-looking attitude toward improvement. Moreover, their managers and supervisors consistently recognize each individual's achievements and draw their superiors' attention to each worker's results. I also noticed that directors and employees are free to speak openly and frankly to senior management, who evaluate their input fairly and display genuine gratitude for feedback. When I witness the atmosphere of openness and mutual respect Mazda has instilled in its enterprise, my heart is filled with admiration. Building on Mazda's culture of openness in business and management, I'd like to speak frankly whenever possible to help create even stronger, more effective corporate governance.

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