

SPECIAL FEATURE

TOPIC 1 — CONNECTIONS SUPPORTING BUSINESS GROWTH

CONNECTIONS FORMED WITH CUSTOMERS AT DOMESTIC DEALERSHIPS

MESSAGE FROM EXECUTIVE OFFICER



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Executive Officer in charge of Domestic Sales

Society changes at blinding speeds, and customer values are growing increasingly more diverse. As such, everyone has a different vision for the role they want their vehicle to play in their life. This is one of the reasons why Mazda values the principle of *Omotenashi*, and aspires to provide a brand that accommodates the varied circumstances of each individual customer. This is the basis for our brand value management philosophy.

Dealerships around the world are moving ahead with efforts tailored to the circumstances in their respective markets with the aim of helping every customer have a more appealing experience with their Mazda vehicle. In the United States, our various initiatives have included reforms to the sales networks that support sales volume growth, which have led to record-breaking sales volume figures. In Japan, we are advancing reforms to the dealership systems and organizations. Moreover, we established the Brand Experience Promotion Division in November 2023. This organization is guiding joint initiatives with dealerships around the world for enabling customers to better experience the fun of car ownership. Implemented through an omni-channel approach combining digital and in-person initiatives, these initiatives are aimed at providing greater levels of inspiration and joy to customers.

The Domestic Business Division strives to increase the number of fans of Mazda's brand and dealerships through enhancement of the brand experiences offered to customers at dealerships. To this end, the division is advancing reforms to the award systems and human resource assessment systems that reflect the key performance

indicators of domestic dealerships as well as to store operation (team-based sales approach) and other systems and frameworks.

IMPROVEMENT OF APPEAL OF WORKING AT DEALERSHIPS

At the Domestic Business Division, we believe it is crucial to foster employees who are driven by a strong sense of purpose to contribute to customers' happiness and lifestyle enrichment through Mazda vehicles in order to increase the number of fans of Mazda's brand

and dealerships. As part of this endeavor, we are developing frameworks that allow the employees of both production companies and dealerships to work with autonomy.

To support these efforts, we changed the management indicators used to gauge performance at dealerships from sales volumes and profit to employee engagement, customer engagement, and business success.

We have also reformed human resource systems for sales companies to move away from emphasizing individual success to focus more on recognizing actions as a team, comprised of all members of a dealership, that place the customer first.

Career plans have also been developed to improve employee

compensation through better utilization of employee diversity and through encouragement of action propelled by all members of a team.

Furthermore, digital transformation is being promoted to improve efficiency in back-office procedures at dealerships. By having more dealership staff members act based on the customer's perspective, we are now able to provide even more detailed responses to the needs of customers who visit dealership locations.

We also encourage the dealership employees who interact with customers in their daily work to participate in the Mazda Fan Festa organized by the Brand Experience Promotion Division (P55-56) so that they can gain a better understanding of the Mazda brand. Dealership employees who have participated in these events have stated how the ability to experience the Mazda brand together with various customers has helped them feel the joy of working at an automotive dealership. In recent years, we have seen a rise in the number of dealerships participating in such events. Meanwhile, Chiba Mazda Co., Ltd., Kobe Mazda Co., Ltd., and other dealerships are planning their own fan events based on their experiences at the Mazda Fan Festa, further heightening Mazda's brand recognition.

ENHANCEMENT OF APPEAL OF MAZDA OWNERSHIP

As customer values grow more diverse, it is becoming increasingly

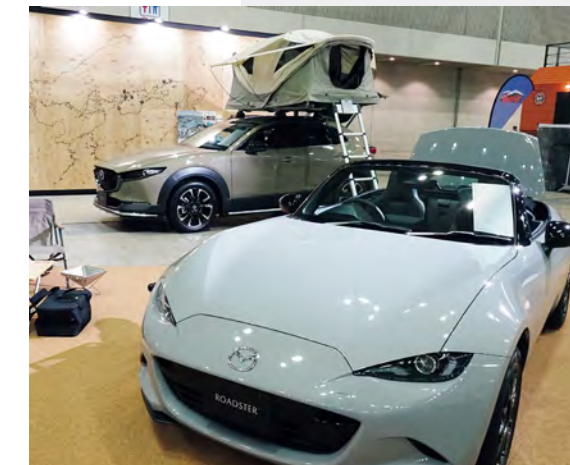
difficult for companies to differentiate themselves through its products alone. Given this reality, community-rooted dealerships have an important role to play in supplying our unique value and in enhancing the appeal of Mazda ownership through both digital and in-person initiatives and thus in increasing the number of fans of Mazda's brand and dealerships. One example of our digital initiatives would be Club Mazda. This service gives users online access to various applications while also regularly delivering the latest information for helping people choose the right Mazda vehicle and other content designed to make vehicle ownership even more enjoyable. Moreover, we offer special bonuses and services to Club Mazda members in order to collect customer information. This information is used to tailor communication to the interests, preferences, and needs of individual customers. For example, we may use Club Mazda to propose test drives to a customer who has exhibited a high appetite for purchasing a vehicle.

In-person initiatives include encouraging dealership staff to serve customers in accordance with Mazda's code of conduct to deliver the pinnacle of Mazda experience during the test drives that communicate our unique value *Jinba-ittai*— a sense of oneness between driver and vehicle—as well as through vehicle hand-offs and inspections.

To facilitate these efforts, Mazda undertook a full-fledged shift toward a team-based sales approach in FY March 2025. In this approach, customers will be served not by the one sales staff member to whom they have been assigned, but rather by the entire staff of the dealership. This approach is meant to help everyone at dealerships gain a better understanding of their customers.

In addition to such initiatives at dealerships, Mazda is also engaged in collaboration with partners in other industries to allow for better responses to the diversification of customer lifestyles and hobbies. For example, in 2024 the Company held its first exhibit at the TOKYO OUTDOOR SHOW, where it displayed an MX-5 (Roadster in Japan) outfitted for camping alone for outdoor enthusiasts, along with other proposals that are distinctive of Mazda and its aspiration to be a car-loving company as described in its 2030 Vision.

Mazda will continue to expand its range of such collaborative initiatives for enriching customers' car ownership experience at the Company as well as at domestic dealerships.



Camping supplies that can be loaded into a MX-5 (Roadster in Japan)

OMOTENASHI