



MAZDA INTEGRATED REPORT 2024



01

ABOUT MAZDA

04

Corporate Philosophy

05

CEO Message

11

History of Mazda's Growth

13

At a Glance

15

Data Highlights

02

GROWTH STRATEGIES

18

2030 Vision

19

Value Creation Process

21

Sustainability Promotion & Key Issues
(Materiality)

23

Management Policy up to 2030

26

Review of Performance

29

CFO Message

03

VALUE CREATION INITIATIVES

34

Three Major Initiatives to Create Value

35

Monozukuri (engineering and manufacturing)

37

Special Feature:
Creation of New Customer-Oriented Value

39

Establishment of Electrification Business Division (e-Mazda)

39

Pursuit of Zero Environmental Impact

39

Carbon Neutrality and Electrification Initiatives

42

Resource Circulation

43

Response to TCFD

45

Human-Centric Research and the Joy of Driving

46

Realization of an Automotive Society that Offers Safety and Peace of Mind

46

Goal of Achieving Zero Deaths from New Vehicles

48

Improvement of Quality Underpinning Peace of Mind

49

Tsunagarizukuri (creating human connections)

50

Creation of Connections with Various Stakeholders

51

Special Feature: TOPIC 1
Connections Supporting Business Growth

51

Building Connections with Customers and Dealers in the U.S. (MNAO)

53

Connections Formed with Customers at Domestic Dealerships

55

Special Feature: TOPIC 2
Connections with a Wide Range of Customers

55

Establishment of the Brand Experience Promotion Division

57

Hitozukuri (nurturing the development of individuals)

59

Special Feature:
Organizational Culture Reforms for Fulfilling Purpose: Blueprint

61

Active Contributions by Employees

65

Respect for Human Rights

04

GOVERNANCE

67

Corporate Governance

71

Compliance

72

Risk Management

73

Discussion between Outside Directors

05

DATA SECTION

78

External Recognition

79

Eleven-year Summary of Consolidated Financial Statements

81

ESG Data

84

Company Profile

85

Major Affiliates

87

Major Product Lineup

88

Activities by Region

Investigation Report on Applications for Type Designation Submitted to the Ministry of Land, Infrastructure, Transport and Tourism

Mazda has conducted investigations in accordance with the request issued on January 26, 2024, by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) to conduct an “Investigation of facts regarding the existence of irregularities in Applications for Type Designation” (MLIT Notification No. 2018). The investigation results confirmed irregularities in a total of five tests in two test categories (irregular processing of test vehicles in crash tests and rewriting of engine control software in output tests). These findings were reported to the MLIT on May 30, 2024. A notice issued by the MLIT on June 28, 2024, announced that conformity had been confirmed to the instructions issues and the standards presented in relation to this issue and that the order to suspend shipments of current production models had been lifted.

Based on the results of an on-site inspection, Mazda has been instructed to implement measures to prevent recurrence formulated by the Company and to report on the implementation status of these measures every six months for the time being.

The MLIT has confirmed that the five affected models*1 are in compliance with the standards. Accordingly, in July 2024 shipments and production started being resumed for the two current production models*2 that had been suspended during the investigations.

We deeply regret any concern and inconvenience this incident may have caused our customers, business partners, dealerships, and all other stakeholders associated with Mazda.

We take this guidance seriously and will work to restore trust by implementing Companywide recurrence prevention measures.

*1 Atenza, Axela, Atenza/Mazda6, Roadster RF, and Mazda2 (1.5-litre gasoline engine models) for Japan
*2 Roadster RF and Mazda2 (1.5-litre gasoline engine model) for Japan

Masahiro Moro
Representative Director, President and CEO
Mazda Motor Corporation

Purpose of the Production of the Integrated Report	The purpose is to communicate values that Mazda Group creates in the medium and long term to a wide range of stakeholders, including shareholders and investors, by comprehensively using both financial and non-financial information.
Editorial Policy	Mazda Integrated Report 2024 is published to inform Mazda's stakeholders of its vision, growth strategies, value creation initiatives, and corporate governance systems with a focus on its story of ongoing corporate growth. The Company hopes to continue to evolve its integrated reports as communication tools that contribute to engagement with its stakeholders.
Referenced Guidelines	Sustainability Accounting Standards Board (SASB) Standards under the International Financial Reporting Standards (IFRS) Foundation, International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC), Guidance for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry, and other guidelines. SASB Content Index https://www.mazda.com/en/sustainability/guidelines/
Period Covered	The report primarily covers the period from April 2023 through March 2024, although some activities after April 2024 are included.
Organizations Covered	The entire Mazda Group, including Mazda Motor Corporation and its Group companies, is covered in this report. (Where the reporting item is not applicable to the entire Mazda Group, the organizations covered are specified.)
Date of Publication	Japanese version: September 2024 English version: October 2024



04	Corporate Philosophy
05	CEO Message
11	History of Mazda's Growth
13	At a Glance
15	Data Highlights

CORPORATE PHILOSOPHY

PURPOSE

Enrich life-in-motion for those we serve

PROMISE

Uplifting experiences, emotionally and physically

We uplift the human body, mind and spirit

We uplift communities

VALUES

Radically human/Challenger spirit/Omotenashi

In a rapidly changing world,
where people benefit from greater levels of comfort and convenience,
how people feel and live their lives will always remain center to our purpose.
Joy is the feeling that curiosity and excitement bring to our lives and is something
we naturally want to share with the people around, today and in the future.

This joy is a source of positivity.
Imagine the freedom to go anywhere and find the adventures awaiting.

Just the thought of it, the possibility to do whatever you want,
ignites the motivation to explore something new.

Mazda continues to expand the Joy of Driving.

The pleasure of going wherever one pleases.

And the excitement of sharing that pleasure with family and friends.

With a belief in people and a Challenger spirit,

Mazda continues to engineer and manufacture.

Creating human connections and celebrating the joy of living.

For society, the world, and the future.

Enrich life-in-motion for those we serve.

CEO MESSAGE



Masahiro Moro
Representative Director,
President and CEO

MAZDA'S MISSION AND VISION

Mazda was founded in Hiroshima in 1920 based on its founder Jujiro Matsuda's desire to contribute to society through the machine industry. Over the years, Mazda's growth has been intimately connected with the history of Hiroshima, and the Company even played an important role in helping the city rebuild after World War II to become the world-renowned City of Peace it is today. This unique history cultivated a challenger spirit deep within the psyche of the Company, and it was this challenger spirit that drove us to become the first* in the world to achieve mass production of rotary engines and to create numerous other unique technologies, winning the favor of countless fans. As lovers of peace, our mission is to create greater amounts of joy around the world. We thus seek to generate value by creating the joy of living by delivering the joy of driving to customers.

The automotive industry currently finds itself at a once-in-a-century turning point. In these uncertain times, it is crucial for us to clarify our purpose and our objectives to provide signposts to direct us on the road toward our goals. This is why Mazda has established a corporate philosophy to guide us as our North Star.

This corporate philosophy is comprised of three elements. First is our Purpose of "enrich life-in-motion for those we serve," which represents Mazda's *raison d'être*. Next is our Promise, the promise of what we aim to deliver customers and all other stakeholders in

* As of 1967, according to Mazda data.

Creating the Joy of Living with a Joy of Driving that
Is Matched to the Times

CEO MESSAGE

order to fulfill our Purpose. Last, our Values are the core values that inform our actions.

Seeking to entrench this corporate philosophy throughout the organization, we have provided explanations to all divisions and engaged in communication with the members of these divisions. I personally used internal communication channels to provide information on the background and the sentiments that shaped this philosophy. The Blueprint organizational culture reform initiatives implemented targeting all back-office employees were also used as an opportunity for employees to think about how they can act to help Mazda fulfill its Purpose. As it might take some time before employees are able to fully internalize our corporate philosophy and incorporate it into their daily actions, we are committed to ongoing efforts to entrench this philosophy.

The exercise of our corporate philosophy will be supported by brand value management, which is Mazda's long-embraced management philosophy. Brand value management is the philosophy of providing value that resonates with customers and other stakeholders to form emotional bonds that contribute to long-term relationships for driving improvements in brand value and ultimately corporate value. Mazda will continue to promote brand value management in order to develop and deliver unique value that is

thoroughly based on the customer amid the advancement of digital transformation and the diversification of values. We thereby aim to ensure our brand continues to be the one that customers choose and that Mazda can keep growing into the future.

INITIATIVES FOR REALIZING THE 2030 VISION

To support the exercise of its corporate philosophy, Mazda established the 2030 Vision, which describes our goal for the Company in 2030 as "To be a car-loving company that creates moving experiences through the 'joy of driving.'"

To realize our 2030 Vision, we will continue to center our actions on our brand value management approach while also advancing the Management Policy up to 2030, which is underpinned by three pillars: contribution to curbing of global warming, realization of an automotive society that offers safety and peace of mind, and creation of unique value.

In 2023, our lives began to return to normal. In Japan, this was due in part to the government downgrading the threat level of COVID-19. This return brought with it a massive change in the economy and how we communicate, and Mazda was thus pressed to adapt to this new operating environment. At the same time, we ramped up measures to respond to the impacts of climate change and to the supply chain repercussions of international instability.

Meanwhile, at the 2023 G7 Summit, which was held in Mazda's birthplace of Hiroshima, world leaders declared their intent to adopt a range of pathways toward achieving carbon neutrality, which symbolized the Japanese automotive industry's vision for a responsible transition toward a sustainable mobility society.

In 2024, Mazda is moving forward with strategies that consider economic trends in the United States and China, geopolitical risks, the impacts of climate change and natural disasters, rising concern regarding human rights, and advancements in generative AI and other IT technologies.

Mazda has declared its intent to endeavor to achieve carbon neutrality across its supply chain by 2050. On our path toward this larger goal, we are working on achieving carbon neutrality at Mazda

factories around the globe by 2035. Contribution to curbing of global warming has been identified as an important task in implementing the Management Policy up to 2030. Accordingly, Mazda is focused on promoting electrification and achieving carbon neutrality.

In our initiatives to promote electrification, we will advance a three-phase transition toward the era of EVs expected to begin around 2030. Our multi-solution approach will be adopted during this transition, through which we will utilize Mazda's technology assets to offer combinations of high-efficiency internal combustion engines and electrified devices. We thereby aim to supply diverse solutions based on the energy sources and regulations of the regions we serve in order to reduce total CO₂ emissions by helping as many customers as possible embrace low-emissions solutions.

Electrification initiatives in 2023 included the launch of large products such as plug-in hybrid electric vehicles (PHEVs) and the MX-30 e-Skyactiv R-EV, a plug-in hybrid electric model that uses a rotary engine. Also in this year, we established the Electrification Business Division, which is casually referred to as "e-Mazda," to accelerate the development of electrification technologies and electrified products. In 2024, we unveiled our new Mazda EZ-6 EV at Beijing International Automotive Exhibition 2024. This model is designed to enhance our lineup of electrified vehicles for the Chinese market, where the electrification trend is advancing most rapidly.

For carbon neutrality initiatives, we have set the target of achieving a 69% decrease in CO₂ emissions at our plants and operational sites in Japan by FY March 2031, in comparison to the level in FY March 2014, along with the interim target of achieving a usage rate of electricity generated from non-fossil fuel sources of 70% or more.

The pursuit of carbon neutrality and the promotion of electrification, one element of achieving carbon neutrality, are tasks that are far too challenging to be tackled by a single company. For this reason, it is crucial for us to find allies and work together toward accomplishing these objectives.

In May 2024, we joined Toyota Motor Corporation and Subaru Corporation in announcing our

commitment to developing new engines tailored toward the era of electrification, with each company adopting its own approach. This declaration was emblematic of how the scope of collaboration between automobile manufacturers is expanding to an extent never seen before. Mazda is resolute in its determination to help guide a united effort by Japan's automotive industry to win out against intense global competition to ensure that the industry can continue to grow and contribute to countries and regions around the world.

Another incredibly important task is the realization of an automotive society that offers safety and peace of mind. Mazda is working toward its goal of achieving zero deaths resulting from new vehicles. To this end, we continue to develop sophisticated driving support technologies based on our human-centric research and to expand our lineup of large products equipped with various advanced safety technologies such as our Driver Emergency Assist system (DEA). Moreover, Mazda will continue developing technologies and collaborating with communities and the greater society in order to contribute to the realization of an automotive society that offers safety and peace of mind.

As part of the creation of unique value, Mazda is enhancing its brand experiences in an effort to better deliver customers the joy of driving. To facilitate this undertaking, the Brand Experience Promotion Division was established in November 2023 with the goal of developing our brand in a manner that is more closely connected with customers.

ENHANCEMENT OF FOUNDATIONS FOR IMPROVING CORPORATE VALUE

People are Mazda's most important asset, and the sum total of the improvement and growth of each person's abilities is also the source of the Company's growth. People are also our most important resource when it comes to adapting to the trends toward carbon neutrality and electrification and other massive changes.

The starting point for Mazda's development of people can be found in the Mazda Way. The Mazda





Way is a summary of our approach toward work, i.e., our code of conduct, passed down within the Company since its founding and codified in text in 2008. This code helps ensure that employees can continue to demonstrate their unique talents while the organization maintains a consistent direction and that these values can be faithfully passed on to future employees.

At the moment, we are endeavoring to encourage employees to act based on greater consideration for the feelings of others while respecting the growth and diversity of all employees and cherishing the code of conduct that is the Mazda Way. To facilitate these efforts, we launched the Blueprint organizational culture reform program in 2023. All of our roughly 11,000 back-office employees have taken part in this program, and we plan to expand the program to include employees involved in production going forward. Through this program, we aim to develop a workplace environment that is home to a culture of supporting the front lines and that allows for the exercise of creativity.

Meanwhile, in 2024 we are planning the opening of Mazda Innovation Space Tokyo, a space for accelerating co-creation with diverse employees and business partners, and the introduction of an alumni hiring program for re-hiring former Mazda employees.

Furthermore, we established the Mazda Human Rights Policy and organized an internal human rights due diligence project team in 2023. Mazda is

currently in the process of identifying important human rights-related themes based on the United Nations Guiding Principles on Business and Human Rights and other international standards.

To empower all employees to create value, we will accelerate the shift toward digital technologies by providing opportunities to learn about how to utilize IT and AI technologies. We will also create an environment in which employees can learn and apply such knowledge, share their results, and grow together. Future efforts on this front will include enhancing digital technology education programs and improving participation rates to accelerate our operations through digital transformation.

Mazda is also seeking to heighten efficiency and operation rates by eliminating waste, irregularities, and overburdens in preparation for the expansion of our lineup of electrified products. Our focus will not merely be conventional cost cutting measures for achieving price parity with the conventional offerings. Rather, we will pursue higher levels of efficiency across the entire supply chain in order to swiftly and effectively enhance management efficiency. In this manner, we will seek to cut costs, including those at business partners, and enhance our supply chain.

Mazda is committed to doubling productivity through human resource investments and IT utilization, reforming its organizational culture through Blueprint initiatives, and promoting digital

transformation across all divisions. We thereby aim to achieve massive increases in the energy, efficiency, and speed that Mazda is capable of given that it is a smaller player.

REINFORCEMENT OF MANAGEMENT SYSTEMS IN PURSUIT OF GROWTH

There is no one right answer in times of great change, and we must always be cognizant of both the risks and the opportunities that emerge in such times. The new Team Management approach and chief officer system introduced in 2023 are anticipated to help management be more attentive to the front lines while incorporating input from customers in order to accelerate operations through swift and flexible responses to such input.

We also revised officer remuneration systems to drive changes in management’s perspectives and actions as part of our brand value management efforts. The new systems are expected to contribute to medium- to long-term improvements in corporate value through higher shareholder value, increased employee engagement, greater emphasis on the customer, and stronger action to address social issues. Specifically, we have defined evaluation indicators for performance-based remuneration that include return on equity (ROE) and greenhouse gas (GHG) emissions reductions amounts as well as indicators related to employee engagement and customer-oriented mindsets. These indicators are expected to inspire action to make better contributions to customers, employees, and society.


Since becoming president, I have sought to incorporate a wide variety of input to ensure that I am able to make decisions effectively. To gather such input, I have visited Mazda bases in Japan and overseas and actively engaged with employees, business partners, members of the press, investors, and various other internal and external stakeholders. In my interaction with investors, who are proficient at utilizing global networks and exhibiting various viewpoints and sophisticated management capabilities, I have come to understand the shared perspective held by this group of stakeholders. While

remaining mindful of various opinions and perspectives, I hope to make decisions in a manner that is appropriate for advancing the Management Policy up to 2030.

IN CLOSING

Mazda is a company that is dedicated to providing the joy of driving and creating the joy of living by adapting its technology innovation and business operation activities to match the times. With our focus on people, we will unite our diverse technologies with the knowledge and passion of our various co-creation partners in order to contribute to the realization of a carbon-neutral society where everyone feels safe to move freely. In doing so, we aim to bring emotion in motion and excitement to everyday life, sharing happiness with family, friends, and those around us.

To our valued shareholders and investors, we thank you for your continued support, trust, and confidence.


Representative Director,
President and CEO

HISTORY OF MAZDA'S GROWTH

More than 100 years of Mazda history, which has continued to provide new value to society by Challenger Spirit

Since its founding in 1920, Mazda has always strived to create ideal products by tackling various challenges and overcoming crises and adversities again and again to become the Mazda of today. The Company will continue to value its originality and provide new value to society, taking on Challenger Spirit.

1920–1959

Shift from cork manufacturing to machining business with three-wheeled trucks as main products

Mazda was founded as Toyo Cork Kogyo Co., Ltd. in Hiroshima. Under the slogan “Contribute to society through machine industry,” the Company entered the fields of machine tools, rock drills, and automobiles. The Company expanded its business, leveraging its high technological capabilities.

1927
Company renamed as Toyo Kogyo Co., Ltd.

1931
“Mazda-Go” Type-DA launched
The first Mazda model “Mazda-Go” Type-DA was an epoch-making new product for a three-wheeled truck at the time, with all parts made in Japan, including an engine developed in-house.



1936
Innovative means of sales promotion implemented
Promotional caravan from Kagoshima to Tokyo

1945
Production of three-wheeled trucks resumed
just four months after the A-bombing

1953
Production of casts using the shell-molding method began
Introducing cutting-edge overseas technologies in casting and surface treatments, Mazda worked actively to streamline production and in the latter half of the 1950s, the Company made great strides in strengthening its system for the mass production of vehicles.

1960–1979

A great leap to become a full-line automaker

Commencing with the launch of passenger cars, Mazda rapidly expanded the lineup from micro-minis to midsize trucks and constructed the Ujina Plant and Toyo Long Bridge which connects the headquarters area with the Ujina Plant area. The Company also completed the Miyoshi Proving Ground that promises world-class vehicle performance and began full-scale exports to the European and U.S. markets. The Company strengthened its management base through a capital tie-up with Ford Motor Company in the U.S.

1960
Entry into the passenger car market with R360 Coupe
Advanced technology was fully used for the development of the first passenger car to realize a lightweight, high-performance, and friendly design. The car was released at an affordable price for citizens, attracting great attention.



1966
A new passenger car plant constructed in Ujina

1967
A rotary engine successfully put into practical use
Mazda was devoted to the development of a high-output, low-vibration “dream engine,” which had been attracted the attention of engineers around the world, and finally put it into practical use after six years of efforts. This world's first* two-rotor rotary engine was installed in Cosmo Sport (110s), which went on the market.
* As of 1967, according to Mazda data.



1975
Corporate identity (CI) introduced
Mazda became the first Japanese company to introduce a corporate identity (a corporate strategy to communicate a corporate image in a unified manner) on a full scale.



1979
Ford Motor Company and Mazda entered into a capital tie-up (The tie-up is dissolved now)

1980–1999

Aggressive product development to overcome international competition

Aiming to become an automobile manufacturer with a global presence, Mazda implemented aggressive product development and sales measures. Taking on the challenge of developing groundbreaking advanced technology and an “exciting design,” the Company created many unique and attractive products.

1984
Company renamed as Mazda Motor Corporation

1987
Operation of a U.S. plant began as the first overseas plant

1989
Roadster (MX-5) launched
As a lightweight sports car characterized by the beautifully curved design and an exhilarating *Jinba-ittai*—a sense of oneness between driver and vehicle—driving feel, it received enthusiastic support from many users, mainly in the North American market.



1990
The world's first GPS navigation (car navigation) system developed

1991
Mazda won the Le Mans 24-Hour Endurance Race
It was 17 years since Mazda participated in the Le Mans 24-Hour Endurance Race for the first time, and in the 13th challenge, the Company won the race, claiming the first ever victory for a Japanese automobile. The Company's Endless Challenges to widely demonstrate the performance and reliability of rotary engines came to fruition in the best possible way.



1996
Mazda Digital Innovation (MDI) launched
With the aim of significantly shortening the development period for new vehicles, Mazda started an advanced initiative to innovate all processes from development to production, on the basis of 3D digital data.

2000–Present

Aiming for a sustainable society by strengthening brand strategy

Based on a new brand strategy that emphasizes joy of driving, Mazda has worked to enhance both environmental and safety performance. While promoting Monotsukuri Innovation on a company-wide basis, the Company has achieved both diversity and commonality at a high level. On the basis of a consistent human-centered development philosophy, the Company will continue to strive to offer an enriched car ownership experience.

2002
Atenza, which fully embodies Mazda brand DNA, launched
Mazda pursued joy of driving, represented by the new brand message “Zoom-Zoom.” With the continued launch of Demio, RX-8, and Axela, the Company opened up a new era.



2007
“Sustainable Zoom-Zoom”
In response to the issues facing the automobile industry, Mazda declared that it would work on technological development toward a sustainable future for the global environment and traffic environment.

2010
Next-generation Skyactiv Technology and new design theme “Kodo” announced
Skyactiv Technology is a blanket term for Mazda's innovative technologies that realize its Building Block concept. “Kodo: Soul of Motion” is a design theme that aims to express movement that offers a strong sense of vitality and speed. Starting with CX-5 launched in 2012, Skyactiv Technology and the Kodo Design philosophy have been introduced in all Mazda vehicles.



2018
Mazda's construction of a new joint-venture plant with Toyota Motor Corporation in the U.S. announced
(Production of CX-50 starts from January 2022)

2022
DEA adopted for CX-60 and subsequent vehicles to realize a motorized society free from traffic accidents
Driver Emergency Assist (DEA) was newly introduced to support accident avoidance and damage mitigation by detecting abnormalities in the driver and decelerating or stopping the vehicle.

2023
Mass production of the MX-30 e-Skyactiv R-EV began
After its success with battery electric vehicles (BEVs) in 2020, Mazda started the mass production of a plug-in hybrid electric vehicle (PHEV) model of the MX-30, using a rotary engine as the power generator.



Cumulative global production volume
Approximately **62.76** million units
(As of the end of December 2023)

(million units)
60

40

20

AT A GLANCE (As of March 31, 2024)

Net sales (FY March 2024)

4,827.7 billion yen

Net income attributable to owners of the parent (FY March 2024)

207.7 billion yen

Research and development costs (FY March 2024)

146.3 billion yen

Production sites

8

Employees

Consolidated
48,685^{*1}

Non-consolidated
23,433^{*2}

^{*1} The “Consolidated” numbers exclude the number of Mazda Group employees dispatched to companies outside the Group, but include the number of employees dispatched to Mazda Group companies from outside the Group.
^{*2} The “Non-consolidated” figures exclude the number of employees dispatched to Mazda Motor Corporation from other companies, but include the number of Mazda Motor Corporation employees dispatched to other companies.
^{*3} Including Mexico.

Operating income (FY March 2024)

250.5 billion yen

Capital expenditure (FY March 2024)

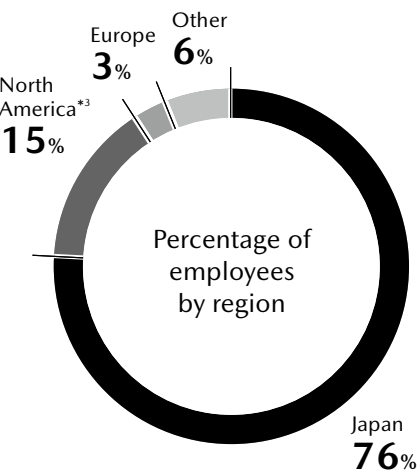
121.3 billion yen

Total assets

3,791.8 billion yen

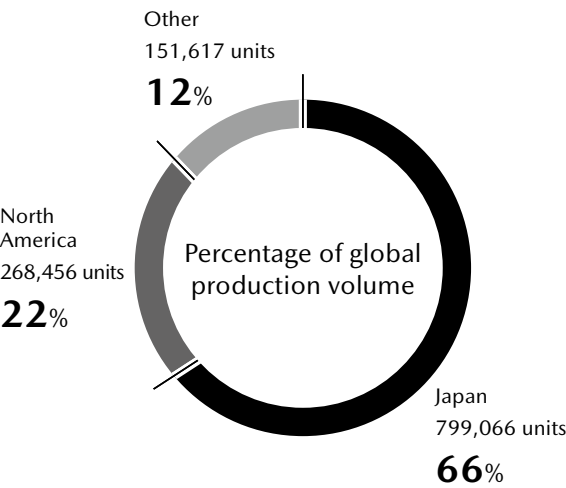
Research and development sites

5



Global production volume (FY March 2024)

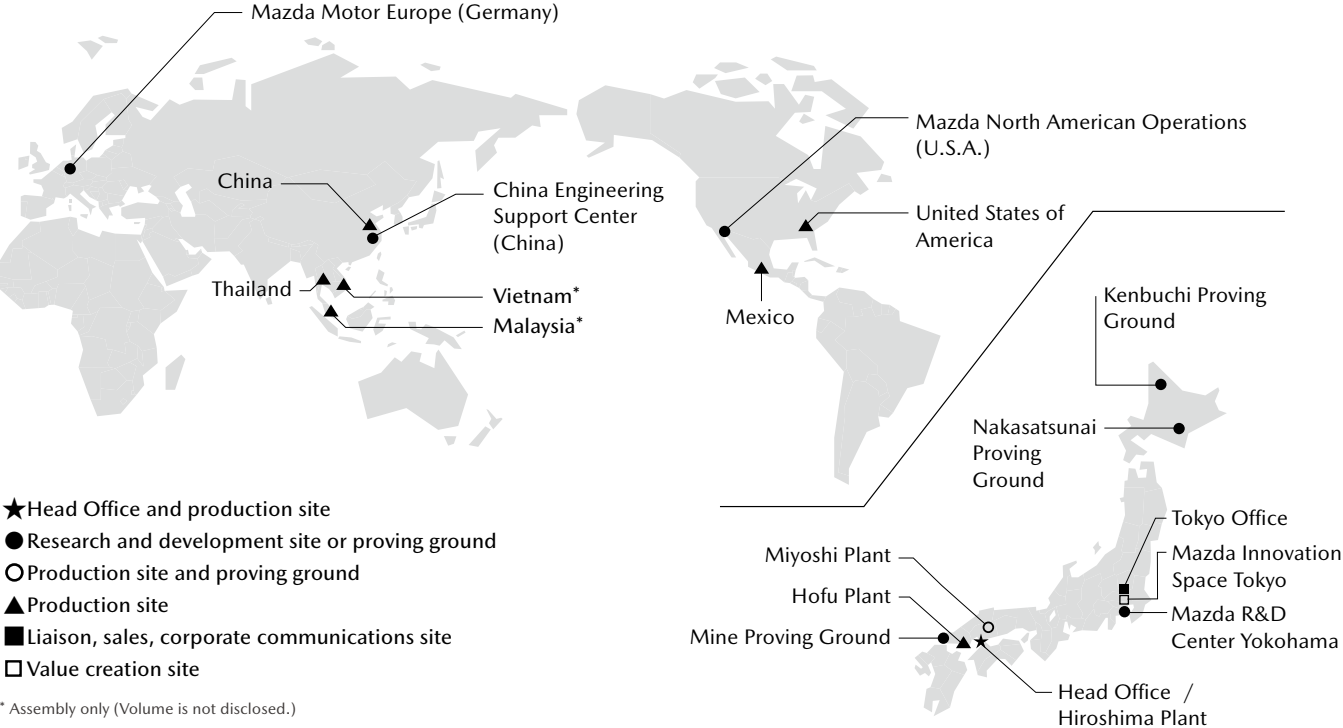
1,219,319 units



Number of sales countries and regions

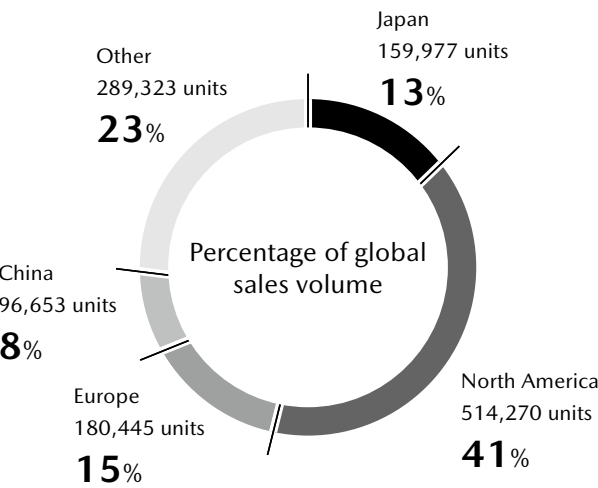
More than 130

Global Network



Global sales volume (FY March 2024)

1,240,668 units



Consolidated subsidiaries

70

Equity method applied companies

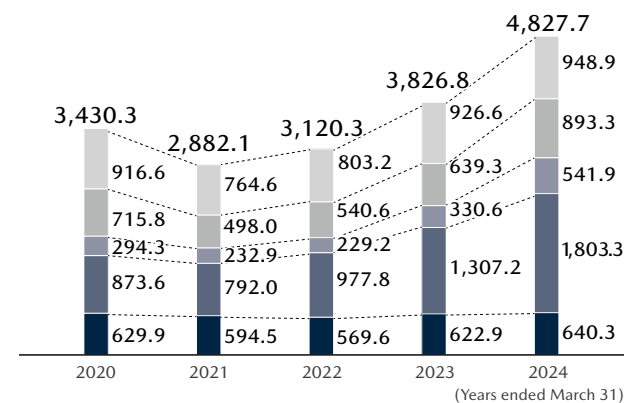
20

DATA HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Net Sales

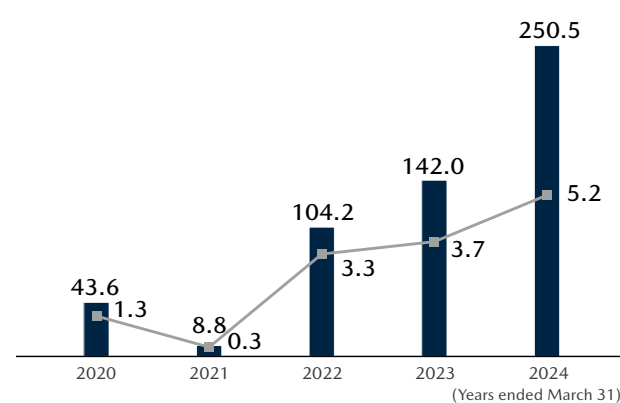
(Billions of yen)



■ Japan ■ United States
■ North America (excl. U.S.) ■ Europe ■ Other regions
* Net sales are categorized by countries and regions based on customers' locations.

Operating Income / Operating Income Ratio

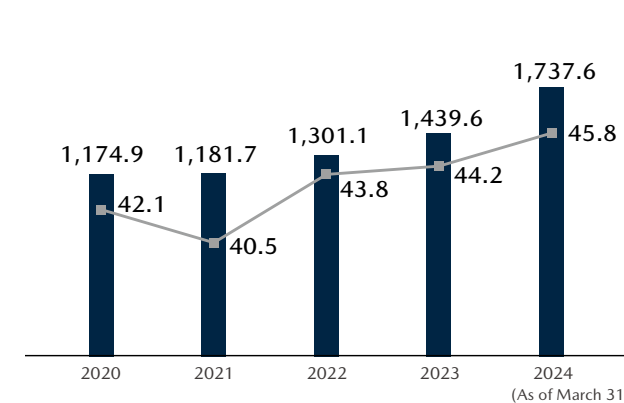
(Billions of yen / %)



■ Operating income
■ Operating income ratio

Equity / Equity Ratio

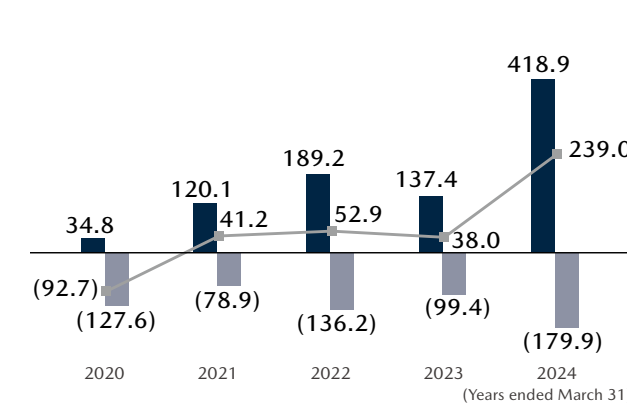
(Billions of yen / %)



■ Equity
■ Equity ratio

Cash Flows

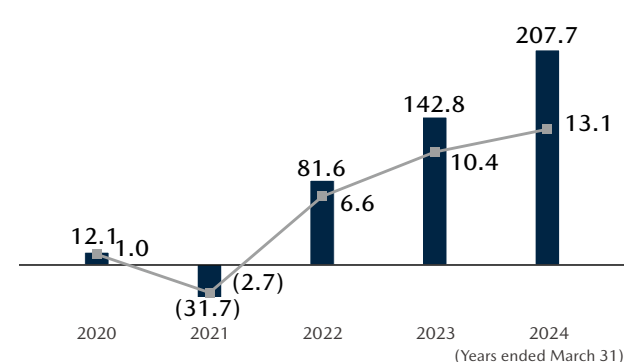
(Billions of yen)



■ Cash Flows from Operating Activities
■ Cash Flows from Investing Activities
■ Free Cash Flow

Net Income Attributable to Owners of the Parent / Return on Equity (ROE)

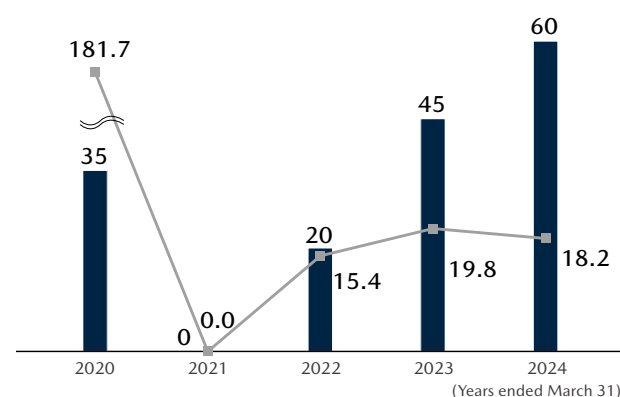
(Billions of yen / %)



■ Net income attributable to owners of the parent
■ Return on equity (ROE)

Full-Year Dividend / Payout Ratio

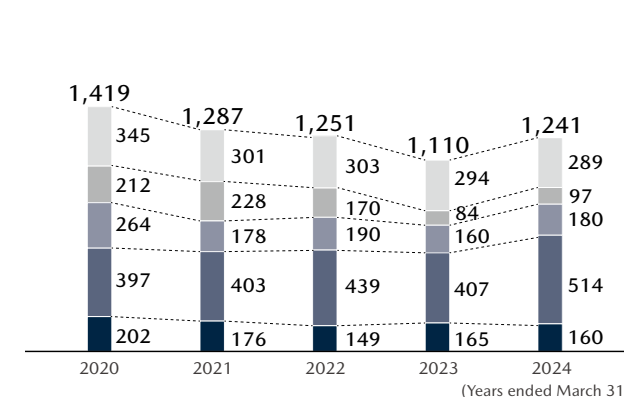
(Yen / %)



■ Full-Year dividend
■ Payout ratio
* The dividend of ¥60 per share for FY March 2024 includes a special dividend of ¥5.

Global Sales Volume

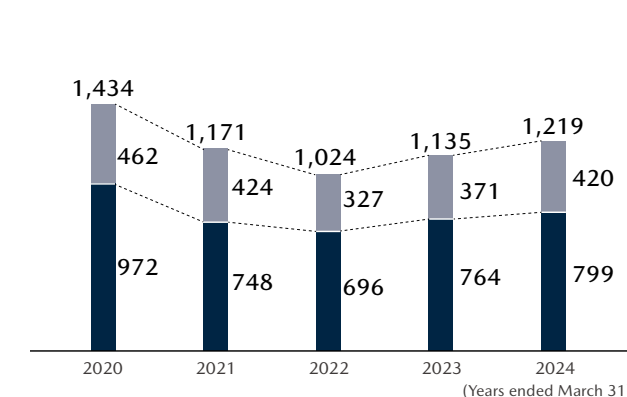
(Thousands of units)



■ Japan ■ North America
■ Europe ■ China ■ Other Markets

Global Production Volume

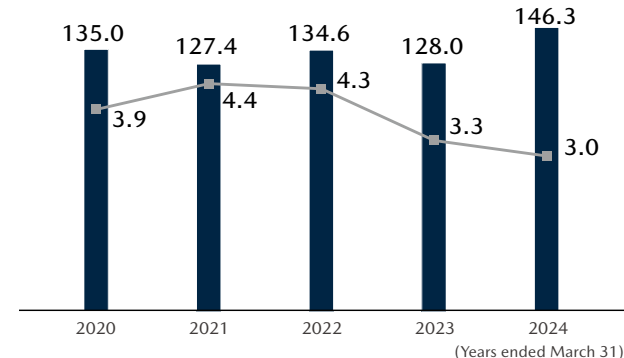
(Thousands of units)



■ Domestic ■ Overseas

Research and Development Costs / Ratio of R&D Costs to Net Sales

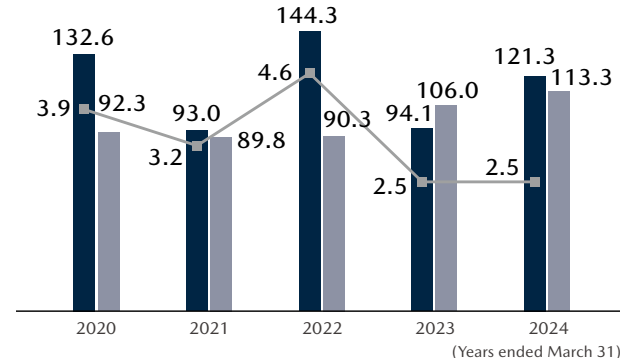
(Billions of yen / %)



■ Research and development costs
■ Ratio of R&D costs to net sales

Capital Expenditures / Depreciation and Amortization / Ratio of Capital Expenditures to Net Sales

(Billions of yen / %)

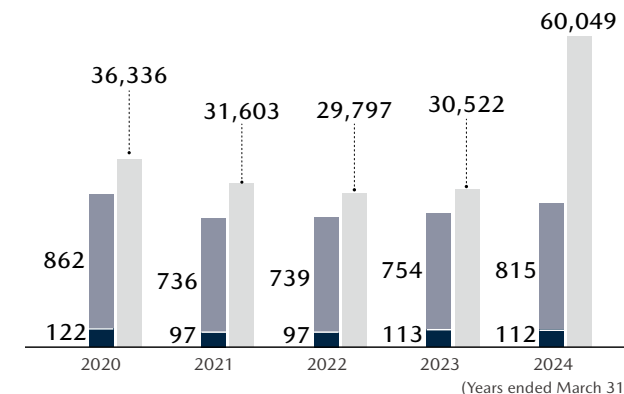


■ Capital expenditures
■ Depreciation and amortization
■ Ratio of capital expenditures to net sales

NON-FINANCIAL HIGHLIGHTS

Greenhouse gas (GHG) emissions*1

(1,000 t-CO₂e)



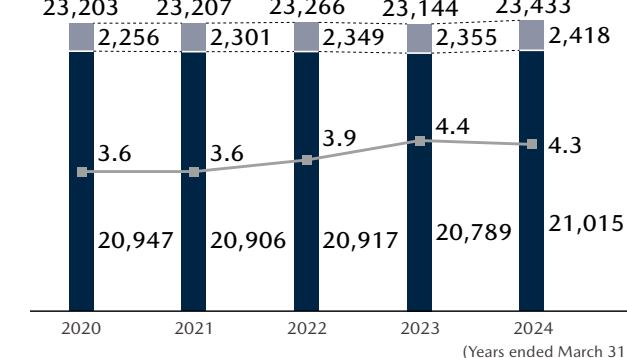
■ Scope 1 ■ Scope 2*2 ■ Scope 3

*1 P81

*2 Market-based

Number of employees / Percentage of female managers (Non-consolidated)

(Employees / %)



■ Male
■ Female
■ Percentage of female managers

02

GROWTH STRATEGIES

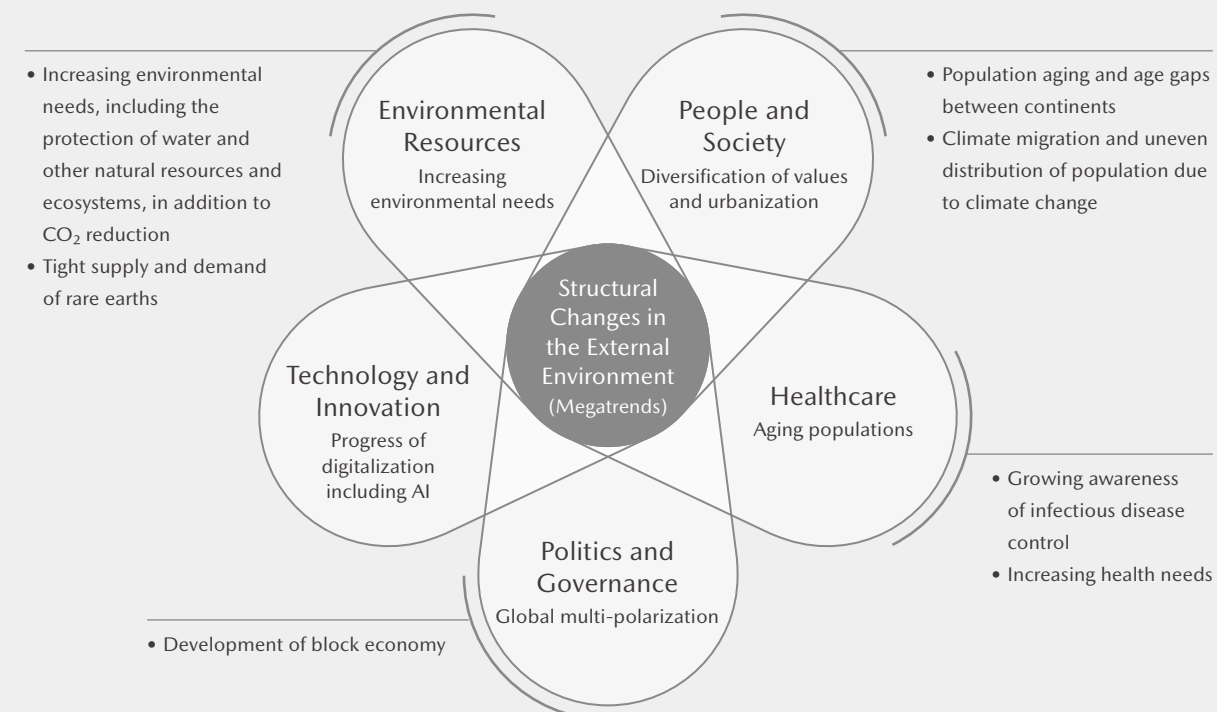
18	2030 Vision
19	Value Creation Process
21	Sustainability Promotion & Key Issues (Materiality)
23	Management Policy up to 2030
26	Review of Performance
29	CFO Message

2030 VISION

To be a car-loving company that creates moving experiences through the Joy of Driving

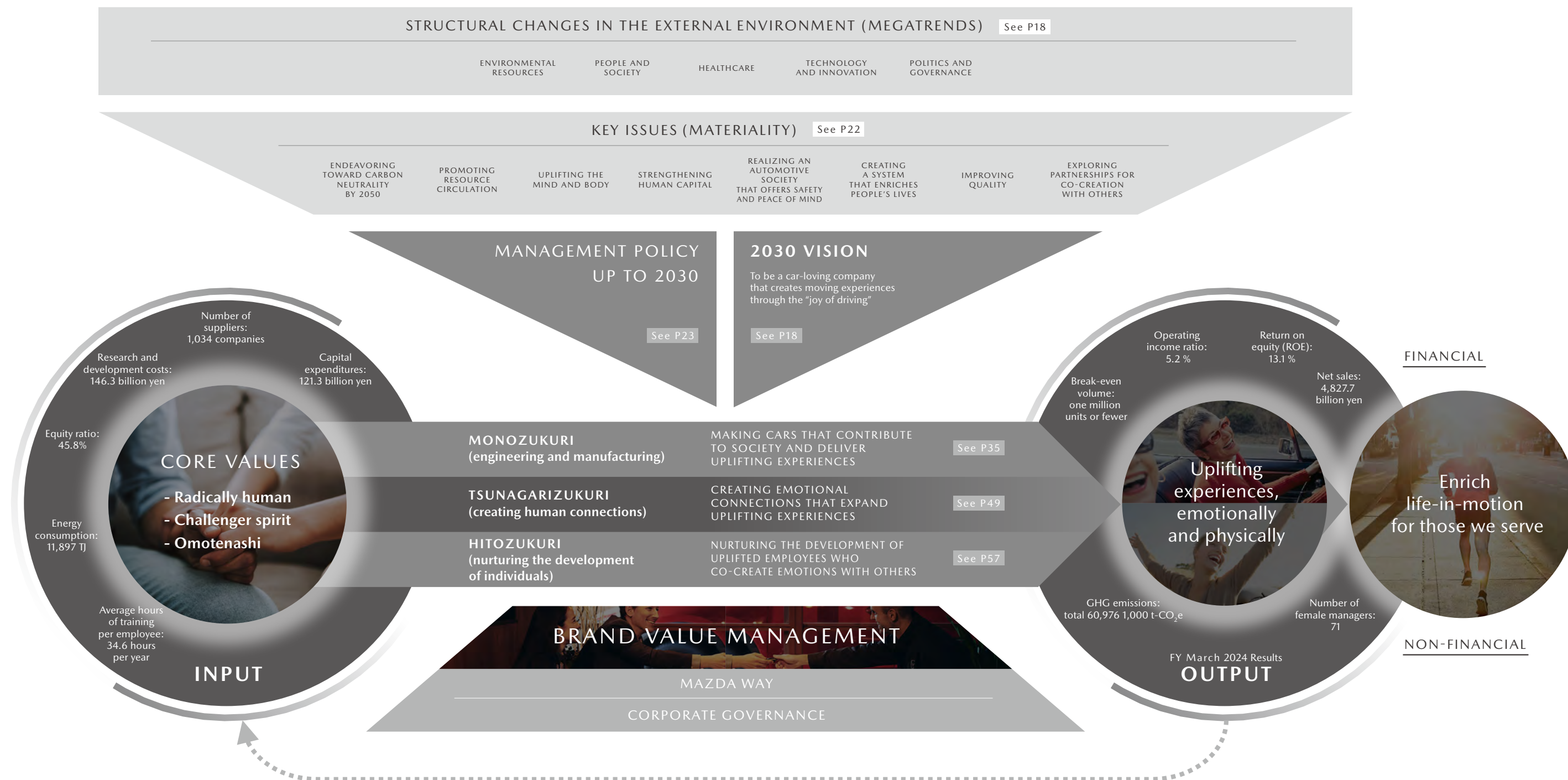
1. Contribute to a future sustainable Earth by providing multi-solution to mitigate climate change
2. Contribute to a society where everyone feels safe to move freely by providing technology that proactively enhances our well-being
3. Contribute to each person's Joy of Living by delivering moving and emotional experiences

Structural changes in the external environment (megatrends) and Mazda's insights



VALUE CREATION PROCESS

— PRACTICE OF BRAND VALUE MANAGEMENT —



SUSTAINABILITY PROMOTION & KEY ISSUES (MATERIALITY)

BASIC POLICY ON SUSTAINABILITY

While striving to sincerely meet the requests and expectations of all stakeholders under its corporate philosophy, Mazda aims for sustainable growth as a company through its global business activities. The Company is determined to contribute to the sustainable development of society through efforts to resolve various social issues by making the most of its strengths.

Basic Policy on Sustainability
<https://www.mazda.com/en/sustainability/about/>

Sustainability Promotion Organization

In FY March 2024, the CSR Management Strategy Committee was reorganized and renamed the Sustainability Committee as part of a Companywide reorganization and based on the understanding that a more effective organization was necessary given recently growing interest related to environmental, social, and governance (ESG) issues. Internal departments advance their operations based on goals and plans formulated with an understanding of the policies and guidelines determined by the Sustainability Committee, which is chaired by the executive officer in charge of sustainability, and in cooperation with other internal divisions, committees, and Group companies. In addition, the Board of Directors has been holding discussions on issues concerning sustainability since FY March 2016.

Sustainability Committee

The Sustainability Committee discusses directives for Mazda's sustainability initiatives from a short-, medium-, and long-term perspective based on global changes in the social climate.

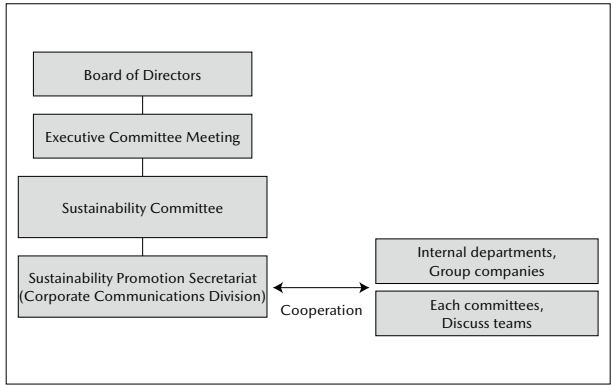
- Chairperson: Executive officer in charge of sustainability
- Meetings: Quarterly
- Members: Members of the Executive Committee Meeting

Note: Meeting frequencies and members vary based on the matters to be discussed.

The following two working groups have been established to discuss certain topics.

- Working Group for the Future: Discussion of directives for Groupwide, future-oriented sustainability initiatives
- Working Group for Issue Resolution: Discussion of responses to pressing sustainability issues

Sustainability Promotion Organization (As of July 31, 2024)



IDENTIFICATION AND REVIEW OF MATERIALITY THEMES

In July 2016, Mazda identified and disclosed its key issues (materiality). In subsequent years, which saw growing worldwide interest in ESG issues, the social environment surrounding the Mazda Group underwent some changes. Given these circumstances, in FY March 2018 the Company commenced a review of its materiality themes. This review was based on two particular perspectives. The first is that of stakeholders, which entailed looking at items such as the United Nations Sustainable Development Goals (SDGs) and surveys by international ESG ratings organizations. The second is that of importance to the Mazda Group in terms of its business initiatives to accomplish the goals of the Management Policy up to 2030. Based on these two perspectives, in 2021 Mazda identified the social issues that the Mazda Group should address through its business and clarified and disclosed the relationship between these issues and the SDGs and targets adopted by the United Nations. Then, given the update to the Medium-Term Management Plan and Management Policy up to 2030 announced in November 2022, Mazda once again reviewed its materiality themes.

Materiality Review and Identification Process

Step 1 | Selection of social issues

To select social issues from the stakeholders' perspective, Mazda analyzed and clarified what investors and the global society expect of the Company from the details of surveys conducted by global ESG rating organizations. As for the importance to the Mazda Group, specific issues described in the Management Policy up to 2030, "Sustainable Zoom-Zoom 2030," and the Company's securities report were analyzed so as to select the social issues.

Step 2 | Evaluation of impact and prioritization of social issues

Mazda identified potential priority issues to be tackled by evaluating the social issues selected in Step 1 according to two axes: Impact on stakeholders^{*1} and impact on the Mazda Group.^{*2} The Company also clarified the themes to be addressed from a long-term viewpoint by correlating these themes with the 169 targets of the SDGs.

Step 3 | Validation

To validate the priorities of themes identified in Step 2, discussions were held with management to reach a consensus regarding the priorities.

Step 4 | Disclosure of materiality themes

A specific action plan is currently being prepared to ensure steady implementation of the materiality themes identified in Steps 1–3 and follow up on the progress. The materiality themes that Mazda recently identified and an action plan that will be formulated henceforth will be disclosed to stakeholders. By periodically evaluating and revising the materiality themes and plan, Mazda will implement a plan–do–check–act (PDCA) process.

^{*1} Expectations for the Mazda Group and the automotive industry
^{*2} Risks and opportunities for the Mazda Group

INITIATIVES / GUIDELINES RELATED TO THE EIGHT THEMES OF MATERIALITY

Eight themes of materiality	Social issues (Relevant keywords)	Mazda's initiatives / targets / SASB code ^{*1}	SDGs goals
“Earth”	Endeavoring toward carbon neutrality by 2050 Climate change issues (Carbon neutrality)	Initiatives • Efforts to reduce CO ₂ emissions over a vehicle's entire life cycle from the perspective of “well-to-wheel” and Life Cycle Assessment (LCA) • Accumulation of technological assets in line with Mazda's Building Block concept and utilization of these assets in highly efficient manufacturing • Initiatives toward making Mazda factories globally carbon neutral by 2035 Targets • Achieve carbon neutrality across the entire supply chain by 2050 • Achieve 69% decrease in CO ₂ emissions at plants and operational sites in Japan by FY March 2031, in comparison to the level in FY March 2014, and a usage rate of electricity generated from non-fossil fuel sources of 75% SASB TR-AU-410a.3	3 7 9 11 12 13
		Promoting resource circulation Increase in demand for resources and rising amount of waste Water resources issues Circular economy Targets • Increase in the recyclability of new vehicles • Initiatives to promote the 3Rs (reduce, reuse, and recycle) at plants and global efforts for zero emissions and the expansion of resource recycling • Resource recycling for materials: Achieve zero emissions in manufacturing and logistics processes on a global basis by 2030 • Resource recycling for water: Implement an optimal approach to water resources recycling and circulation at model plants ^{*2} in Japan by 2030 SASB TR-AU-440b.1 SASB TR-AU-440b.2 SASB TR-AU-440b.3	6 9 12 13
“People”	Uplifting the mind and body	Changes in values regarding mental and social health Initiatives • Creation of moving experiences in driving and mobility through human-centered approach	3 9
	Strengthening human capital	Decline in the labor force Globalization of the market and diversification of customer needs Diversity, equity, and inclusion Initiatives • Respect for the diversity of employees and fostering of a corporate climate in which every employee can express their individuality while working alongside others to contribute to the Company and society • Work on a variety of programs to enable employees—a diverse range of people with different values and lifestyles—to enjoy their work by finding a healthy balance between their work and personal lives Targets • Number of female managers: 80 in FY March 2025, 100 in FY March 2026 • Ratio of applicable male employees taking child-rearing leave (including post-childbirth paternity leave): 60% in FY March 2025, 70% in FY March 2026 SASB TR-AU-310a.1 SASB TR-AU-310a.2	5 8
“Society”	Realizing an automotive society that offers safety and peace of mind	Fatal road traffic accidents Initiatives • Promotion of technology development based on Mazda Proactive Safety original safety concept Targets • Reduce deaths caused by new vehicles to zero through automotive technologies by 2040 SASB TR-AU-250a.1	3
	Creating a system that enriches people's lives	Declining population, falling birthrate and aging society, and concentration of population in urban centers Traffic jams and congestion in urban areas and expansion of rural areas where no public transportation is available (Mobility as a Service) Initiatives • Building of a model of social contribution that will enrich lives by offering safe, secure, and unrestricted mobility to people everywhere • Testing of a shared mobility service leveraging mobility technologies	9 11
Common to “Earth,” “People” and “Society”	Improving quality	Quality issues Initiatives • Promotion of consistent quality in all stages, from planning to production • Early detection and early resolution of market problems • Building of special bonds with customers SASB TR-AU-250a.2 SASB TR-AU-250a.3	9
	Exploring partnerships for co-creation with others	Once-in-a-century transformation (CASE) Initiatives • Inter-company collaboration: Joint development of technical specifications for next-generation vehicle communication devices • Industry–academia–government collaboration: Hiroshima “Your Green Fuel” Project	8 17

^{*1} For more details, please refer to the SASB Content Index: <https://www.mazda.com/en/sustainability/guidelines/>
^{*2} The model plant is a pilot plant where new measures are tested ahead of implementation at other facilities.

BASIC MANAGEMENT POLICIES

Based on the belief that its corporate mission is to conduct business in a manner that is responsible toward the earth and toward society, Mazda has established the following three basic management policies.

Basic Management Policy 1	Contribute to the curbing of global warming through Mazda's electrification strategies tailored to regional characteristics and environmental needs
Basic Management Policy 2	Conduct in-depth research on people and shed light on their relationship with vehicles with a view to realizing an automotive society that offers safety and peace of mind
Basic Management Policy 3	Maintain Mazda's brand value management, provide unique value, and continue to be a brand preferred by customers

As the automotive industry undergoes a massive transformation, more diverse products are introduced to the market due to the evolution of digital technology and the entry of new players in the automotive industry. As various functions and services come to be provided by connecting a variety of items via IoT technologies, the value that vehicles can offer to society is expected to continue to change and increase.

To respond to social changes such as these, Mazda will complement ongoing technology development activities with contributions to curbing global warming and to the realization of an automotive society that offers safety and peace of mind achieved by working with its many corporate co-creation partners to unite their knowledge and passion.

Moreover, Mazda wants to be able to create moving, exciting experiences in people's everyday movement and to offer happiness that can be shared with others. To this end, based on its approach toward brand value management, the Company will contribute to society by turning the joy of driving into a wider joy of living.

MANAGEMENT POLICY UP TO 2030

Phase 1 2022–2024	Phase 2 2025–2027	Phase 3 2028–2030
Acceleration of technology development for the age of electrification <ul style="list-style-type: none">U.S. plant, large product modelsRedoubling of cost reduction activities and reinforcement of supply chain resilience	Transition to electrification <ul style="list-style-type: none">Battery procurementEnhancement of battery technology developmentAdvanced launches of BEVs (latter half of Phase 2)	Full-scale launch of BEVs <ul style="list-style-type: none">Shift toward electrified vehiclesInvestment in battery production

Four Key Initiatives for Shaping the Future

Based on the principles of co-creation and coexistence, Mazda values co-creation with partners when promoting collaboration projects with them. At the same time, the Company will build a framework for developing new technologies and resolving issues and further refine its own strengths. To do so, it is implementing initiatives in the following four areas.

1

Carbon Neutrality

2

Electrification

3

Value Creation through Co-Creation between People and IT

4

Cost Reduction and Supply Chain Enhancement

1 CARBON NEUTRALITY

Social Issues

A report published by the Intergovernmental Panel on Climate Change (IPCC) points to a need to limit the average rise in the global temperate to below 1.5°C above preindustrial levels by around 2050 in order to prevent serious impacts on nature and on our activities.

Policies for Addressing Social Issues

Mazda has announced that it will endeavor to achieve carbon neutrality across its entire supply chain by 2050. To accomplish this goal, the Company recognizes the importance of achieving reductions to CO₂ emissions across the entire vehicle life cycle. The Company believes that it is necessary to adopt a multi-solution approach toward this undertaking, in which it offers the most ideal option to match the needs of the energy sources, generation methods, and customers found in specific markets. These efforts are informed by a “well-to-wheel” perspective and an LCA perspective.

Major Initiatives

- Declaration of goal of achieving carbon neutrality across entire supply chain by 2050
- Achievement of carbon neutrality at Mazda factories worldwide by 2035
Mazda is advancing initiatives to accomplish these goals based on the following pillars with the cooperation of local governments and other industries. Initiatives implemented in Japan are used as models for finding the best possible approach for initiatives at overseas factories.
 - Energy conservation
 - Shifting to renewable energies
 - Introducing carbon neutral fuels
- Reduction of CO₂ emissions from factories and operating sites in Japan,* which account for approximately 75% of our global total CO₂ emissions, by 69% from the level seen in FY March 2014 by FY March 2031, as a medium-term target and a step on the road map toward carbon neutrality

* Total of 17 factories and operating sites in Japan, including Mazda's Head Office and Hiroshima Plant (Aki-gun and Hiroshima-shi, Hiroshima Prefecture), Hofu Plant (Hofu-shi, Yamaguchi Prefecture), and Miyoshi Plant (Miyoshi-shi, Hiroshima Prefecture)

2 ELECTRIFICATION

Social Issues

Mazda sees its multi-solution approach as an effective one for the period of transition to EVs leading up to around 2030. Under this approach, Mazda will offer a variety of solutions, including internal combustion engines, electrification technologies, and alternative fuels, so that it can provide appropriate combinations that suit the energy sources and generation methods of specific regions.

Policies for Addressing Social Issues

Mazda estimates that the BEV ratio of global sales in 2030 will be between 25% and 40% given the trends in electrification policies and regulatory tightening seen in the relevant countries and regions. Mazda must be flexible and adapt to the coming changes, such as changes in regulations, consumer needs and acceptance levels, and infrastructure development. To this end, the Company will steadily work on the transition to electrification in three phases, proceeding with electrification step by step with the cooperation of its partner companies.

Phase 1 2022–2024	Phase 2 2025–2027	Phase 3 2028–2030
Acceleration of technology development for the age of electrification	Transition to electrification	Full-scale launch of BEVs

Major Initiatives

- Phase 1

Acceleration of technology development for the age of electrification
- Full utilization of existing multi-electrification technology assets
 - Launch of large products and offering of PHEVs and diesel mild hybrid electric vehicles (MHEVs) that achieve both

- environmental and driving performance to boost earning power while also developing technologies for BEVs in a full-fledged manner
- Phase 2

Transition to electrification
- Introduction of new hybrid systems in pursuit of reduced CO₂ emissions via improved fuel economy
 - Commencement of global launch of BEVs
 - Creation of competitive electric drive units for next-generation vehicles through collaboration in core electric drive unit field
 - Establishment of joint venture company with partners in the Chugoku region to create development, production, and supply systems for high-efficiency production technologies
 - Joint development contracts and joint venture company establishments for developing inverters used as core components of electric drive units
 - Formulation of joint development contracts and joint venture companies related to studying and cultivating motor technologies
 - Procurement of batteries from partner companies while moving forward with internal R&D project for developing advanced battery technologies selected as a New Energy and Industrial Technology Development Organization (NEDO) Green Innovation Fund Project
- Phase 3

Full-scale launch of BEVs
- Full-scale launch of BEVs
 - Investment in battery production based on the extent of changes in the operating environment and progress in strengthening financial foundation with an eye to shifting toward a full-fledged electrification approach

3 VALUE CREATION THROUGH CO-CREATION BETWEEN PEOPLE AND IT

Social Issues
Birthrate decline and population aging are making it increasingly difficult to secure human resources, and this situation requires dedicated attention. In this environment, companies will be unable to survive if they do not adapt by utilizing digital technologies, which have a significant impact on corporate competitiveness.

Policies for Addressing Social Issues
The source of Mazda's ability to create value is its people. It is therefore crucial for Mazda to provide an environment in which employees feel compelled to tackle new challenges in order to maximize their skills and achieve our goal of doubled productivity.
The Company is approaching this undertaking by inspiring the leaders of divisions not directly connected with production to realize the role they play in such efforts and to diligently advance organizational culture and process reforms.

Blueprint initiatives for reforming organizational culture

Digital transformation for reforming processes

Major Initiatives

- Promotion of digital transformation to refine processes in all divisions and achieve dramatic improvements in process productivity through standardization and generative AI utilization

P63

4 COST REDUCTION AND SUPPLY CHAIN ENHANCEMENT

Social Issues
The scope of cost reduction must be expanded beyond conventional efforts to reduce product costs and manufacturing costs. Mazda believes that it is important to expand the scope of its activities and adopt an overarching perspective encompassing the entirety of its supply chains and value chains to thoroughly eliminate waste, irregularities, and overburdens to optimize overall costs.

Policies for Addressing Social Issues
Supply Chains
Mazda endeavors to implement improvements in each process, spanning from material procurement to product delivery to customers, and is also working to achieve overall process optimization by making the flow of goods as smooth as possible at the highest speed.
Value Chains
Mazda will redevelop processes so as to minimize fixed costs across the value chain and provide customers with the value they expect. This undertaking will involve efforts such as the optimization of product specifications and reduction of the number of different components at the planning stage and in pursuit of vehicle structures that are easier to recycle and require less in the way of after-service costs.

Keeping fixed costs down to provide customers with the value they expect

Streamlined component types

Minimal-service-cost structure

Easy-to-recycle structure

Major Initiatives
Supply Chains
Mazda seeks to minimize the impact of operating environment changes, such as geopolitical incidents and earthquakes and other large-scale disasters. The following initiatives are being taken to this end.
• Transformation of procurement system by reducing tiers in procurement of materials and parts and utilizing production locations for various parts that are closer to its production facilities
• Expanded use of more highly versatile materials and semiconductors
Value Chains
Mazda is combining its strengths with those of its suppliers to pursue maximum value for the customer through the following initiatives for building a more resilient value chain.
• Development of structure in which Mazda and suppliers can limit investment in development and equipment and improve equipment operation rates
• Limiting of administration, inventory, logistical costs, and other expenses related to customer services provided for marketed items
• Co-creative activities with parts and materials suppliers advanced based on a long-term perspective as part of normal operations

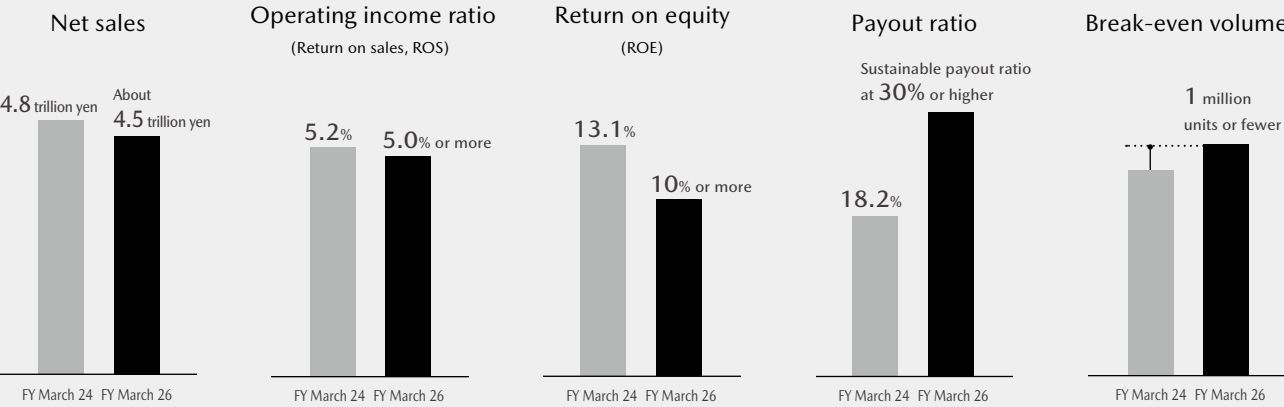
Efforts to minimize the impact of changes to the external environment

BEFORE

AFTER

FINANCIAL TARGETS

Financial Targets for FY March 2026 and FY March 2024 Results



REVIEW OF PERFORMANCE BY REGION

GLOBAL PERFORMANCE AND FORECASTS

Global Sales Volume (Thousands of units)	FY March 2023	FY March 2024	Change from Previous Fiscal Year	FY March 2025	Change from Previous Fiscal Year
Japan	165	160	-3%	180	+13%
North America	407	514	+26%	600	+17%
Europe	160	180	+13%	183	+2%
China	84	97	+15%	98	+1%
Other Markets	294	289	-2%	339	+17%
Total	1,110	1,241	+12%	1,400	+13%

Overview of performance in FY March 2024:
Year-on-year increase of 131,000 units, / 12%, in sales volume to 1,241,000
• Year-on-year sales volume growth of more than 25% in North American market, resulting in this market accounting for three-fourths of global sales volume growth
• Strong sales of CX-90 introduced in FY March 2023 as well as of CX-30 and CX-50 in U.S. market, leading to record-breaking full-year sales volume; new record for sales volume also set in Mexican market
• Benefits felt from measures to increase sales in China including revision to prices and equipment for Mazda3 and CX-5; year-on-year increases of 15% in sales volumes in China on a full-year basis and 46% in the second half of the fiscal year

Forecast for FY March 2025:
Year-on-year increase of 159,000 units, / 13%, in sales volume to 1,400,000
• Introduction of large products and hybrid electric vehicle (HEV) models centered on North American market and enhancement of sales network to boost sales
• Growth of sales in Japanese and other markets through launch of large products
• Sales on par with previous fiscal year to be targeted in Chinese and European markets by accommodating electrification trend
• Launch of new Mazda EZ-6 featuring BEV and PHEV power units scheduled for late 2024 in Chinese market, where EV sales are growing most rapidly
• Response to hybrid vehicle needs of European market through launch of CX-80 equipped with PHEV power unit in 2024

GROWTH IN THE U.S.

Overview of Performance in FY March 2024

- Growth in overall demand of 12% year on year
- Record-breaking sales volume for Mazda achieved due to growth of 25% year on year
- Higher CX-50 production volume due to two-shift work approach at the Alabama Plant, leading to 63% year-on-year increase in CX-50 sales volume to 51,000 units
- Full-year sales of CX-90 of 41,000 units, growth in CX-90 sales achieved in the second half of the fiscal year due to advertisements and other awareness-raising efforts



CX-90



CX-50

Forecast for FY March 2025

- Total North American sales volume surpassing 600,000 units for first time due to growth in sales of large products and CX-50 as well as launch of CX-70



CX-70

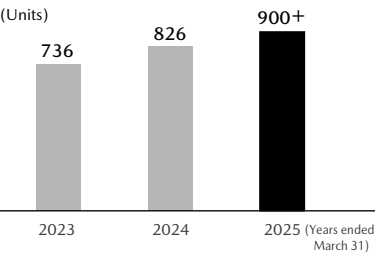
Transition to New-Generation Showrooms completed at more than 300 locations as of March 31, 2024

- Transition to New-Generation Showrooms completed at more than 300 locations in the United States as of March 31, 2024; plans to complete transition at more than 70 additional locations to make for a total of over 370 locations, or approx. 70% of the sales network, into such New-Generation Showrooms
- Approx. 90% of new vehicle sales in the United States attributable to New-Generation Showrooms, which are expected to achieve average annual per location sales of more than 900 units



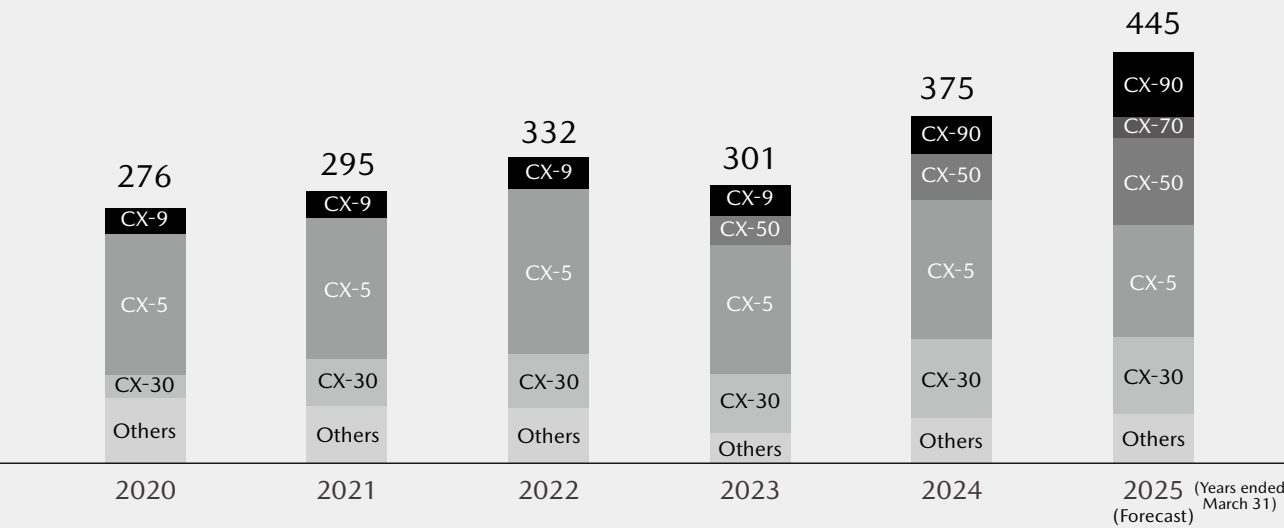
New-Generation Showroom

Average Throughput (Number of Units Sold per Location) at New-Generation Showrooms in the United States



Sales Volume in the United States

(Thousands of units)



PERFORMANCE BY REGION

Overview of Performance in FY March 2024

Japan

- Growth of 3% year on year in overall demand (total of registered vehicles and micro-minis)
- Decrease of 3% year on year in Mazda's sales volume (total of registered vehicles and micro-minis)
- Lower full-year sales volume due to intensified competition for SUVs and other models, but upgraded Roadster sales surpassing sales targets

Europe

- Growth of 9% year on year in overall demand
- Increase of 13% year on year in Mazda's sales volume
- Contribution to sales volume growth by CX-30, CX-60, and other models
- Full-year CX-60 sales of 27,000 units, up 7,000 units year on year; continuation of strong sales for PHEVs; contributions to sales volume from full-year sales of the diesel engine models

Other Markets

China

- Growth of 17% year on year in overall demand, increase of 15% year on year in Mazda's sales volume
- Contributions to sales volume growth from Mazda3 and CX-5 and newly launched CX-50

Australia

- Growth of 15% year on year in overall demand, increase of 8% year on year in Mazda's sales volume
- Contributions to sales volume growth from models including CX-3, CX-30, and BT-50 as well as newly launched CX-60

ASEAN

- Decrease of 7% year on year in Mazda's sales volume
- Sales in Vietnam unchanged year on year, growth of 20% year on year in sales in Malaysia

TOP-LINE GROWTH SUPPORTED BY LARGE PRODUCTS

- Target of 100% year-on-year increase in global sales volume for four large products, to 200,000 units, following completion of lineup with introduction of CX-80 into Japanese, European, and other markets in late 2024
- Transition to growth path to be undertaken in conjunction with expansion of large product lineup in FY March 2025 and beyond



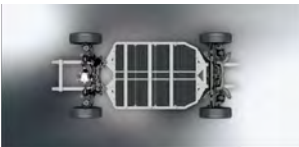
CX-80

PROGRESS OF ELECTRIFICATION STRATEGIES

Establishment of Electrification Business Division (casually referred to as "e-Mazda") in November 2023

P37

- Acceleration of shift of resources to electrification businesses
- Preparation for 2027 launch of a BEV model based on Mazda's first BEV dedicated platform



Dedicated BEV platform

Products Leveraging Multi-Electrification Technologies



Multi-solution

- HEV and PHEV large product models and new addition of CX-50 model equipped with Toyota-developed hybrid power system scheduled for launch in second half of 2024
- Next-generation CX-5 currently under development and planned to be equipped with a Mazda-developed hybrid power system combining a Skyactiv engine featuring improved exhaust and heat efficiency with electrification technologies

Realistic Approach of Introducing BEVs in Response to Market Needs

- Plans for introduction into Chinese market, where electrification trend is advancing most rapidly, of four new energy vehicles (BEVs and PHEVs) utilizing partners' technologies starting with the Mazda EZ-6 to be launched in 2024 (as announced at Beijing International Automotive Exhibition 2024 in April)



Mazda EZ-6 unveiled at Beijing International Automotive Exhibition 2024

CFO MESSAGE



Jeffrey H. Guyton
Representative Director,
Senior Managing Executive
Officer and CFO

DIRECTION OF MANAGEMENT POLICY UP TO 2030 AND MY COMMITMENT

Mazda declared our passion to be a car-loving company that creates moving experiences through the “joy of driving” in our 2030 Vision. We seek to deepen our connections with all stakeholders, including customers, business partners, and shareholders, achieving sustainable growth through exciting products, high-quality manufacturing, and thoughtful solutions for carbon neutrality (CN) and electrification.

To this end, we have outlined three phases of electrification initiatives in the Management Policy up to 2030.

In Phase 1, up to 2024, we aimed to grow our business by leveraging existing assets as we prepared for electrification. From a financial perspective, we strengthened our earnings base by

shifting our product lineup to more profitable SUVs and large products, developing our sales networks (especially in the U.S., our largest market), and starting full-scale operations at our Alabama plant in the U.S. At the same time, we invested resources in technological development in the areas of EV development and production.

Phase 2, from 2025 to 2027, is positioned as a transition period to electrification, and we will work to ensure an efficient transition through mutual complementation with our business partners. We plan to procure batteries from AESC Japan in addition to existing partner companies, and we have signed an agreement with Panasonic Energy Co., Ltd. to build a

partnership for the supply of lithium-ion batteries. Further, for tackling the challenges of CASE, we are advancing development with numerous companies including Toyota Motor Corporation.

In Phase 3, which will end in 2030, we will move forward with the full-scale launch of BEVs and shift our focus to electrified products including PHEVs. We will also consider investing in battery production, while closely monitoring the direction of market conditions, regulations, and policies.

Having set this plan in motion, Mazda recognizes that the transition to electrification is still in its infancy, with many variables, including national policies, customer demand, and rapid advances in technology. In this environment, Mazda places great importance on managing risk, and we are taking a multi-solution approach to reducing carbon emissions, providing exciting products that utilize internal combustion engines (ICE), electrification technologies, alternative fuels and others in accordance with the different power supply conditions in each region.

My role as CFO is to be the lead in working to meet the expectations of everyone who invests in our vision, to provide

customers with attractive products and experiences that are unique to Mazda, and, thus, to strengthen our profit structure and create a virtuous cycle that allows us to make necessary future investments efficiently. To achieve this, we believe it is imperative to shift from a product-driven business model to one that is driven by market dynamics and customer experience.

To that end, we have implemented a program called “Blueprint”. Based on American poet Maya Angelou’s concept that people will always remember how you make them feel, we aim to create a corporate culture nurturing everyone’s capabilities, making customers feel trust in our brand, appreciated for their purchase, and inspired by Mazda’s spirit. At the same time, we are implementing strategies to improve our corporate value over the medium to long term, recognizing our cost of capital and allocating resources with an emphasis on efficiency.

With this approach, we aim to provide shareholder returns that satisfy our investors and give the Company a solid financial foundation.

PROGRESS OF MANAGEMENT POLICY UP TO 2030

In the fiscal year ending March 2024, although there were restrictions on logistics including a shortage of ships, and longer transport times due to changes in shipping routes, sales were driven by the newly launched large products such as the CX-90 and the CX-50 manufactured at the Alabama plant in the U.S., and global sales increased 12% year over year to 1,241,000 units. Sales in the North American region, including the U.S., Mexico, and Canada, were particularly strong, exceeding 500,000 units for the first time.

Further, operating income for the fiscal year ending March 2024 increased 76% year over year to a record high of 250.5 billion yen, thanks to an improvement in the country mix due to the growth of high-profit markets such as the U.S., price increases and the improvement in unit prices due to the introduction of large products, and foreign exchange rates. Although an increase in quality-related expenses and advertising and research and development for new products partially offset the profit, we were able to see clear results of our efforts to strengthen our profitability in preparation for our future investment in electrification. The Return on Sales (ROS) increased by 1.5 points year over year to 5.2%, and the Return on Equity (ROE) increased by 2.7 points year over year to 13.1%.

The fiscal year ending March 31, 2025 is the final year of Phase 1 of the Management Policy up to 2030, and we have positioned it as a year for top-line growth.

We expect the North American region to remain the largest growth driver, with sales there expected to reach 600,000 units this fiscal year.

In particular, in the U.S. which we position as our key market, the number of new-generation dealerships that offer customer experiences on a par with those of premium brands has been increasing since dealership network reforms began in 2016. This fiscal year, more than 370 dealerships, or approx. 70% of all stores, will be new-generation dealerships. These stores are expected to deliver 9 out of 10 new cars sold in the U.S. We aim to achieve further business growth together with all the dealers who support Mazda’s business in the U.S.

In terms of products, the CX-70 and CX-80 will be added to the large product lineup around the world this fiscal year, bringing the full lineup of large products to four models. These models are not only contributing to sales volume, but also to strengthening our profit structure, and are expected to contribute greatly to securing funds to carry out necessary growth investment.

INITIATIVES TO ENHANCE CORPORATE VALUE

Status of profitability, financial position and cash flow generation

Our ROS and ROE have progressed steadily over the past five years, except during the COVID-19 pandemic. In addition, thanks to the introduction of the aforementioned large products and strong sales in the North American region, ROS for the fiscal year ending March 2024 was 5.2% and ROE was 13.1%. The equity ratio was 45.8%. Net cash was 351.5 billion yen, and FCF grew to 239.0 billion yen, up 201 billion yen from the previous fiscal year. Our profitability, financial position and cash flow generation capacity are steadily improving.

Our understanding of our stock price and initiatives to improve profitability and capital efficiency

Our Price Book-value Ratio (PBR), the relationship between our market capitalization and our net assets, has remained below 1.0 since the fiscal year ended March 2017. PBR is the product of Return on Equity (ROE) and Price-to-Earnings-Ratio (PER). Mazda's ROE has remained above the cost of shareholders' equity over the past ten years, except during the COVID-19 pandemic. On the other hand, the gap between Mazda's PER and that of the Tokyo Stock Exchange (TSE) Prime average is widening. We believe that this is due to factors including declining expectations for future growth amid changes in the industry environment.

From the perspective of prioritizing capital efficiency, we will continue to aim for ROE to stay above the cost of shareholders' equity. We will focus on growing profit and sales volume to build a solid profit structure, consolidating and utilizing existing assets and building assets that generate profit, and maintaining the optimal capital structure.

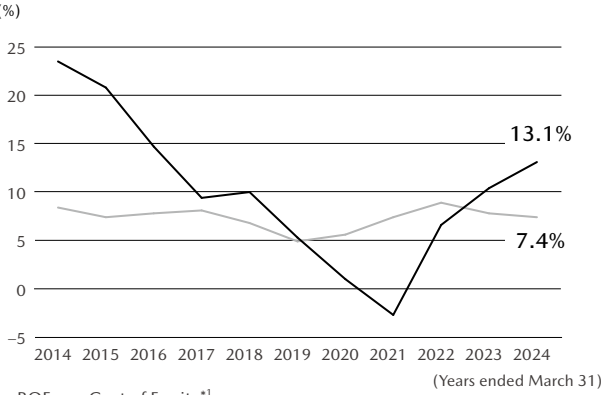
Mazda is proud of being a truly global company, selling cars in more than 130 countries and regions. While this has contributed to having Mazda fans all over the world, it has also created a large amount of complexity, a large asset base, and dis-economy of scale. This is particularly challenging for a company of our modest size. As we prepare for the investments required to transition to an electrified future, we are working hard to allocate resources to our most profitable regions and models, realizing both business growth and complexity reduction at the same time.

Further, we will build trust in our management by steadily accumulating a track record of initiatives to improve ROE, and will increase confidence in future growth by communicating our growth story including transition scenario and milestones for electrification, carbon neutrality, and strengthening human capital.

(Reference) Major Financial Data

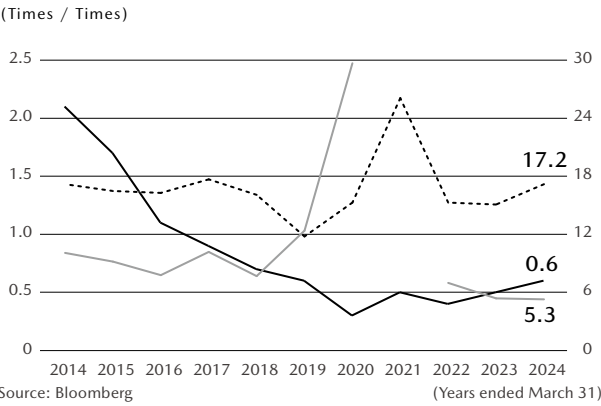
	2020/3	2021/3	2022/3	2023/3	2024/3
ROS (%)	1.3	0.3	3.3	3.7	5.2
ROE (%)	1.0	(2.7)	6.6	10.4	13.1
Equity ratio (%)	42.1	40.5	43.8	44.2	45.8
Net cash (Billions of yen)	(51.9)	(17.1)	59.6	101.6	351.5
FCF (Billions of yen)	(92.7)	41.2	52.9	38.0	239.0

ROE and Cost of Equity



— ROE — Cost of Equity*1
*1 Our estimate based on Capital Asset Price Model (CAPM)

PBR and PER



— PBR (left) — PER (right) -- PER TSE Prime Market avg.*2 (right)
(PER is not available for FY March 2021 due to net loss in the period)
*2 The average of the First Section of the Tokyo Stock Exchange before March 2022

Capital allocation

At Mazda, we aim to enhance corporate value by making investments necessary for future growth while considering an optimal capital structure and realizing stable dividends. We plan to fund future investments mainly by cash generated by operations – through improved profitability and lean working capital.

As for shareholder returns, we aim to achieve stable and growing dividends, targeting ultimately a 30% payout ratio of net income, considering also the investments needed to fund future growth as well as the cash on hand needed for financial soundness. Once this is achieved, a share buyback could be considered to provide further returns to shareholders.

We anticipate between 25%-40% of global customers will choose an electric vehicle in 2030, and in order to support that demand we plan to invest approximately 1.5 trillion yen in electrification, together with our major business partners, by the end of this decade. As significant as this trend is, in 2030 this means still more than half of our customers will prefer a vehicle with combustion power. Therefore we will continue to invest in maintaining and renewing our business foundations, including our profitable ICE business to stay competitive and continue to improve productivity. Our plan calls for us to maintain an equity ratio of 50%*3 and net cash position, and take external

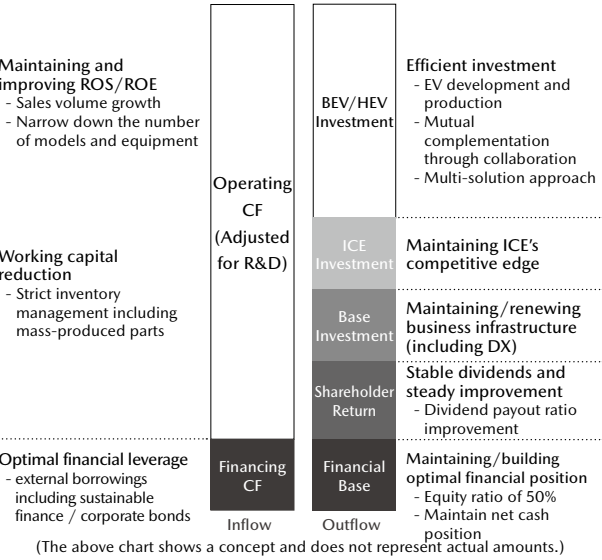
Strengthening corporate governance

Governance is the foundation of corporate value. Mazda tackles this subject on many levels, but as one example this fiscal year, we introduced a performance-linked restricted stock compensation plan with components including ROE, employee engagement, customer orientation, and greenhouse gas emissions,

borrowings, including sustainable finance and corporate bonds, only as needed.

*3 Based on the current accounting standards

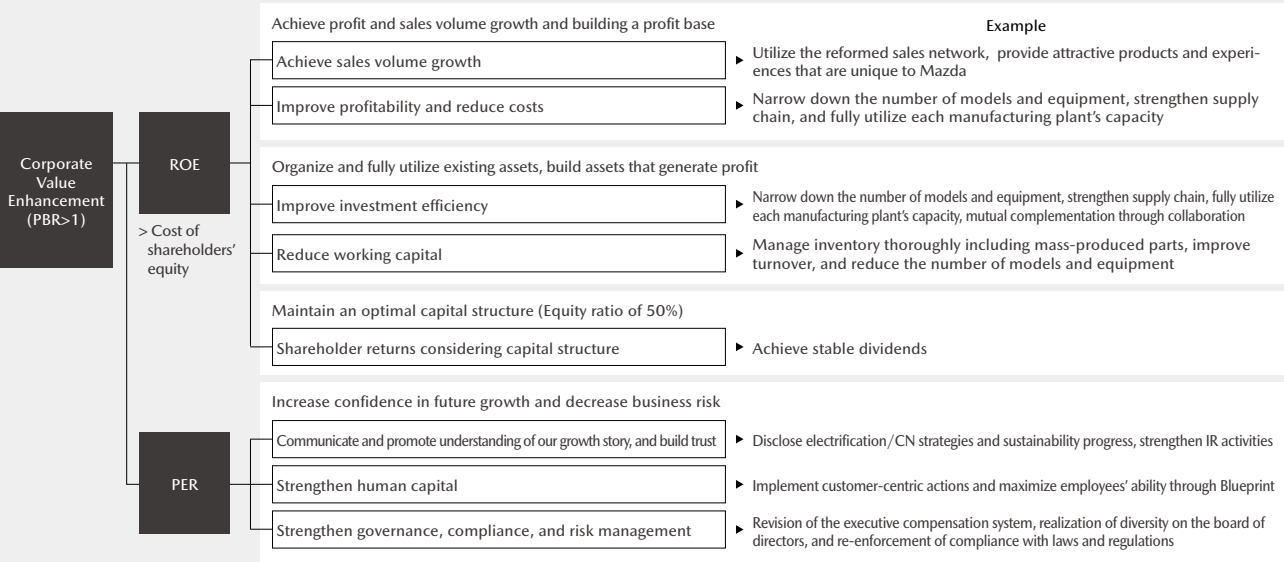
Capital Allocation Concept



with the aim of better aligning the interests of directors and shareholders over the medium to long term.

In addition to these efforts, we will continue to aim to enhance our corporate value over the medium to long term by fostering a corporate culture of inclusion, trust, integrity and transparency.

Initiatives to enhance corporate value



03

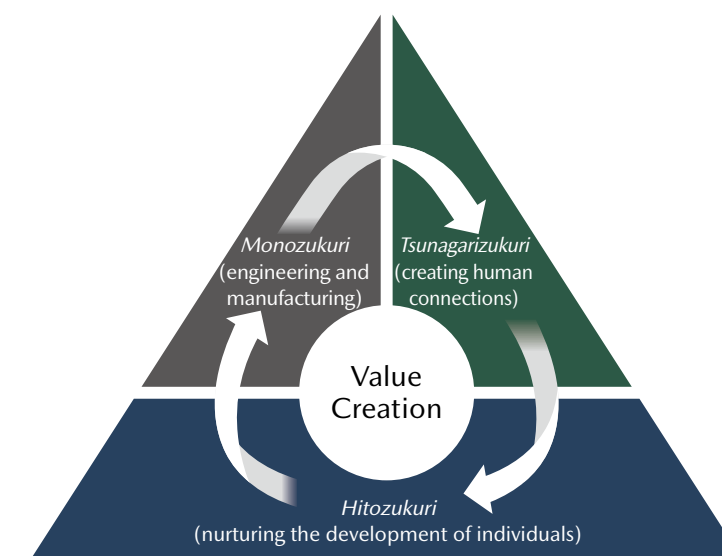
VALUE CREATION INITIATIVES

34	Three Major Initiatives to Create Value	49	<i>Tsunagarizukuri</i> (creating human connections)
35	<i>Monozukuri</i> (engineering and manufacturing)	50	Creation of Connections with Various Stakeholders
37	Special Feature: Creation of New Customer-Oriented Value Establishment of Electrification Business Division (e-Mazda)	51	Special Feature: TOPIC 1 Connections Supporting Business Growth
39	Pursuit of Zero Environmental Impact	51	Building Connections with Customers and Dealers in the U.S. (MNAO)
39	Carbon Neutrality and Electrification Initiatives	53	Connections Formed with Customers at Domestic Dealerships
42	Resource Circulation	55	Special Feature: TOPIC 2 Connections with a Wide Range of Customers
43	Response to TCFD	55	Establishment of the Brand Experience Promotion Division
45	Human-Centric Research and the Joy of Driving	57	<i>Hitozukuri</i> (nurturing the development of individuals)
46	Realization of an Automotive Society that Offers Safety and Peace of Mind	59	Special Feature: Organizational Culture Reforms for Fulfilling Purpose: Blueprint
46	Goal of Achieving Zero Deaths from New Vehicles	61	Active Contributions by Employees
48	Improvement of Quality Underpinning Peace of Mind	65	Respect for Human Rights

THREE MAJOR INITIATIVES TO CREATE VALUE

PURPOSE

Enrich life-in-motion for those we serve



VALUE CREATION WORKSHOPS

Mazda believes that to promote value creation befitting the Company, it is necessary to foster integrated thinking that cuts across internal organizations. As such, in conjunction with the timing of publication of its integrated reports, it holds value creation workshops for members from different business areas.

In 2022, Mazda decided to explore the types of value it can provide. To do so, the Company brought together 11 directors and division general managers and 11 middle managers from their departments for a series of off-site workshops separate from their normal duties, for a total of 11 discussions over a six-month period. Through these workshops, Mazda formulated and announced its value creation process and also promoted discussions between different business areas, which in turn cultivated integrated thinking.

In 2023, the teams of the 2022 workshops were reorganized, and this time members formed three teams, each focused on initiatives in areas that are fundamental to value creation: *Monozukuri* (engineering and manufacturing), *Tsunagarizukuri* (creating human connections), and *Hitozukuri* (nurturing the development of individuals).

Each of the teams discussed:

1. How to refine the value creation process
2. What can be done to exercise Mazda's corporate philosophy and 2030 Vision

The findings of these discussions were compiled in the three subjects below.

- Passion and ideals for each business area
- Strengths that have been fostered
- Future issues and initiatives

As a new initiative, two outside directors—Kiyoshi Sato and Michiko Ogawa—have joined the teams, which has led to exchanges of ideas about each team's examinations that incorporate their outside perspectives.

In 2024, the leader of each team issued a message that explained progress over the past year as well as noteworthy developments seen this year.

By continuing these efforts, Mazda hopes to ensure that integrated thinking takes root and that the Company fosters a sense of being a united team. The Company believes that doing so will lead to steady increases in the value that Mazda can offer.



Mazda is creating unique value through *Monozukuri* (engineering and manufacturing) initiatives centered on the reduction of its environmental impact to zero (pursuit of carbon neutrality, promotion of electrification, resource circulation, and disclosure based on the recommendations of the Task Force on Climate-related Financial Disclosures [TCFD]), human-centric research, the joy of driving, and the provision of safety and peace of mind (safety and quality).

PASSION: THE JOY OF DRIVING

No matter how the times or people’s lives and values change, Mazda believes that emotion in motion is a constant. As the Company seeks to contribute to a more sustainable mobility society by working toward carbon neutrality and to realize an automotive society that offers safety and peace of mind, Mazda will strive to continue to deliver the joy of driving in a manner that is matched to the times.

In its *Monozukuri* initiatives, the Company will place emphasis on people, examine their desires and emotions, and create vehicles that link emotion in motion and uplifting experiences.

Special Feature / TOPIC	P37	Creation of New Customer-Oriented Value
		Establishment of Electrification Business Division (e-Mazda)
	P41	Research on Microalga-Derived Biofuel and Carbon Capture Technologies
	P41	Cutting-Edge Battery Technology Research and Development

FOSTERED STRENGTHS

Human-Centric Research for Better Understanding Emotions

Mazda emphasizes human-centric research to the same degree as it emphasizes technology development with the aim of connecting human characteristics with technologies to better provide the joy of driving to everyone. The Company’s designs also incorporate elements that express that joy of driving.

Building Block Concept for Layering Moving Technologies

Mazda has created and steadily evolved the Building Block concept for layering technologies over the long term to allow it to deliver both the joy of driving and outstanding environmental and safety performance.

Culture of Co-Creating Moving Products

Mazda has forged ahead with cross-departmental co-creation activities that leverage its strengths to achieve high-efficiency engineering and manufacturing. Not limiting these efforts to systems and processes, the Company is developing a streamlined, cross-departmental system by cultivating a culture of development and production utilizing co-creation from the initial concept stage.

FUTURE INITIATIVES

Evolution of Human-Centric Research and Deepening of Understanding to Provide Uplifting Experiences

Mazda is further evolving its human-centric research in order to develop a better understanding of people’s emotions. In addition to conventional research that focuses on the elements of workings of the human body including build, strength, and capabilities, Mazda is looking into areas connected to brain activity and emotions. In doing so, the Company is attempting to elucidate how different sensory stimuli are tied to different emotions.

Evolution and Enhancement of Building Block Concept for Layering Technologies to Provide Uplifting Experiences

Electrification technologies are becoming an indispensable part of efforts to achieve carbon neutrality. For this reason, Mazda is advancing its multi-solution strategy. Under this strategy, the Company is working to efficiently develop and produce the hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs), and ultimately battery electric vehicles (BEVs) of the future that everyone will want to drive, through which they can experience a new age of Mazda design and the joy of driving.

Evolution and Enhancement of Co-Creation Using Digital Technologies to Accommodate Diversifying Experience Value

Great progress is being made in digital technologies, and the development of the electricity and electronic architecture needed to support these technologies is also rapidly increasing in scale. In response to these trends, Mazda is effectively applying software technologies while working with partners including other automotive manufacturers and suppliers to develop highly effective platforms with the minimum necessary investment.

MESSAGE FROM EXECUTIVE OFFICER



Naohito Saga
Executive Officer
In charge of
R&D Strategy Planning,
Carbon Neutrality
and Cost Innovation

As an automobile manufacturer, Mazda is obligated to help address the global issues of pursuing carbon neutrality, recycling resources, and otherwise combating global warming. We also must contribute to the realization of a society that offers safety and peace of mind. These are obligations we should seek to fulfill while creating new value. Faced with a once-in-a-century period of change, Mazda is undertaking a steady transition in preparation for the coming era. As we move forward with this transition, I think it will be important that we don’t try to change everything, but rather transform ourselves while protecting those elements that should be preserved. Examples of elements of Mazda that should be preserved include the strength of our human-centric research and our Building Block concept. Conversely, areas where we should pursue change include the focus of our *Monozukuri* activities. Specifically, as digital technologies evolve, it will be crucial for us to focus more on software and services than on vehicles and other tangible items. I envision an approach in which human-centric research is conducted to pinpoint the value to be provided and then software control technologies are utilized to determine how specific items should be positioned within a vehicle. We could then apply technologies layered through the Building Block concept when creating the actual physical vehicle. However, this approach would require us to practice cross-departmental co-creation to an even greater degree. One venue through which we are promoting such co-creation is the Electrification Business Division, casually referred to as “e-Mazda,” which was established in 2023. At the same time, it is vital to maximize the potential of all of our people. For this purpose, we are expanding the scope of prior model-based development and research activities, and have also began actively adopting AI. These initiatives should enable us to move forward with the development of carbon capture, next-generation battery, and other distinctly Mazda technologies while delivering emotion in motion in any era.

SPECIAL FEATURE

CREATION OF NEW CUSTOMER-ORIENTED VALUE

ESTABLISHMENT OF ELECTRIFICATION BUSINESS DIVISION (e-MAZDA)



All members of e-Mazda (Center: Ryuichi Umeshita, Managing Executive Officer, in charge of Electrification Promotion)

As stated on the previous page, Mazda's future tasks and initiatives will be framed by its quest to deliver uplifting experiences. To accomplish this objective, the Company will be moving ahead with research on human-engineering mechanisms, the Building Block concept for layering technologies, and co-creation through the utilization of digital technologies. One facet of our efforts to accelerate progress on this front was the establishment of the Electrification Business Division (casually referred to as "e-Mazda").

PROMOTION OF CROSS-ORGANIZATIONAL CO-CREATION

Since the establishment of e-Mazda in November 2023, we have continued to move forward with a

rapid shift in resources toward this organization to allow for the quick advancement of its initiatives. This move resulted in the staff of this division growing to around 300 people in a mere six months.

Mazda is committed to providing seamless experiences that go beyond the products that are its vehicles to include sales, ownership, and all other areas of the vehicle life cycle. Brisk co-creative action aimed at achieving this goal is commonplace at e-Mazda. This type of coordination is made possible by its staff of individuals with diverse insight and experience gathered from all of the Company's 22 divisions, resulting in e-Mazda housing representatives from development as well as from sales, marketing, production, and quality assurance divisions. The following

are comments from some of the members of e-Mazda's staff.

"There are major benefits to be had by having representatives from various divisions gather in one place. This close proximity makes it possible to confirm a person's progress or ask a question immediately. I feel that this type of close-knit coordination is a strength that is unique to a smaller player like Mazda, and something our rivals cannot mimic."

"At e-Mazda, all members of a project gather together and work in a single room. The result is a sense of speed that eclipses that of the prior method, which was primarily centered around online meetings. For example, when engineers need to talk about something, everyone can quickly assemble in front of a whiteboard to take part in a lively exchange of words and sketches. This new environment has proved to be incredibly stimulating for me, especially considering I was only really involved in online meetings during the time of the COVID-19 pandemic."

The activities of e-Mazda are not constrained to Hiroshima. Rather, members of this division team up with overseas sales companies to pursue greater levels of purchasing and ownership experience value for customers around the world. Through such teamwork, the division engages in collaboration with a

wide range of partners, including those from other industries.

e-Mazda is thereby consolidating the wisdom of both internal and external partners to create unprecedented new value.

DEVELOPMENT OF NEW TYPES OF ORGANIZATIONS AND WORK PROCESSES

To facilitate effective initiatives by e-Mazda while maximizing the motivation of team members, Mazda is undertaking the development of new types of organizations and work processes. Specific measures to this end include massive reductions in the number of hierarchical levels and the removal of barriers separating organizations. The Company thereby aims to foster an organizational culture of openness and communication to contribute to faster decision-making. To develop new work processes while supporting such organizational culture reforms, Mazda will evolve its digital technology-powered co-creation efforts through means

such as redesigning the IT tools that underpin work processes and practicing integrated information management. At the same time, the Company will move forward with a wide range of other reforms including trial and official introductions of new personnel systems designed to encourage team members to tackle new challenges.

TARGETED VALUE PROPOSITION

The electrification provisions of the Management Policy up to 2030 include plans to introduce battery electric vehicles (BEVs) using Mazda's first dedicated EV platform in 2027.

There is no doubt that many drivers have concerns with regard to BEV ownership and use.

To ensure that as many customers as possible are able to choose BEVs with confidence, Mazda seeks to ensure that its BEVs meet the necessary standards in terms of basic performance and practicality based on its Building Block concept for layering its accumulated electrification technologies. In addition, human-centric research will be

advanced to allow the Company to provide vehicles that deliver the striking designs and joy of driving characteristic of Mazda cars, even in the era of BEVs.

Together with its partners around the world, Mazda is working to provide consistent experiences that encompass everything from stores and websites to charging stations. The Company aspires to offer a unique sense of hospitality through all of its touchpoints with customers, including physical touchpoints like the stores that offer the experiences of sales and services and digital touchpoints such as websites and the My Mazda app. This expression of *Omotenashi* is anticipated to help alleviate the concerns and stress of customers when purchasing a Mazda vehicle and throughout their ownership. Moreover, this diligence will help us provide timely responses to the needs of individual customers and to expand our lineup of products and services that heighten the value of Mazda ownership.

In these manners, e-Mazda is diligently creating new value in terms of products as well as in various other areas related to customer experiences. Based on the belief that delivering uplifting experiences to customers requires employees to first feel empowered in their work, our team is uniting to tackle new challenges with the vision of shaping a new Mazda.



Members of e-Mazda staff engaged in co-creation with overseas sales company

e-MAZDA

PURSUIT OF ZERO ENVIRONMENTAL IMPACT

CARBON NEUTRALITY AND ELECTRIFICATION INITIATIVES

SPECIFICATION OF MEDIUM-TERM TARGETS AND ROAD MAP TOWARD ACHIEVING CARBON NEUTRALITY

Mazda has specified its medium-term targets and road map toward achieving carbon neutrality at its plants and operational sites in Japan, which account for approximately 75% of its global total CO₂ emissions, as part of its efforts to achieve carbon neutrality at all Mazda plants globally by 2035 and across the whole supply chain by 2050. The medium-term goal is to reduce, by FY March 2031, its CO₂ emissions by 69% in comparison to the level in FY March 2014, and to achieve a usage

rate of electricity generated from non-fossil fuel sources of 70% or more by the same year.

Mazda has defined three pillars for its efforts to achieve carbon neutrality—energy conservation, shifting to renewable energy, and introducing carbon neutral fuels. As indicated below, the Company has also specified the road map and the initiatives related to these pillars for its domestic plants and operational sites, which have a strong effect on its ability to achieve carbon neutrality.

For more information, please refer to the following news release.
<https://newsroom.mazda.com/en/publicity/release/2023/202312/231214a.html>

ESTABLISHMENT OF AND FUND PROCUREMENT THROUGH SUSTAINABLE FINANCE FRAMEWORK

Mazda has established its sustainable finance framework for use in procuring funds to promote sustainability-related initiatives. In March 2024, transition loan agreements were concluded with three financial institutions based on this framework, and the Company has also determined conditions for issuing transition bonds with its main securities firm. The funds procured through this framework will be used for the development and production of battery electric vehicles (BEVs) and plug-in hybrid electric

vehicles (PHEVs) as well as for promoting carbon neutrality at Mazda factories worldwide and for other projects that meet the criteria defined by the framework.

Moreover, the sustainable finance framework utilizes the Technology Roadmap for “Transition Finance” in Automobile Sector released by the Ministry of Economy, Trade and Industry. This resulted in Mazda becoming the first domestic automobile manufacturer to be selected for the ministry’s climate innovation finance promotion project. The Company was also the first Japanese automobile manufacturer to procure funds through transition finance.

Details of Initiatives

	Approach	Major initiatives contributing to the achievement of our medium-term goal for FY March 2031 (Scope 1 and Scope 2)
Energy conservation	Mazda is working steadily to achieve improvements in all of these areas, including production and indirect departments such as infrastructure	<ul style="list-style-type: none">Accelerating facilities investment through the introduction of Internal Carbon Pricing (ICP)Improvement of productivity, quality, and operational efficiency (operation improvement, simulation verification, etc.)Improve efficiency of our facilities (switch lights to LEDs, introduce inverter control into motor-driven facilities, improve efficiency of air conditioning units etc.)Technical innovation (improve efficiency of paint spraying process, reduce temperature of heat treatment furnace etc.)
Introduce renewable energy	Achieve decarbonization of power generation within our plants, and procure power from third parties	<ul style="list-style-type: none">Switch fuel for Hiroshima plant’s power source from coal to liquid ammoniaMake use of corporate power purchase agreement concluded with local parties in each regionPurchase renewable energy and other non-fossil fuel-derived energy from power companies
Introduce carbon neutral fuels	<ul style="list-style-type: none">Introduce carbon neutral fuels for in-company transportation needsMake use of CO₂ credits, etc.	<ul style="list-style-type: none">Switch fuel used for in-company transportation to next-generation biofuel, etc.Acquire J-Credits generated in the Chugoku region (forestry CO₂ absorption)

CONCLUSION OF SALES AND PURCHASE AGREEMENT FOR J-CREDITS GENERATED BY FORESTS IN THE CHUGOKU REGION WITH MITSUI

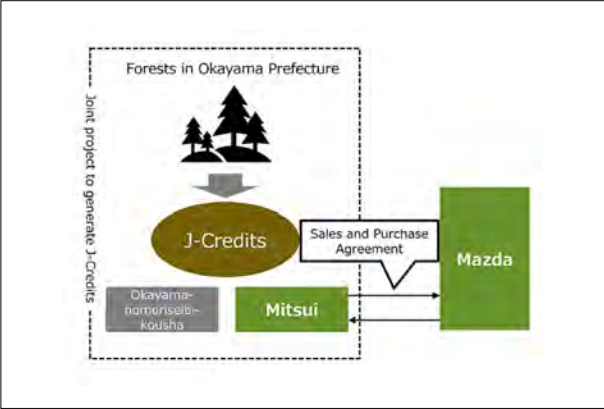
Mitsui & Co., Ltd. and Mazda have concluded a sales and purchase agreement covering J-Credits generated through appropriate forest management that target the creation of a carbon-neutral society. The credits are certified by the Japanese government under the J-Credit Scheme.

The credits will be generated through a joint project*¹ between Mitsui and Okayamanomoriseibikousha.*² Digital technologies employed in Mitsui’s Forests in Japan, including aerial surveying and satellite data, and the associated expertise will be used to monitor forests to generate J-Credits at applicable forests. Some of the income provided by the credits will be used through the joint project to develop and manage forests and enhance natural disaster preparedness in order to promote sustainable forestry activities. As the first company to use these credits, Mazda will purchase credits based on the absorption of CO₂ through forest conservation over an eight-year period from FY March 2023 to FY March 2030.

Mazda decided to purchase the J-Credits to contribute to CO₂ absorption and decarbonization in the Chugoku region, where the Company is based, while also protecting and nurturing regional forest resources, developing industries, and maintaining employment.

*1 The Okayamanomoriseibikousha Forest Management Project

*2 A public interest incorporated association engaged primarily in profit-sharing forestry activities in Okayama Prefecture



Structure of the Credit scheme

ADVANCEMENTS UNDER MULTI-SOLUTION APPROACH

Unveiling of Two New EVs at Beijing International Automotive Exhibition 2024

In April 2024, Mazda unveiled, for the first time, the all-new Mazda EZ-6 electrified vehicle and the Mazda 創 Arata, a design electrified vehicle concept model, at Beijing International Automotive Exhibition 2024.

The Mazda EZ-6 is the first of a series of new electrified vehicles (new energy vehicles) developed and manufactured by Changan Mazda Automobile Co., Ltd. in cooperation with Chongqing Changan Automobile Co., Ltd. and Mazda. This vehicle will be launched in China by the end of 2024. In addition, the concept model Mazda 創 Arata, unveiled at the same time, is scheduled to be mass produced as the second in this series of new electrified vehicles and launched in the Chinese market by the end of 2025. In China, where electrification is rapidly advancing, Mazda will expand its lineup of electrified products to win the favor of a wider range of customers.



MAZDA EZ-6



MAZDA 創ARATA

Declaration by Subaru, Toyota, and Mazda of Commitment to New Engine Development for the Electrification Era in Pursuit of Carbon Neutrality

In May 2024, Subaru Corporation, Toyota Motor Corporation, and Mazda announced their commitment to developing new engines tailored to electrification and the pursuit of carbon neutrality.

In announcing this declaration, Mazda President Masahiro Moro commented, “We will continue to offer customers exciting cars by honing internal combustion engines for the electrification era and expanding the multi-pathway possibilities for achieving carbon neutrality. Given the rotary engine’s compatibility with electrification and carbon-neutral fuels, Mazda will

continue to develop the technology through co-creation and competition to ensure it can contribute broadly to society.”



PURSUIT OF ZERO ENVIRONMENTAL IMPACT

CARBON NEUTRALITY AND ELECTRIFICATION INITIATIVES

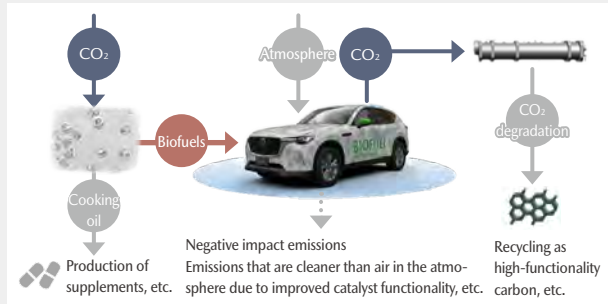
TOPIC

Interview with Toshihide Yamamoto, General Manager of Technical Research Center, about Cutting-Edge Research on Carbon Neutrality and Electrification Technologies

Toshihide Yamamoto
General Manager,
Technical Research Center



Research on Microalga-Derived Biofuel and Carbon Capture Technologies

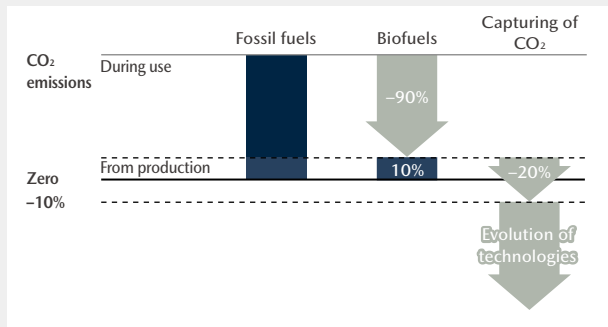


Creation of environmental integration ecosystem

Theoretic Ability of Biofuels to Prevent Increases in CO₂ in the Atmosphere

Microalgae and other biofuel materials absorb CO₂ as they grow via photosynthesis, and the CO₂ emitted during the combustion of these fuels is no more than the CO₂ absorbed through this process. Accordingly, in theory, biofuels do not contribute to increases in CO₂ in the atmosphere and could therefore be considered to be carbon neutral.

CO₂ Emissions Associated with Energy Use during Biofuel Production

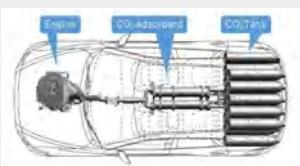


Carbon negative policy

The oils produced by microalgae must be processed before they can be used as fuel. This production process requires energy, and CO₂ may be emitted to generate this energy. The amount of CO₂ emitted for energy generation is estimated to be around 10% that emitted during fuel combustion. Accordingly, biofuels contribute to a 90% reduction in total CO₂ emissions when compared to fossil fuels.

Meaning of Capturing CO₂ Emitted during Biofuel Combustion

Direct air capture is a decarbonization technology used to capture CO₂ directly from the air. This technology could also be applied to internal combustion engines, which emit CO₂ and therefore have greater concentrations of CO₂ than the air and would thus allow for more efficient capture of CO₂. If even 10% of the CO₂ emitted during the combustion of biofuels,



Carbon capture mechanism

which, in theory, do not increase the amount of CO₂ in the atmosphere, could be captured, it would offset the CO₂ emitted during the production process, making these fuels completely carbon neutral. Moreover, larger amounts of carbon capture would mean that, in theory, vehicles using biofuel could contribute to greater reductions in the amount of CO₂ in the atmosphere the more they drive, becoming effectively carbon negative. This potential for decarbonization is something that is unique to internal combustion engines and not found in battery electric vehicles (BEVs).

Future Challenges

As Mazda's carbon capture technology entails capturing CO₂ from exhaust gas, there is a need to lower the temperature of exhaust gas to a level at which CO₂ can be captured more efficiently and then to store and later extract the captured CO₂. However, this creates challenges that will need to be addressed, such as the increase to vehicle weight or the decrease to in-vehicle space that could result from the introduction of additional equipment to perform these functions. It is also necessary to find a use for the captured CO₂. Possible uses for the automotive industry include use in photosynthesis processes for cultivating microalgae for biofuel production or as a raw material for creating e-fuel, a type of synthetic fuel. Going forward, Mazda is committed to providing the joy of driving in a manner that contributes to decarbonization.

Cutting-Edge Battery Technology Research and Development

Mazda is engaged in a project for developing large-capacity, high input and output next-generation lithium-ion batteries that has been selected for support by the Green Innovation Fund. In this project, Mazda is seeking to improve battery performance and reduce costs while also achieving higher performance levels and conserving materials from material phase, and achieving practical application of sophisticated recycling technologies.

Reason for In-House Battery Research and Development

Mazda is applying the manufacturing capabilities it has fostered in relation to automobiles to the development of EV technologies in order to achieve efficient development and thereby provide new value to customers and society in the form of distinctive EVs and plug-in hybrid electric vehicles (PHEVs).

Schedule and Investment

After an eight-year R&D period, Mazda plans to commercialize its battery technologies around 2033. A total of ¥14.0 billion is expected to be needed to fund all of the Company's business activities and research and development costs up until FY March 2030, and Mazda will be responsible for providing approximately ¥4.0 billion of this amount.

R&D Systems and Division of Roles

Based on the commitment of management, Mazda has established a number of R&D teams in a dedicated organization. Assembling research and manufacturing staff in a single organization allows for efficient model-based development. Moreover, the Company partners with companies, universities, and other external organizations and adopts systems and divisions of roles that take advantage of the characteristics of these partners to promote efficient development.

For more information, please refer to the following website (in Japanese only).
<https://green-innovation.nedo.go.jp/pdf/next-generation-storagebatteries-motors/item-001-1/vision-mazda-002.pdf>

RESOURCE CIRCULATION

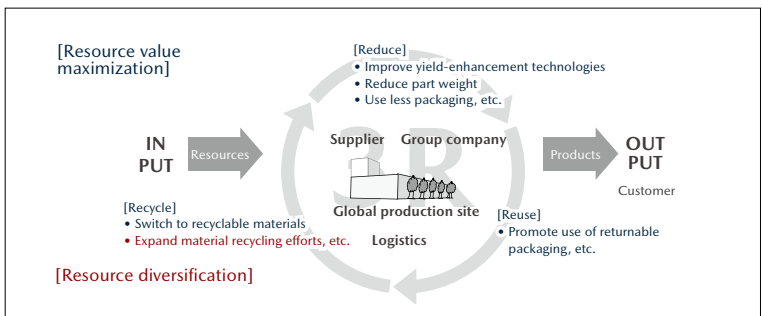
GLOBAL PURSUIT OF ZERO EMISSIONS AND EXPANSION OF RESOURCE RECYCLING

The Mazda Group continues to expand its global efforts to achieve zero emissions and recycle resources through such means as efficiently using resources to prevent waste and promoting the 3Rs.

Material-Related Targets

2030	2050
Achieve zero emissions in manufacturing and logistics processes on a global basis	Achieve zero emissions through expanded resource recycling initiatives in manufacturing and logistics processes on a global basis
<ul style="list-style-type: none"> Reduce the ratio of landfill waste to 0.1% or lower of the total waste generated (zero emissions achieved by Mazda Group companies in Japan in 2018) 	<ul style="list-style-type: none"> Break away from dependence on thermal recycling and other combustion-based recycling methods Expand material recycling

Vision



PRODUCTION AND LOGISTICS INITIATIVES

Maintenance of Zero Landfill Waste Emissions

Mazda is promoting reductions in the volume of manufacturing by-products and waste, more rigorous sorting of waste, and recycling at its four principal domestic sites.*¹ The Company has thereby been able to maintain zero landfill waste emissions from FY March 2009 to FY March 2024. The Company has also been recycling materials to ensure that packaging materials used in the vehicle and transmission assembly processes can be reused as raw materials through stricter sorting of packaging by material and quality.

Furthermore, Mazda has been proactively utilizing recycled materials for the plastic pallets used to transport parts overseas. Currently, the Company is examining the possibility of reusing plastic waste generated at its plants as a recycled material for the production of plastic pallets.

*¹ Head Office (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; and Hofu Plant, Nakanoseki District (including non-manufacturing areas such as product development)

PRODUCT AND TECHNOLOGY DEVELOPMENT INITIATIVES

Product Development and Design with Consideration for Recycling Needs

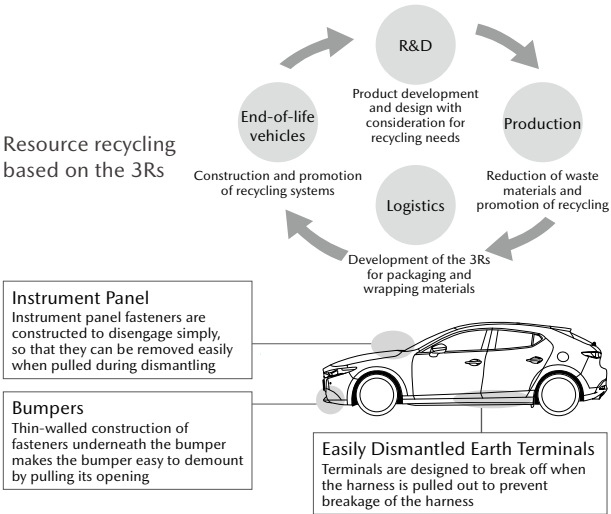
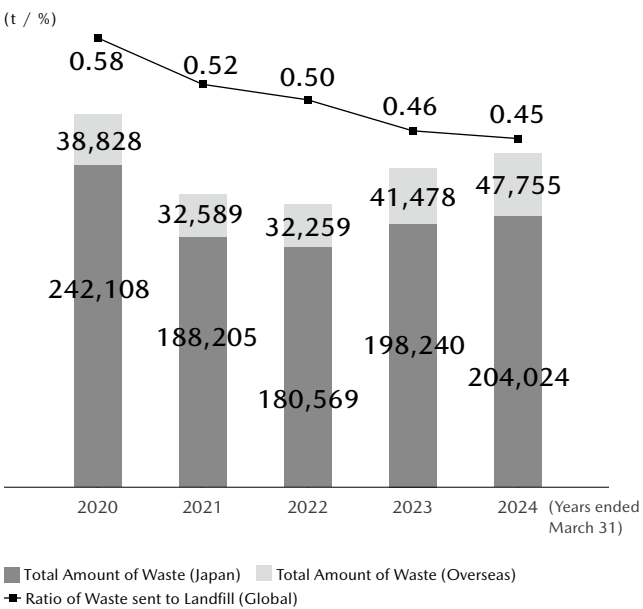
Many limited resources, such as steel, aluminum, plastics, and rare metals, are used to manufacture vehicles. Mazda is incorporating 3Rs design into all vehicles currently under development to increase the recyclability of its new vehicles.

Specific Initiatives

- Research into vehicle design and dismantling technologies that simplify dismantling and separation to make recyclable parts and materials easier to remove
- Use of easily recyclable plastics, which constitute the majority of automobile shredder residue (ASR)*² by weight

*² ASR refers to the residue remaining after the crushing or shredding of what is left of the vehicle body (following the removal of batteries, tires, fluids, and other parts requiring appropriate processing as well as the removal of engines, bumpers, and other valuable parts) and separating and recovering metals.

Total Amount of Waste / Ratio of Waste Sent to Landfill



PURSUIT OF ZERO ENVIRONMENTAL IMPACT

—RESPONSE TO TCFD

In May 2019, Mazda declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*¹ and joined the TCFD Consortium,*² showing its commitment to strengthening its efforts to address climate change. For the latest information disclosed based on TCFD recommendations, please refer to the following document.

<https://www.mazda.com/en/sustainability/environment/tcfd/>

GOVERNANCE

Transition Risks
(Management System for Promoting Carbon Neutrality)

Taking on the challenge of achieving carbon neutrality by 2050, Mazda has assigned a director to oversee its decarbonization strategy and executive officers to be in charge of carbon neutral-ity. Under the leadership of a department charged with promot-ing carbon neutrality strategies, a specialized team made up of members from multiple departments formulates strategies and implements plans aimed at achieving carbon neutrality.

Reports pertaining to carbon neutrality strategies are provided to and discussed at the Executive Committee Meeting and meetings of the Board of Directors, which are attended by the president.*³ Also, issues concerning climate change and other sustainability-related matters are reported to the Board of Directors in a timely and appropriate manner. In addition, in order to facilitate the Companywide implementation of plans, Mazda has adopted a management approach that integrates carbon neutrality initiatives into the existing ISO 14001-compliant environmental management system.

Physical Risks
(Emergency Risk Management Structure)

Measures for responding to torrential rains, an acute physical risk associated with climate change, is managed as part of our business continuity plan (BCP) through our emergency risk management structure. In addition, in response to concerns about storm surges and water depletion, which are chronic physical risks, the Company is promoting reinforcement of seawall infrastructure and water resource conservation efforts as part of the activities of specialized departments.

STRATEGY

Major Opportunities and Risks

Based on IPCC and IEA scenarios, policy and regulatory trends, and industry trends, Mazda has formulated a scenario based on its own assumptions and identified the following major oppor-tunities and risks.

Major Risks and Opportunities

Transition Risks	Policy and Legal	• Stricter regulations on fuel economy and exhaust gas emissions and carbon pricing, including introduction of carbon tax
	Technology	• Increase in resources to develop electrification technologies, including electric drive systems or batteries
	Market	• Rise in raw material prices for electrification and weight reduction and tight procurement situation for semiconductor components • Energy price spikes and supply instability due to tight fossil fuel and renewable energy supplies caused by political conditions and market forces
	Reputation	• Implications on ESG-minded investment decisions by investors
Physical Risks	Acute	• Damage by torrential rain, production halts caused by supply chain disruptions, and health hazards caused by heat waves
	Chronic	• Increasing impact of production halts due to more severe and frequent natural disasters and higher frequency of high tide caused by rising sea levels, water resource depletion and rising prices of water necessary for operations, and spread of tropical diseases

Opportunities	Resource Efficiency	• Efficient use of raw materials through thorough material recycling
	Energy Resource	• Stable supply of carbon-neutral electricity secured by promoting the expansion of demand and supply of electricity in coordination with local communities • Diverse selection of renewable energy sources
	Products, Services, and Markets	• Deployment of products that suit each region through Building Block concept and multi-solution approach • Diversification of products that accommodate next-generation automobile fuels (alternative fuels such as biofuels, synthetic fuels, etc.) • Expansion of market opportunities through deployment of products that suit each region and diversification of products

*1 The TCFD is a private-sector organization set up by the Financial Stability Board in response to a request from the G20 Finance Ministers and Central Bank Governors.
*2 The TCFD Consortium is an organization established in Japan for the purpose of holding discussions on effective corporate information disclosure related to climate change and efforts for tying disclosed information to appropriate investment decision-making by financial institutions and other entities. The Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment participate in the consortium as observers.
*3 As of June 2024, five reports have been submitted to and discussed by the Board of Directors.

SPECIFIC INITIATIVES

Mazda is implementing the following initiatives as part of its efforts to seize opportunities and avoid, or minimize the impact of, the risks it faces.

Seizing of opportunities Transition risk avoidance	Products	Development of electrification technologies: Promotion of electrification over three phases leading up to 2030 P24
	Manufacturing	Pursuit of carbon neutrality at global factories by 2035 based on three pillars of initiatives P24
	Supply Chain	• Collection of data on Scope 1 and Scope 2 CO ₂ emissions by major domestic and overseas supplies (Tier 1 suppliers) as well as CO ₂ emissions from logistics for delivery to Mazda commenced in 2021 • Award system established to honor the efforts of business partners in FY March 2024
Physical risk avoidance and minimization	Establishment of System for Rapid Response to Torrential Rains	• Ongoing improvement of disaster response capabilities in both tangible and intangible aspects in anticipation of natural disasters as part of the BCP • Introduction of SCR (Supply Chain Resiliency) Keeper supply chain risk management system to speed up initial response by quickly gathering on-site information in the event of a disaster through coordination with business partners
	Future-Oriented Measures for Maintaining Seawalls	• Annual reinforcements and maintenance work carried out on seawalls • Completion of construction of seawalls for protection against flooding damages caused by the highest tide level and maximum tsunami height estimated by prefectural government agencies in the event of an earthquake in the Nankai Trough
	Water Resource Conservation in Preparation for Water Resource Depletion	Testing of the water resource reuse and recycling initiatives to be deployed on a wider scale in 2030 at a domestic model plant to eliminate wasteful water use and circulate water resources by treating used water to restore it to the same quality as when it was taken from nature

RISK MANAGEMENT

Transition Risks

A specialist team is implementing a biweekly risk identification and assessment process while sharing the progress of initiatives and information on identified issues in relation to the identified major opportunities and risks. Mazda also shares climate-related informa-tion with its suppliers periodically through a shared platform.

Physical Risks

Mazda manages physical risks through an emergency risk man-agement system that forms part of its BCP. In addition to these measures, given that the severity and frequency of torrential rains are increasing in recent years, Mazda strives to improve its ability to gather weather forecast data and to allow for decisions to be made swiftly in response to disasters based on preset schedules.

METRICS AND TARGETS

Global Warming Response

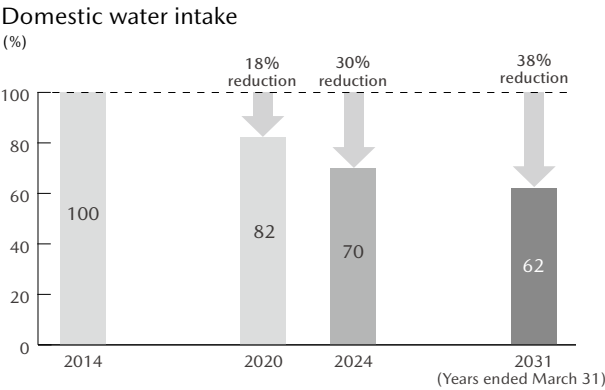
Mazda has set the following targets to guide it in achieving carbon neutrality throughout its entire supply chain by 2050. Furthermore, in December 2023 the Company announced its targets for reducing emissions at domestic factories and operat-ing sites by 2030.

Products	• Target: Achieving carbon neutrality by 2050 • Medium-term metric for 2030: EV ratio (projec-tion that 100% of Mazda global sales vehicles will be electrified and the BEV ratio will be 25–40%)
Manufacturing	• Target: Achieving carbon neutrality at Mazda's factories worldwide by 2035 (Medium-term target: Reducing CO ₂ emissions at domestic factories and operating sites by 69% from the level seen in FY March 2014 by FY March 2031) • Metrics: Factory decarbonization progress ratio

Conservation of Water Resources

Water is essential in automobile manufacturing processes such as cooling (e.g., cooling furnaces in casting), dilution (dilution of the mother liquor used for cutting and cleaning in the machining process), and cleaning (e.g., cleaning of vehicle bodies in the painting process). Mazda has put forth the following targets with regard to the conservation of water resources.

Manufacturing	• Target: Reducing water intake by all Mazda Group companies in Japan by 38% in FY March 2031 compared with FY March 2014 • Metrics: Water intake reduction ratio
---------------	--



HUMAN-CENTRIC RESEARCH AND THE JOY OF DRIVING

HUMAN-CENTRIC RESEARCH FOR BETTER UNDERSTANDING PEOPLE’S EMOTIONS

Mazda advances *Monozukuri* based on its human-centric philosophy to create moving experiences in driving and mobility for people’s everyday lives as described in its Purpose.

- Evolution of Mazda’s *Kodo* design approach grounded on a philosophy of bringing cars to life and raising car design to the level of art to enrich people’s emotional lives
- Pursuit of a *Jinba-ittai*—a sense of oneness between driver and vehicle—driving feel that unlocks people’s potential and uplifts them mentally and physically

KODO: SOUL OF MOTION DESIGN PHILOSOPHY

For Mazda, vehicles are more than just lumps of metal, they are living, breathing things. The relationship between driver and car is akin to the emotional connection a rider has with their horse. At Mazda, designs that embody this connection are labeled “*Kodo* design.”

Kodo design goes deeper than conventional design, and focuses on a “less is more” aesthetic that cherishes space and prioritizes elements to create simplicity of form. The challenge then is to bring the vehicle to life via carefully honed reflections on the body surface.

The CX-80, launched in 2024, is based on the design concept of “graceful toughness,” with a form emphasizing the toughness of an SUV while also having a strikingly elegant presence. With a cabin crafted to provide an abundance of space and an elegant

atmosphere, the CX-80 exemplifies Mazda’s brand value with a spacious design befitting of its stature.



CX-80

THE PURSUIT OF *Jinba-ittai*: Vehicle Dynamics Control Technologies

G-Vectoring Control (GVC), a unique control technology, was developed with the goal of allowing more drivers to experience the joy of feeling *Jinba-ittai*—a sense of oneness between driver and vehicle—regardless of their driving skill. GVC allows drivers to remain relaxed and feel peace of mind, while also allowing them to maneuver their vehicle however they please under a wide variety of driving conditions, ranging from low-speed everyday driving to winding roads and expressways and even when taking emergency action to avoid an accident. In 2020, the Company introduced electric G-Vectoring Control Plus (e-GVC Plus), designed to take advantage of its electrification technologies to enhance the consistency of vehicle response to control inputs in all directions and realize seamless transitions between forces along multiple vectors of acceleration (G forces). This technology contributes to even smoother vehicle motion.

Self-empowerment Driving Vehicles

Self-empowerment Driving Vehicles were developed to empower people to travel and act independently, helping them enjoy richer, more fulfilling lives.

In developing these vehicles, Mazda interviewed a large group of individuals with lower-limb disabilities about their difficulties. The insight propelled development forward with the focus on driving, entering the vehicle, and wheelchair loading to address commonly faced challenges and deliver the joy of driving Mazda has to offer to everyone.

The MX-30 Self-empowerment Driving Vehicle, which was launched in 2022, is a vehicle with hand controls that was developed with the goal of helping more people lead their own lives, so that anyone can go where they want, when they want. In other words, so everyone can enjoy exciting lives in which they act and move as they wish.



MX-30 Self-empowerment Driving Vehicle

Large-Product Technologies and Value

For the CX-60 and subsequent large products, the Skyactiv-Multi-Solution Scalable Architecture has been applied for use in longitudinal power unit orientations to increase output and environmental performance. This approach has made it possible to introduce electrification technologies for newly developed straight-6-cylinder gasoline and diesel engines as well as for mild hybrid electric vehicles (MHEVs) and plug-in hybrid electric vehicles (PHEVs). In addition, Mazda has introduced newly developed technologies for transmissions, platforms and suspensions and positioned the batteries for PHEVs under floors to lower the center of gravity of vehicles in order to provide nimble vehicle movement in all models.

Going forward, Mazda will continue to embrace a *Monozukuri* approach aimed at delivering enjoyable driving experiences for all aspects of everyday driving to help our customers feel the joy of *Jinba-ittai* driving.

REALIZATION OF AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

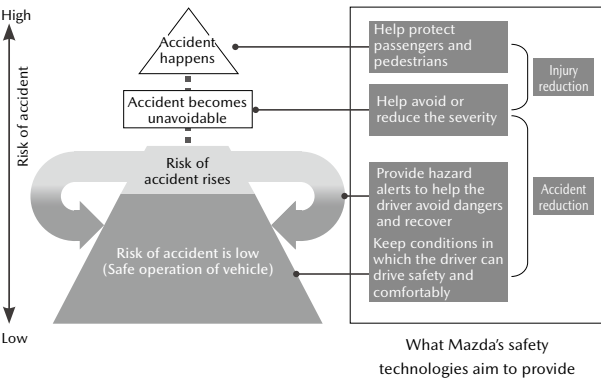
—GOAL OF ACHIEVING ZERO DEATHS FROM NEW VEHICLES

Based on an original safety concept, Mazda Proactive Safety, Mazda is continuing to develop advanced driving support technologies that utilize IT. The Company is also working to create vehicles that enhance the safety and peace of mind for drivers, passengers, and everyone else. In terms of what Mazda can accomplish between now and 2040 through automotive technologies, the Company aims to achieve zero deaths resulting from its new vehicles.

MAZDA PROACTIVE SAFETY CONCEPT

Ensuring safe driving under a variety of circumstances requires one to operate their vehicle while predicting potential risks of accidents and making appropriate decisions. However, no matter how careful people are, some accidents cannot be avoided. To address such accidents, Mazda is utilizing the insight gained through years of human-centric research to develop advanced safety technologies that reduce the risk of being exposed to dangerous circumstances, as opposed to responding once a dangerous circumstance has arisen. These technologies are offered to drivers under the name Mazda Proactive Safety.

Mazda Proactive Safety: Mazda’s Safety Philosophy



BUILDING BLOCK CONCEPT FOR LAYERING SAFETY TECHNOLOGIES

Based on the belief that the very act of spreading technologies throughout society is a way of demonstrating the value it offers, Mazda applies the Building Block concept to the development of safety technologies in a manner similar to the approach used for environmental technologies as it continues to refine its safety technologies.



ADVANCED DRIVING SUPPORT TECHNOLOGY THE MAZDA CO-PILOT CONCEPT

By analyzing and modeling the mechanisms of people’s bodies and brains through human-centric research, Mazda has created the Mazda Co-Pilot Concept for sophisticated driving support technologies for preventing risks associated with driver drowsiness, illness, or other circumstances. Technologies based on this concept are designed to allow people to enjoy driving and be revitalized mentally and physically through the process while

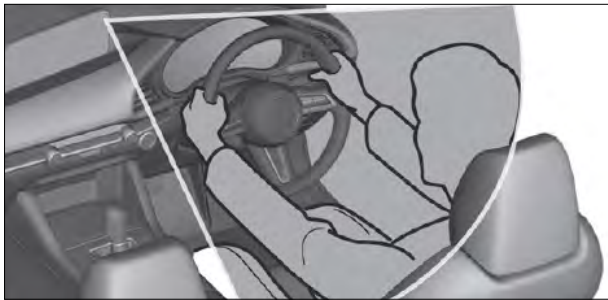
enabling vehicles to track all the movements of the driver and the vehicle itself through a system in which the vehicle is driving “virtually” in the background at all times. Under this system, if the unexpected occurs, such as the driver suddenly losing consciousness, the vehicle can take control to drive to a safer location that does not present a threat to other people or to the surroundings while also automatically contacting emergency services. The Mazda Co-Pilot Concept thereby enables vehicles to prevent accidents and ensure the safety of the surroundings.

REALIZATION OF AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

GOAL OF ACHIEVING ZERO DEATHS FROM NEW VEHICLES

DRIVER MONITORING

In 2019, the Company equipped the Mazda3 with two new Driver Monitoring functions: escalating warnings issued when driver drowsiness is detected and an earlier frontal collision warning issued when careless driving is detected. The CX-60, meanwhile, can detect drowsy driving with the driver's eyes closed, notice a sudden change in the driver's condition based on changes in their posture or the position of their head, and issue warnings against careless driving. The accuracy of Driver Monitoring's detection of both drowsiness and changes in the driver's condition has been increased through comprehensive judgment based on various factors, including the state of driving.



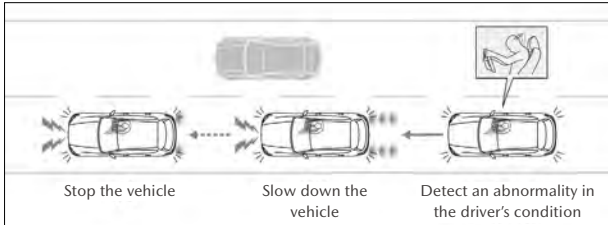
Detecting the driver's condition by Driver Monitoring

Mazda3 (from 2019 onward)	Detection of careless driving			Directions of the eyes and face	Detecting careless driving from the directions of the driver's eyes and face
	Detection of drowsy driving			Movement of the eyelids	Detecting drowsy driving from the movement of the driver's eyelids
CX-60 (from 2022 onward)	Detection of the driver's abnormal conditions	Closed eyes		Closed eyes	Detecting the driver's closed eyes from the distance between their upper and lower eyelids
		Abnormal position		Steering	Detecting the driver not holding the steering wheel from their abnormal position
				Position (location and angle)	Detecting abnormalities in the driver's position in comparison with their usual driving position

DRIVER EMERGENCY ASSIST SYSTEM

The CX-60 is equipped with the Driver Emergency Assist (DEA)^{*1} system, an advanced safety technology that can detect abnormalities in the driver's condition to help avoid an accident or reduce damage and injuries. Working with Driver Monitoring, the DEA system will slow down and stop the vehicle if it becomes difficult for the driver to continue to drive due to a sudden sickness or for other reasons, regardless of whether the vehicle is running on an expressway or an ordinary road. This system therefore helps avoid accidents and reduce accident damage and injuries. In April 2023, the system was recognized with an Ichimura Industrial Achievement Award at the 55th Ichimura Industrial Awards (organized by the Ichimura Foundation for New Technology).

Steps in the operation of the DEA system



^{*1} This system is designed to complement the driver's safe driving; it will function only under certain conditions, and its functions have limitations. No safety system or combination of such systems can prevent all accidents. This system is not a replacement for safe and attentive driving. Please drive carefully at all times and do not rely on technology to prevent an accident. For details, please ask dealer staff or refer to Mazda's website.

TRAFFIC & CRUISING SUPPORT
EMERGENCY STOP SUPPORT FUNCTION

The CX-70, scheduled for release in the North American market, is equipped with the latest Traffic & Cruising Support (CTS) emergency stop support function.^{*2} CTS is a system the issues escalating warnings to drivers when it detects that they have removed their hands from the steering wheel, closed their eyes, or are driving carelessly. If no change is detected in the driver's behavior, even after warnings, the system will decelerate and stop the vehicle to prevent or reduce damages from accidents.

^{*2} CTS features vary based on market and vehicle grade. This system will function only under certain conditions, and its functions have limitations. No safety system or combination of such systems can completely prevent a collision or a vehicle driving off the road. Drivers have an obligation to drive safely, and responsibilities associated with the activation of this system lie solely with the driver. Please drive carefully at all times and do not rely on technology to prevent an accident.

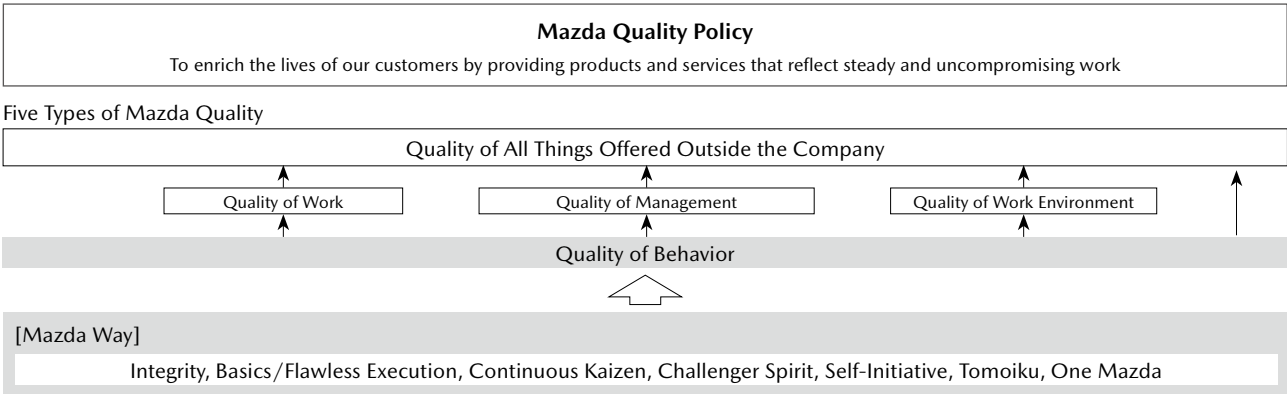


CX-70

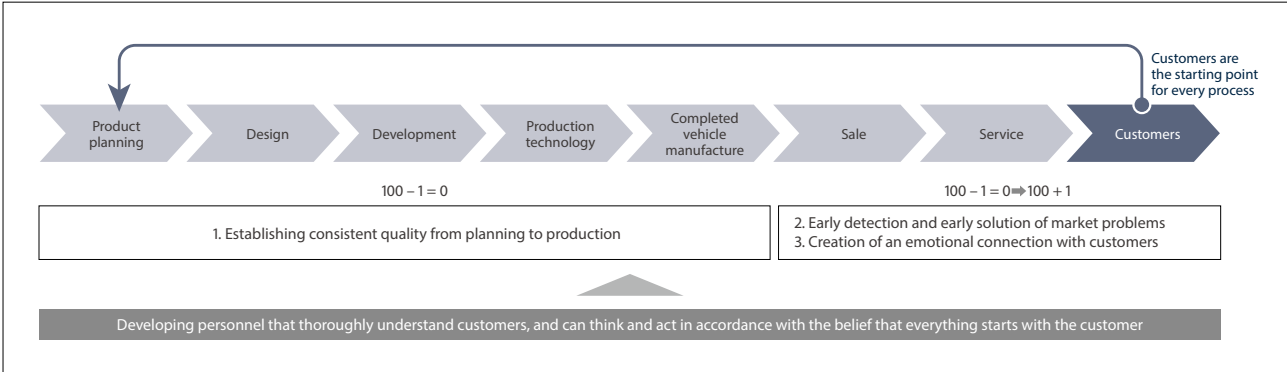
IMPROVEMENT OF QUALITY UNDERPINNING PEACE OF MIND

BASIC APPROACH TOWARD IMPROVING QUALITY OF ALL THINGS OFFERED OUTSIDE THE COMPANY

In line with its quality policy, Mazda continues to evolve its initiatives to better exercise its corporate philosophy. The Company has defined the Five Types of Mazda Quality: "quality of work," "quality of management," "quality of work environment," "quality of behavior," and "quality of all things offered outside the Company," which is underpinned by the preceding four. With this framework, Mazda is promoting united collaboration among all areas of operation to further improve quality.



VEHICLE PRODUCTION BASED ON THE "100 - 1 = 0" BELIEF AND INITIATIVES FOR THE PROCESS OF CHANGING "100 - 1 = 0" TO "100 + 1"



Vehicle production based on the "100 - 1 = 0" belief

1. Establishing consistent quality from planning to production

The "100 - 1 = 0" belief expresses Mazda's strong desire to provide good quality to all customers under the belief that if even only one out of 100 vehicles is found to be defective, the vehicle has no value for the customer. Mazda aims to achieve zero defects. In keeping with the basic principles of manufacturing and based on a full understanding of its mechanisms, all related departments work in close collaboration to establish consistent quality in all processes, ranging from planning to production.

In response to quality issues identified with regard to the CX-60 and other large products, the Company took steps to address all known issues with the CX-60 in 2023. In addition, the timing of the start of mass production of the CX-80 has been changed and production of certain CX-90 models has been ceased to allow for exhaustive quality control.

Initiatives for the process of changing "100 - 1 = 0" to "100 + 1"

2. Early detection and early solution of market problems

To prepare for unpredictable problems in the market ("100 - 1 = 0"), Mazda promotes quality assurance activities for the early detection and early solution of any trouble pointed out by customers.

3. Creation of an emotional connection with customers

Through consistently earnest engagement with customers as well as close communication, we aim to forge special bonds with customers based on enduring trust ("100 - 1 = 0" → "100 + 1").

TSUNAGARIZUKURI

(CREATING HUMAN CONNECTIONS)

In its *Tsunagarizukuri* (creating human connections) initiatives, Mazda is generating unique value through its connections with customers and with various other stakeholders.

PASSION: BRAND EXPERIENCES CENTERED ON PERSONAL CONNECTIONS

People have always been a central focus of the principles exercised in Mazda's *Tsunagarizukuri* initiatives, and these principles have guided the Company as it communicates its brand value and forges connections that make customers feel bonds with and attachment to the brand.

Through *Omotenashi*, Mazda aims to help customers experience its brand value and to create inspiration and emotions centered on the joy of driving, which in turn will help form connections between people to enrich life-in-motion for those we serve.

Special Feature / TOPIC	P51	Connections Supporting Business Growth
		Building connections with customers and dealers in the U.S. (MNAO)
	P53	Connections Supporting Business Growth
		Connections Formed with Customers at Domestic Dealerships
	P55	Connections with a Wide Range of Customers
		Establishment of the Brand Experience Promotion Division

FOSTERED STRENGTHS

Psychologically Close Communication in Functions Spanning from Development to Sales

Mazda's Head Office and the frontline employees around the world who interact with customers on a daily basis engage in ongoing communication on a variety of topics until a consensus can be reached between all parties.

Psychologically Close Communication between Customers and Dealerships

Through person-to-person communication via Tsunagari Innovation, Mazda is promoting psychologically close connections with customers at various touchpoints to deliver value optimized for each touchpoint.

FUTURE INITIATIVES

Evolution and Enhancement of Psychologically Close Communication in Functions Spanning from Development to Sales

Mazda is applying the best practices implemented in the United States to other markets to foster a culture in which all employees at its Head Office, on the front lines of sales, and in all other areas of operations act with autonomy and based on a spirit of *Omotenashi*.

Evolution and Enhancement of Psychologically Close Communication with Wide-Ranging Customers

Mazda is seeking to foster greater empathy with regard to the Company through communication between customers and dealerships and communication directly with customers in our capacity as a manufacturer as well as communication with other manufacturers and stakeholders.

CREATION OF CONNECTIONS WITH VARIOUS STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

Through engagement with stakeholders, who are important to the Company's sustainable development, Mazda seeks to clearly define the key responsibilities and issues for the Mazda Group as it carries out daily business activities while making efforts for improvement.

To ensure effective communication with customers and other stakeholders, Mazda has defined major stakeholder groups and determined the frequencies of providing opportunities for engagement and information disclosure for each group. The information obtained through engagement activities is reported to the relevant departments or committee meetings attended by the Company's management and used for planning and improving Mazda's daily business activities.

Opportunities for Dialogue and Information Disclosure

Customers	Establishment of call centers, meetings with Mazda vehicle owners, Mazda official website, social media, etc.
Shareholders and investors	General meetings of shareholders, presentations for investors, etc.
Business partners	Conferences with supplier executives, supplier meetings, etc.
Employees	Labor-Management Council, Global Employee Engagement Survey, etc.
Global society and local communities	Interaction, exchange of opinions, and cooperation with local communities; dialogue, cooperation, and support through collaboration among industry, academia, and government; etc.
Next-generation people	On-site lectures, etc.

ENGAGEMENT WITH SHAREHOLDERS AND OTHER INVESTORS

In its pursuit of continued growth and the enhancement of corporate value over the medium to long term, Mazda engages in a variety of IR initiatives in keeping with its policy of timely and appropriate disclosure of information and constructive dialogue. In addition to general meetings of shareholders, the Company holds meetings with its shareholders and other investors, providing quarterly announcements to explain its business results and other activities. The Company is working to increase opportunities for engagement through such means as holding business briefings for securities analysts, institutional investors, and individual investors.

INDUSTRY-ACADEMIA-GOVERNMENT COLLABORATION

Mazda engages in collaboration with government organizations, educational facilities, and research organizations that share its aspirations. Through co-creation that capitalizes on the respective strengths of these partners, the Company is accelerating its development and verification of technologies as well as its contributions to the resolution of social issues.

Utokyo LCA Center for Future Strategy

Mazda is a member of the Pre-emptive LCA Social Cooperation Research Department of the UTokyo LCA Center for Future Strategy (UTLCA), which was established in April 2023. The UTLCA is a team of LCA researchers from the University of Tokyo and other institutions that pools the talents of advanced science and technology researchers with members from across 10 University of Tokyo departments. The Pre-emptive LCA Social Cooperation Research Department is an organization membered by Mazda and 15 other companies with the goal of developing pre-emptive LCA methodologies that are viable for use in industry and with achieving practical implementation of these methodologies.

Joint Research Organization—Department of Mobility Experiences and Well-Being Research

In April 2024, Mazda established the Department of Mobility Experiences and Well-being Research as a joint research organization together with Hiroasaki University. This organization is tasked with accelerating research for better understanding people by combining Hiroasaki University's preventive medicine research foundation, which is built on an extensive and diverse collection of health big data, with Mazda's human-centric philosophy and technologies.

TOPIC—Creation of Connections with Communities

Mazda Town Festa 2024

Mazda Town Festa 2024 was held in June 2024 as a venue for exchanges with members of the community and as an expression of our feelings of appreciation toward the community. Carrying on the legacy of the Mazda Open Day events held from 2016 to 2019, but with a new name, this was the first such exchange event to be held in five years. Mazda sought to make this event an even more enjoyable to experience to be shared with community members. Based on the theme of unity among everyone in the community, this event featured food booths and stage performances

organized by community members with everyone united to energize the event, which saw more than 10,000 visitors over its two-day period. Many of the visitors expressed their enjoyment with comments highlighting aspects such as how impressed they were with the hospitality and passion of Mazda employees, how participation by suppliers and companies other than Mazda enhanced the event, and how enthralled their children were with the event.



SPECIAL FEATURE

TOPIC 1 — CONNECTIONS SUPPORTING BUSINESS GROWTH

BUILDING CONNECTIONS WITH CUSTOMERS AND DEALERS IN THE U.S. (MNAO*)

NETWORK REBUILDING TO STRENGTHEN BONDS WITH DEALERS

**Tim Manning, Senior Vice
President, Retail Operations**



Since 2016, Mazda has been promoting the sales network rebuilding and transformation of dealer facilities

as part of its operational reform initiatives under brand value management. We have been building win-win relationships with dealers by fostering trust to develop the network in which business is conducted in the right locations and at the right scale. By consistently and relentlessly implementing these initiatives, we have achieved record levels of dealer confidence that led to our current success. Although the number of stores has decreased from 635 in January 2019 to 543 in May 2024, not only the conversion to New-Generation Showrooms of existing dealers but also new investment of new entrant dealers, who have deepened their trust in the Mazda brand have increased, at a rate that surpasses our initial plan (more than 370 stores as of FY March 2024). The average throughput (sales per store) has increased from 445 units in 2016 to 625 units in 2023, and it is around

850 units in the case of New-Generation Showrooms. It resulted in higher business efficiency, and at the same time profitability has increased thanks to the introduction of CX-series SUV products including large products. In addition, as a result of our consistent efforts to date, the Most Optimistic score, (source: NADA National Automotive Dealer Association Winter 2024 survey), which measures expectations for the future of brands, has increased from 6.3 in 2019 to 8.3 in 2024, ranking third behind Lexus and Toyota.

OMOTENASHI, THE BASIS FOR BUILDING BONDS WITH DEALER PARTNERS

**Sridhar Adiga, Director, Customer
Experience**



Omotenashi, which is also one of the Values of our corporate philosophy, is central to building

trust with our dealer partners mentioned above. We interpret *Omotenashi* as interactions which are warm and caring, empathetic, and personal, which builds a long-term relationship through providing experiences tailored to each individual to exceed expectations. However, while Japanese people

understand this uniquely Japanese culture, it was difficult to make its meaning understood in the United States. Therefore, we created an opportunity for U.S. employees to visit Japan together with some dealers to experience Japanese culture. By actually experiencing the *Omotenashi* spirit, the participants deepened their understanding of the origin of the concept and mindset. By continuing these efforts, dealers began to think about how to provide *Omotenashi* from the customer's perspective, focusing on "human" rather than just following a set process or procedure, and to take voluntary action appropriate to the situation. Little by little, they began to realize the importance of *Omotenashi* for customers. Thus, the understanding of *Omotenashi* for customers at dealerships has progressed.

For example, mutual understanding between the staff and customers has deepened by implementing a comprehensive follow-up program to address the feelings of customers who once had a negative experience at a dealership. It has contributed to an increase in the number of customers who return to the same dealership for after-sales service, such as inspections and repairs, and the retention rate at the dealership has also improved.

The results are obvious in the following figure.

- Service retention: 56% in FY March 2023, +5ppts compared to FY March 2019

As dealership employees practice *Omotenashi* toward customers, they also develop the spirit of *Omotenashi* toward their colleagues in the dealership. As they foster a sense of consideration for each other, the business performance has improved along with the workplace atmosphere and individual mindset, which differentiates Mazda from its competitors and contributes to a virtuous cycle of attracting human resources who resonate with Mazda's vision.

In the coming months, we will expand our *Omotenashi* efforts to additional customer touch points to further improve their connection to Mazda.

DIGITAL VIDEO INSPECTION SERVICE THAT DEEPENS BONDS WITH CUSTOMERS

Kara Hudson, Director, Aftersales



This initiative, introduced in 2019, is a service to deliver our spirit of *Omotenashi* to customers.

Technicians record video footage of aftersales inspection on the customers' vehicles during maintenance and parts replacement. Under this service, the video footage, which

customers do not see usually, is sent to customers via the internet. The unique aspect is that the customer and the technician can connect directly through the video. Until now, after-sales service, such as inspections and repairs, has been a process in which the staff called service advisor listens to customer's request, shares it with a technician, who then assesses the condition of the customer's vehicle and provides the most appropriate service.

If you think about the situation in this process from the customer's perspective:

- "I am worried about what kind of people will touch my car and how my car is treated."
- On the other hand, from technician's perspective:
- "The customers may see why I responded this way if they look at the actual conditions including the stains."

There are many thoughts and feelings on both sides.

With these thoughts in mind, this video inspection service uses digital technology to allow technicians to explain, through the video footage they shot, about the condition of the customer's vehicle and how it is handled and repaired. With the added visual information from the video, the customer is able to understand at a glance that the work is appropriate and what the benefits are.

Some of the customer testimonials include the following:

"The inspection video reinforced

trust and transparency."

"The video inspection, adds a nice touch."

When the video inspection has started, only about 20% of dealers had adopted it. In 2022, this has increased to about 80% of dealers. On average, more than 84% of customers who brought their cars in for service have seen the video, and many of them rated the service very highly.

In addition to customer satisfaction, technicians are now able to make proposals more confidently from the customer's standpoint than before and feel more pride in their work.

We will continue to expand our services with the spirit of *Omotenashi* through initiatives that utilize digital technology, e.g., smart payment.

In addition to the product appeal of our large products, building bonds with dealer partners and through them with customers has also contributed greatly to the record-high sales volume in the U.S.



Digital video service filming

* Regional Headquarter: Mazda North American Operations

OMOTENASHI

SPECIAL FEATURE

TOPIC 1 — CONNECTIONS SUPPORTING BUSINESS GROWTH
CONNECTIONS FORMED WITH CUSTOMERS AT DOMESTIC DEALERSHIPS

MESSAGE FROM EXECUTIVE OFFICER



Kazuyoshi Todou
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

Tsunagarizukuri (creating human connections)

SPECIAL FEATURE

TOPIC 2 — CONNECTIONS WITH A WIDE RANGE OF CUSTOMERS

ESTABLISHMENT OF THE BRAND EXPERIENCE PROMOTION DIVISION

BACKGROUND AND GOALS OF ESTABLISHMENT

Some may wonder what exactly the idea of brand experience entails. For Mazda, brand experience is the concept of communicating, through experiences, the image a company seeks to evoke for its brand in order to deepen an understanding of how this brand differs from those of its rivals.

In its 2030 Vision, Mazda declares its intent to “To be a car-loving company that creates moving experiences through the ‘joy of driving.’”

To this realize this vision, it is imperative for the Company to provide customers with uplifting experiences that communicate the fact that Mazda is a brand for people who enjoy cars, not only to car enthusiasts but also to a wide range of other customers. Mazda thereby aims to engage in communication from a place that is psychologically close to customers via non-dealership touch points.

The Brand Experience Promotion Division was established in November 2023 with the goal of fostering recognition among customers with regard to how Mazda is a brand for people who enjoy cars by providing uplifting experiences that give people positive experiences of the fun of driving and of car ownership.

With a team of individuals assembled from relevant internal divisions, the division goes about this through mutual utilization of the insight and assets of customers, dealerships, and associate companies to co-create customer experiences that exemplify the Mazda brand together with these partners. The division’s initiatives will begin in Japan and, after having accumulated the necessary experience and insight, then be deployed to other areas of the world. The Brand Experience Promotion Division is thereby anticipated to propel the transformation of Mazda brand experiences across the globe.



Team of the Brand Experience Promotion Division (Front row, center: Eri Fujimoto, Division General Manager)

INITIATIVES AND PROGRESS

Grass-Roots Motorsports Activities and Mazda Driving Academy Events

Mazda is engaged in grass-roots motorsports activities and also arranges Mazda Driving Academy events to provide opportunities for customers to experience the joy of driving. Our involvement in grass-roots motorsports activities entails the organization of competitions using actual vehicles as well as esports events to offer opportunities to enjoy racing in both physical and digital spaces. Meanwhile, we celebrated the 10th anniversary of the launch of the Mazda Driving Academy in 2024. Mazda began organizing these events with the goal of making everyday driving easier and more enjoyable for customers. The Mazda Driving Academy will continue to be an area of focus going forward.



Event for new employees joining in 2024

DISCOVER with MAZDA

DISCOVER with MAZDA is an experience-oriented event program designed to combine driving with the hobbies and interests of customers. Through these events, Mazda endeavors to help customers make



Photograph commemorating Shigaraki ware ceramics workshop

new findings pertaining to their hobbies and interests while also encouraging various discoveries via the provision of useful driving information and experiences based on the event concept of supporting more uplifting and enjoyable lifestyles and vehicle ownership experiences. The first such event, which was held in FY March 2024, featured a Shigaraki ware ceramics workshop as well as lectures on driving postures and techniques that can reduce the burden on the driver. Participants voiced high opinions of the ceramics workshop as well as how the driving lectures made the drive home easier. The event also proved to be a valuable opportunity for Mazda’s staff as it enabled them to gain insight pertaining to customer demographics with which contact had previously been limited. For example, it was learned that, while customers do not view their cars as the main factors in their enjoyment of their hobbies, cars are still an important part of these activities. This newfound understanding contributed to a higher sense of motivation among staff members. The Company aims to cultivate DISCOVER with MAZDA into opportunities to investigate how its vehicles are contributing to more uplifting lifestyles for customers, so that its employees can go

about vehicle creation with greater confidence, as well as opportunities for providing uplifting experiences.

Going forward, the scope of DISCOVER with MAZDA events will be expanded to provide experiences in a more diverse range of genres.

Mazda Fan Festa

The Mazda Fan Festa is an event that features a wide range of opportunities for new discoveries and encounters and uplifting experiences designed to be enjoyed by customers of all ages. The Company held the Mazda Fan Festa in three locations in 2024, and the number of participants in these events totaled roughly 25,000.

Employees involved in the events have expressed opinions including the following:

“Being able to see the smiles on the faces of customers really made me feel what I am working for.”

“The event really hit home how we are supported by our customers.”

“I want to provide products and services that bring event greater joy to our customers.”

“I enjoyed being able to work in a team with members from different divisions.”

“The event gave me a greater sense of confidence in my work.”

Going forward, these connections with customers will be utilized to heighten employee desire to participate in the planning and organizing of employee-driven events. It is our

hope that dealership staff and other Mazda Group members will direct such events to share experiences with customers while exploring the spirit of *Omotenashi*.

In addition, input regarding merchandise designed based on the Mazda aesthetic will be gathered from a wide range of customers, including both drivers and non-drivers, in order to enhance lineups and otherwise evolve our offerings.

Through such initiatives, the Company aims to help a wider range of people experience the fun of car ownership to foster an increasing number of car lovers and ultimately Mazda lovers.

FUTURE OUTLOOK AND SHORT-TERM GOALS

In the future, Mazda will continue to expand the scope of brand experiences it offers to customers. These will not be limited to the aforementioned in-person events, but will also include events that merge esports and other digital experiences with in-person experiences. These experiences will be used to observe changes in customer sentiments and behavior and to track these changes in the form of data. The insight and data obtained through such events will be utilized to drive improvements in customer satisfaction and operational efficiency in dealership sales and other existing business areas.



Mazda Fan Festa event collage

OMOTENASHI



HITOZUKURI

(NURTURING THE DEVELOPMENT OF INDIVIDUALS)

Mazda is advancing *Hitozukuri* (nurturing the development of individuals) initiatives to create unique value through investments in people (maximization of people's contributions); the promotion of diversity, equity, and inclusion; and respect for human rights.

PASSION: UPLIFTED EMPLOYEES

Mazda aims to be, more than anywhere else, a company where people are uplifted. The Company firmly believes that energizing each and every employee and having them think and act based on an understanding of how issues relate to them is how it can maximize the contributions of its employees, and that this will tie into corporate growth.

Mazda's diverse employees, who come from various backgrounds, try to deliver uplifting experiences characterized by joy and inspiration for customers and everyone else connected to the Company through their business activities, such as those related to *Monozukuri* (engineering and manufacturing) or *Tsunagarizukuri* (creating human connections).

Special Feature / TOPIC		
	P59	Organizational Culture Reforms for Fulfilling Purpose: Blueprint
	P63	Mazda Innovation Space Tokyo
	P65	Human Rights Due Diligence Initiatives

FOSTERED STRENGTHS

Global Entrenchment of the Mazda Way* Code of Conduct

The Mazda Way, a code of conduct that details the Company's approach toward work, is incorporated into human resource systems and also functions as a reference point guiding certain parts of these systems. This approach is designed to foster a corporate culture of employees exercising their individuality while also combining their strengths to contribute to the Company and society.

* In FY March 2009, Mazda summarized seven basic principles and values handed down within the Company over time and defined these as the Mazda Way.

Personal Growth Through Various Opportunities and Experiences

Mazda may be on the small side when it comes to automobile manufacturers, but it is for this very reason that it can offer various opportunities to engage in different tasks. This range of opportunities enables employees to take a multifaceted view of the essence of their work, allowing them to go about their work from an overall optimization perspective and expanding their potential to be active in various fields where they can utilize that experience in the future.

Human Resource Development Through *Monozukuri*

Mazda seeks to develop human resources who are proficient at utilizing sophisticated equipment and tools and who can transform this proficiency into value for customers. Accordingly, the Company's human resource development programs are not limited to hands-on training on technologies and techniques. Another aim of these programs is to make employees better rounded as people. For this reason, the Company offers field trips in collaboration with the community. In this way, human resource development programs are creating skilled, well-rounded, and motivated employees.

FUTURE INITIATIVES

Entrenchment of Blueprint Initiatives in Which the Front Lines Take the Lead

With emphasis on the Mazda Way, Blueprint initiatives are being advanced to evolve the actions of people. These initiatives aim to transform our corporate culture by turning the conventional pyramidal decision-making, where decisions come from up top and spread down to the front lines, to one where the frontline employees who are in direct contact with customers take the lead, and where management supports the front lines.

Hitozukuri to Expand the Scope of *Monozukuri* and *Tsunagarizukuri*

In developing the human resources who will be responsible for *Monozukuri* and *Tsunagarizukuri* in the future, Mazda wants to develop relationships with partners across the globe that blur various boundaries—between people and organizations—and that involve consideration for others and sharing of goals, and in which parties can discuss what to do to accomplish those goals from their different perspectives and learn and teach each other for mutual growth and success.

Creation of an Uplifting Workplace Environment in Which Human Rights and Diversity Are Respected

Mazda respects the diversity of employees as well as their various values and lifestyles. Through global, Groupwide coordination, the Company is developing processes and management and other systems that position respect for human rights as a fundamental part of its business.

MESSAGE FROM EXECUTIVE OFFICER IN CHARGE OF HUMAN RESOURCES



Tomiko Takeuchi
Executive Officer and
Chief Human Resources
Officer (CHRO)

I believe that an important task for Mazda is the development of uplifted employees who are able to utilize their individual talents to engage in co-creation with external partners. The pace of change in the operating environment is growing increasingly swift, and we are therefore working to foster an organizational culture in which frontline employees are able to think and produce ideas by themselves and in which these ideas are actively shared to drive employees to tackle new challenges. We also aim to develop frameworks through which management can support such a culture. These were the goals that lead to the launch of Blueprint initiatives (see next page for details). Through this program, we sought to accelerate efforts to foster such a culture and to build frameworks for ensuring that human rights are respected as a fundamental part of our business in response to the recent rise in social expectations pertaining to corporate activities and human rights. We are also promoting recruit reforms through activities for accelerating co-creation with diverse individuals both inside and outside the Company. In this manner, Mazda seeks to transform its culture to forge connections with a wider range of colleagues in the future.

Hitozukuri (nurturing the development of individuals)

SPECIAL FEATURE

ORGANIZATIONAL CULTURE REFORMS FOR FULFILLING PURPOSE: BLUEPRINT

ORGANIZATIONAL CULTURE REFORMS FOR FULFILLING PURPOSE



Hiroshi Shiomi
Blueprint Ambassador

Power of Organizational Culture to Influence Strategies

If Mazda has an accommodating organizational culture, it will be better equipped to advance effective strategies, provide more exciting experiences, and develop a stronger business.

Blueprint is a series of organizational culture reform initiatives meant to be advanced by all Mazda employees and managers. These initiatives are aimed at ensuring

that every employee is able to act with an understanding of the experience (emotions) they seek to deliver to customers and colleagues to help Mazda fulfill its purpose.

Culture Shaped by Everyone, Importance of Changing Oneself as Opposed to Attempting to Change Others

Mazda aims to inspire everyone to use their interactions with others as opportunities for ongoing introspection to drive continuous self-transformation.

Long-Lasting Nature of Impressions Formed about Others

Mazda aspires to provide a workplace environment in which all employees are valued and able to experience inspiration, feel at peace, and have genuine interactions with their colleagues.

Rather than having managers and leaders rigorously manage the activities of their teams, they encourage employees to act based on a sense of autonomy. We will continue to promote this culture until it becomes an entrenched fixture of the Mazda brand. Meanwhile, the Mazda Way, the code of conduct to which employees are expected to adhere, will continue to be cherished as we implement the Blueprint to help every employee evolve their actions to be even more considerate of the feelings of others.

SPREADING INTERNAL INFLUENCE OF BLUEPRINT

The introduction phase for the Blueprint program has only just begun. Initiatives have included experience-oriented introductory sessions conducted over a two-day period, which saw participation by some 10,000 employees. In these introductory sessions, groups of around 20 employees from different divisions and of different ages were formed, and activities were led by employees designated as navigators and supporters. These sessions were aimed at inspiring employees to act with greater autonomy by exploring their feelings through activities and gaining new perspectives through discussion with colleagues. This approach was adopted based on the understanding that, the more people mature, the more they tend to become restricted by past successes and preconceptions. Through activities,



Employees acting as navigators and supporters

we hope to foster a growth-oriented mindset and allow employees to remember the flexible thinking they had as children. This empowering experience is anticipated to help participants make new discoveries and form connections with diverse colleagues.

Such initiatives have already been implemented in Europe and the United States, where they have contributed to the development of an organizational culture in which employees are empowered and can act based on the customer's perspective. This culture is already producing successful business results.



Session

The following comments from Blueprint session participants indicate that sessions have resulted in the cultivation of such a corporate culture. "The feeling of fostering an environment where everyone feels free to voice their opinions is amazing." "Sharing opinions with people from various age groups made me feel optimistic and free of doubt." "I want to embrace a feeling of gratitude as a normal part of my work." "The session helped me recognize the importance of thinking of others and of having a positive outlook."

INITIATIVES AND PROGRESS

Since October 2023, introductory Blueprint sessions have been organized in Hiroshima, Hofu (Yamaguchi Prefecture), and Tokyo, contributing to an increased drive among employees to reform Mazda's organizational culture. Positive developments have already been witnessed in the form of increases in workplace communication between employees and in attentiveness of managers toward team members.

In addition, initiatives have been launched with the goal of entrenching Blueprint principles in workplaces to ensure employees remember and continue to act based on what they learned in the Blueprint sessions.

One such initiative is Connection Salon, a laidback forum for exchanges between employees based on the theme of forming connections. By offering a venue for in-person communication, Connection

Salon helps employees form connections with colleagues working in other areas while providing an avenue for the sharing of ideas and perspectives. We have also begun working to offer a similar forum for communication via virtual spaces.



Connection Salon

FUTURE OUTLOOK

The first goal for the introductory Blueprint sessions launched in FY March 2024 will be to have all back-office employees participate in these sessions. After this goal is accomplished, the Company will seek to have all factory and other employees take part by the end of FY March 2026. At the same time, physical and virtual communication forums will be enhanced to help employees form connections with colleagues from a variety of work areas. Meanwhile, the competency evaluations used to assess work activities were revised during FY March 2025 to reflect the principles of Blueprint in their criteria and other details. The revised evaluation framework will be used for personnel evaluations in FY March 2026 to support the forward-looking actions of every employee.



Program materials

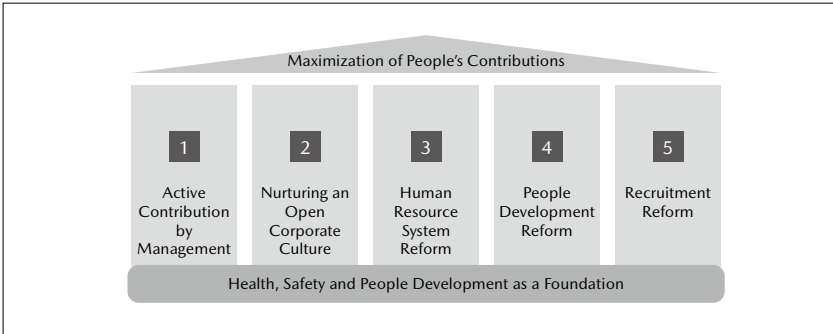
BLUEPRINT

ACTIVE CONTRIBUTIONS BY EMPLOYEES

MAXIMIZATION OF PEOPLE'S CONTRIBUTIONS

Mazda believes that new value is created when all employees are working while feeling motivated and energized based on mutual understanding and trust. Mazda has established five pillars for maximizing people's contributions and has formulated, and is implementing, measures for each of them.

Five pillars of efforts to maximize people's contributions



1 ACTIVE CONTRIBUTION BY MANAGEMENT

One of the foundations for maximizing employee contributions is ensuring an environment where all middle managers and higher-ranked managers can provide one-on-one support for the growth and success of all employees. At Mazda, management roles and responsibilities are defined in a management handbook and shared with all relevant staff members through role-specific training.

Management Support Program*¹

The management support program is a six-month, workplace-focused program through which all members of management learn about their roles and how to fulfill these roles as we take a targeted approach to enhance the quality of communication. In this program, the insight gained through coaching with divisional and departmental general managers and open and honest dialogue among middle managers is used to drive the creation of connections throughout the organization to enable managers to resolve issues in their workplace based on the human elements.

Personnel Development Committee*²

The Personnel Development Committee is a venue through which senior leaders of Mazda and Group companies discuss and make decisions on personnel exchange and development plans with the aim of fostering, optimally assigning, and facilitating the success of the people who will lead global operations in every field of Mazda's business over the medium and long term.

*¹ These activities are only conducted at Mazda Motor Corporation.
*² The Personnel Development Committee (PDC) is comprised of three committees: PDC1, which covers personnel in domestic and overseas global companies; PDC2, which covers personnel in middle management at Mazda Motor Corporation; and PDC3, which covers employees of Mazda Motor Corporation excluding those covered by PDC1 and PDC2.

2 NURTURING AN OPEN CORPORATE CULTURE

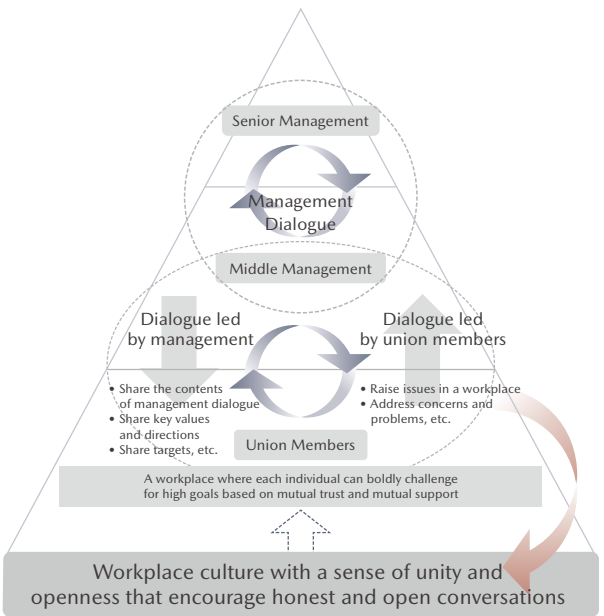
The foundation of Mazda's human resource development initiatives is good communication. For this reason, the Company is driving efforts to nurture an open corporate culture where people have open and honest consultations to facilitate mutual understanding, trust, and support.

Global Employee Survey

The Mazda Group conducts employee surveys on an ongoing basis to track employees' work motivation and to confirm conditions in working environments that support this motivation. The feedback gained through these surveys is used to make further improvements.

The major findings of surveys are released to employees, and more detailed results are reported to senior management at Mazda and Group companies in Japan and overseas. Organization-level results are communicated to the management of the respective organizations and companies, who are thereby encouraged to develop improvement plans as part of the PDCA cycle. Moreover, employee engagement, as gauged by these surveys, was included among the non-financial performance indicators used for officer remuneration systems as part of the revision undertaken in June 2024.

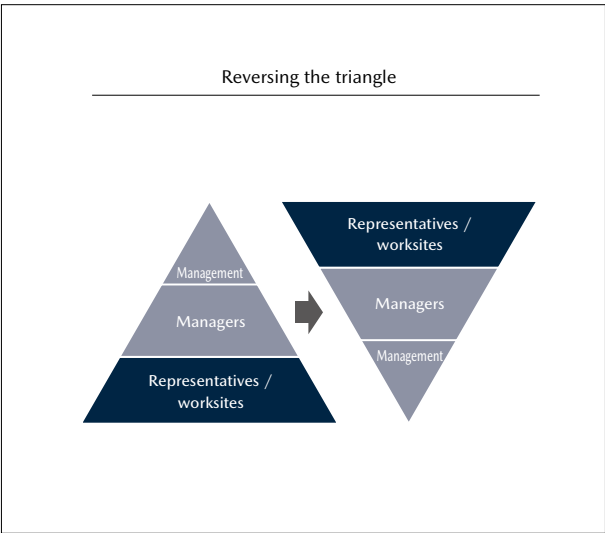
Promotion of engagement



Blueprint Culture Reform Program

Mazda is advancing its Blueprint culture reform program to foster a comfortable workplace environment through efforts by all officers and employees. This program is founded on the belief that a workplace offering peace of mind is conducive to the type of communication that produces a diverse range of unprecedented ideas. Mazda seeks to utilize such ideas to grow businesses in which all employees are able to exercise their skills. As illustrated in the diagram to the right, this program puts the customer center stage and examines how the value chain should be designed. It is also an effort to change our corporate culture by turning the conventional pyramidal decision-making approach (reverse the triangle), where decisions come from the top and spread down to the front lines, into one where the frontline employees who are in direct contact with customers take the lead, and where management supports the front lines.

P59



3 HUMAN RESOURCE SYSTEM REFORM Raising of the Retirement Age*¹

Mazda has overhauled its retirement system to enable all employees of all ages to make the most of their abilities and continue to make full contributions while feeling motivated and empowered. Specifically, the Company instituted a phased increase to the retirement age beginning in April 2022, with the goal of eventually raising the retirement age to 65 in FY March 2031. In conjunction with this process, the Company has revised its reemployment systems to introduce retirement age options. As a result, seasoned employees are now able to use the experience, expertise, and skills they have built up to expand their opportunities both in the Company and in their communities and society.

In addition, Mazda is developing an environment that can support the autonomous career development and choices for employees who have reached the age of 60 through discussions with workplace supervisors about their current work and future career opportunities.

Remote-Work System*¹

As part of workstyle reforms implemented in response to the COVID-19 pandemic, Mazda reviewed its conventional work-from-home system and, in October 2020, introduced a new remote-work system. The Company aims to facilitate highly efficient, high-performance workstyles by skillfully combining workplace attendance and remote working to create workstyles that can maximize organizational and workplace performance.

*¹ These activities are only conducted at Mazda Motor Corporation.

4 PEOPLE DEVELOPMENT REFORM

The key concepts behind Mazda's human resource development reforms are autonomy, growth, and support. The Company aims to transform to provide workplace and learning environments where the diversity of employees is respected and where they can better grow and succeed to ensure that work at Mazda is a fulfilling experience.

Mazda Business Leader Development

Mazda Business Leader Development (MBLD) is a type of business meeting unique to Mazda, one in which senior management shares messages with all employees and explores Mazda's future business path while engaging in vigorous discussion. In FY March 2024, an MBLD meeting was held at which managers from within and outside Japan with the rank of division general manager or above attended. At the meeting, participants discussed the various challenges that Mazda faces and the directions to be taken in initiatives by reconfirming where Mazda currently stands and asking what it will require to realize its 2030 Vision. Going forward, Mazda will continue to promote the active participation of all employees in MBLD meetings in order to encourage transformations in awareness and behavior.

ACTIVE CONTRIBUTIONS BY EMPLOYEES

Development of Human Resources with Digital Technology and IT Skills*

To accomplish its goal of doubling productivity by 2030, Mazda seeks to ensure that all back-office employees possess a certain degree of proficiency in relation to AI and IT technologies and can take on more advanced AI applications. To this end, all back-office employees have submitted to the entry-level digital technology training curriculum offered by Aidemy, Inc. since August 2022.

As the next step in these efforts, Mazda will promote practical learning focused on specific work processes to enable employees to utilize digital technology skills to address actual work issues. To this end, the entry-level curriculum has been supplemented through the introduction of eight new curricula selected based on the human resource types and skills defined in the Digital Skill Standard–Promotion framework provided by Information-technology Promotion Agency, Japan. By applying this framework to one’s specific work issues and skills, employees are able to choose the course that best suits them in order to pursue growth in accordance with their needs. Moreover, AI dojos are offered as a program for enhancing one’s ability to apply digital technologies to their work. The first batch of participants completed the program in spring 2024, and these individuals are guiding efforts to apply such technologies to processes in their respective organizations. The second iteration of this program was commenced in June 2024. By achieving an exponential increase in individuals capable of providing such guidance, Mazda aims to rapidly accelerate its digital transformation initiatives.

Meanwhile, the Company is looking to create secure generative AIs by developing interfaces matched to specific work processes based on the results of operational analyses. These AIs are being deployed throughout all areas of business in order to accelerate frontline reforms. Meanwhile, examples of the usage of AI and IT technologies in divisions across the Company have been compiled on a dedicated portal site. The act of sharing several hundred examples of these technologies being utilized and the related insight has given rise to AI and IT utilization communities. Moreover, Mazda is promoting recurrent education for individuals seeking to increase their knowledge. Coordination for this purpose is being advanced with Japanese universities. In addition, collaboration aimed at enhancing the AI skills of human resources is being promoted with Secondmind Ltd., an AI venture firm established by the U.K.’s University of Cambridge and in which Mazda commenced investment in 2023. Plans are moving forward to commence an education program for training top-class AIs in the near future.

Through these initiatives, Mazda aims to become an organization that can utilize AI to resolve a wide range of management, development, operational, and other issues. Platforms for using AI to enhance the capabilities of people are thus being installed and their utilization is being promoted on a Companywide basis.

*1 These activities are only conducted at Mazda Motor Corporation.

5 RECRUITMENT REFORM

The recruitment environment is becoming more challenging, prompting Mazda to reform its recruitment activities to focus on being selected by those who resonate with the Company’s desired direction. In terms of mid-career recruitment, Mazda is bolstering its recruitment activities in the greater Tokyo metropolitan area while also holding workshops and

briefing sessions. In areas where the need for specialist human resources is particularly high, the Company is allowing workstyles that do not tie employees down to a set working location. As part of new graduate recruitment activities, Mazda offers summer and winter internship programs to highlight the appeal of working at the Company.

TOPIC

Mazda Innovation Space Tokyo

In February 2024, Mazda opened Mazda Innovation Space Tokyo in the Roppongi area of Minato-ku, Tokyo. This hub will serve as a place where partnerships are formed and talented individuals dare to create new value. Mazda established this new space in Tokyo to reach far beyond the conventional framework of the automobile business, encounter a diverse range of talented individuals and business partners, and accelerate its co-creation activities. In addition to recruiting IT,

Mobility as a Service (MaaS), and other specialists, this space is hosting interactions with new business partners, including those engaged in the electrification process, and facilitating new business development, internal workshops, and other activities for co-creation both inside and outside the Company.



Global Employment Maintenance and Recruitment Activities

The Mazda Group conducts recruitment activities to secure the personnel required based on the needs of each country and region.

Production sites strive to appropriately maintain and manage employment with an understanding that such practices have great impact on the local economies. In Japan, the Company has maintained the production volumes and related employment at production sites in Hiroshima and Yamaguchi prefectures. Overseas, initiatives are underway to improve the operation rates of plants in Mexico and Thailand. In addition, steps are

taken to maintain employment and recruit staff based on the labor practices of the respective countries and regions in conjunction with the commencement of operations employing Mazda Toyota Manufacturing (MTM) standards in the United States.

Alumni Hiring Program

Mazda has introduced an alumni hiring program for re-hiring former Mazda employees. This program is designed to secure staff capable of making immediate contributions in the increasingly competitive job market and to utilize the insight and experience such individuals have gained during their time outside of the Company.

CAREER CHALLENGE (IN-HOUSE RECRUITMENT/FA) SYSTEM*1

As part of the career challenge system, Mazda advertises for the requisite work experience and skills it requires for new positions and offers an in-house recruitment system for employees who want to take on the challenge of a new position. This system, previously only offered twice a year, has been expanded to be available on a year-round basis to grant employees access to a wide range of opportunities to choose their position and promote career autonomy. In this manner, the Company is providing an environment in which employees can personally commit to specific positions and pursue ongoing learning and growth. Moreover, the development of frameworks for quickly filling necessary positions in organizations is anticipated to increase organizational output, facilitate greater human resource fluidity, and maximize the utilization and contributions of human resources.

DIVERSITY, EQUITY, AND INCLUSION

Based on the belief that people are the Company’s most important asset, Mazda respects the growth and diversity of all employees and is committed to developing a workplace environment in which every employee can exercise their creativity. To this end, the Company must ensure that its workplace environment is receptive toward substantive differences, such as those in experience and values, as opposed to superficial differences, such as gender, disability, age, and nationality, to uplift diverse employees and facilitate co-creation among them and to thereby heighten the creativity of its organization. To achieve these objectives, Mazda is currently moving ahead with the following initiatives and intends to expand the scope of its initiatives for promoting diversity in the future.

SUPPORT FOR CONTRIBUTIONS OF DIVERSE EMPLOYEES

• Empowerment of Female Employees and Promotion of Child-Rearing Leave Acquisition by Male Employees

On March 31, 2024, the percentage of female employees at Mazda Motor Corporation was 10.3%, on a non-consolidated basis, and the percentage of female managers was 4.3%. A look at Mazda’s global operations will reveal that Japan is an area where the Company faces particular issues with regard to providing opportunities for the empowerment of female employees. Accordingly, targets have been set for indicators related to this area in Japan to guide improvements. As the first step toward empowering female employees, the diversification of management is being pursued through the cultivation of female managers and female candidates for managerial positions. As a specific measure, Mazda formulates and implements individual development plans for female managerial candidates and also arranges career development training for female employees and their supervisors. In addition, the Company organizes forums for exchanges with women active in management outside of the Mazda Group.

Furthermore, targets have been set for the ratio of applicable male employees taking child-rearing leave (including post-childbirth paternity leave) in Japan to foster acceptance for diverse values.

Targets

- Number of female managers: 80 in FY March 2025, 100 in FY March 2026
- Ratio of applicable male employees taking child-rearing leave (including post-childbirth paternity leave): 60% in FY March 2025, 70% in FY March 2026

Achievements in FY March 2024

- Number of female managers of 71 (triple the level in FY March 2015)
- Rate of male employees taking child-rearing leave of 54.4%

• Support for Sexual Minorities

Mazda aspires to ensure that all employees are able to feel empowered and be themselves at work while exercising their talents, regardless of their sexual identity. To this end, the Rules for Eliminating Human Rights Violations have included provisions prohibiting discrimination against homosexual individuals since these rules were established in 2000. These provisions were reworded as part of a 2012 revision to prohibit discrimination based on sexual orientation. Later, in 2017, the provisions were expanded to include prohibition of discrimination based on gender identity. Furthermore, a 2020 revision to Mazda’s working regulations

changes the definition of “partner” to include not only spouses via marriage but also individuals of either the same or opposite sex in relationships deemed equivalent to marriage. This revision also guaranteed equal treatment to married individuals whether their marriage was legally registered or not. Going forward, Mazda will continue to advance initiatives for preventing harassment based on sexual orientation or gender identity.

In recognition of these efforts, Mazda received a rating of silver in the 2023 PRIDE INDEX,*2 which recognizes companies’ initiatives for supporting sexual minorities.

• Employment of People With Disabilities

Mazda continuously recruits those with disabilities. To ensure that each employee can deliver their best performance, the Company has established the Physical Challenge Support Desk,*1 which offers consultations on various matters to employees with disabilities to help provide them with a comfortable work environment. In addition, Mazda employs two certified sign-language interpreters to further ensure provision of information to people with hearing impairments (as of March 31, 2024). In FY March 2014, the Company was certified as an Ai Support Company/Organization by Hiroshima Prefecture under its Ai Support campaign.*3 Mazda participates in this campaign with the aim of helping realize a society where all people can live in harmony and in comfort, regardless of whether they are with or without disabilities. In FY March 2015, the Company registered itself with the “special support school employment support unit Hiroshima”***4 to carry out the internship program for students with cognitive disabilities as part of its collaboration with the local community to promote employment of people with disabilities. As a result of these initiatives, Mazda has seen an increasing number of employees with disabilities being recognized as Excellent Workers with Disabilities by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers.

*1 These activities are only conducted at Mazda Motor Corporation.
*2 The PRIDE INDEX is an index compiled by work with Pride with the goal of encouraging the development of comfortable workplace environments for sexual minorities. Ratings in this index are determined based on evaluations of five criteria: policy, representation, inspiration, development, and engagement/empowerment.
*3 “Ai” translates to “love” in English. The Ai Support campaign is intended to certify companies and organizations that recommend that their employees read the textbook “Let’s Learn about and Live with People with Special Needs” and to participate in Ai Supporter training programs.
*4 “Special support school employment support unit Hiroshima” is a program for promoting the employment of special school students through collaboration between local companies and Hiroshima Prefecture.

RESPECT FOR HUMAN RIGHTS

Mazda views human rights as fundamental to its corporate activities. The Company does not tolerate human rights violations of any kind in its corporate activities, both inside and outside the Company, including discrimination or harassment on the basis of race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, or gender identity. Based on this policy, in August 2023 the Company established the Mazda Human Rights Policy. In formulating this policy, the Company prepared a draft through discussion with domestic and overseas Group companies, and this draft was reported to and approved by the Board of Directors. Going forward, Mazda will continue to pursue coordination and update this policy as necessary. It will also strive to spread awareness and understanding of the policy.

SYSTEMS FOR PROMOTING HUMAN RIGHTS

The Human Rights Committee, comprising executive officers and division general managers, deliberates on human rights activities. Based on decisions by the committee, the Human Resources Division promotes human rights protection activities and acts to resolve issues throughout the Group. At Mazda Motor Corporation, each division manager leads activities as a human rights promotion officer. Meanwhile, individuals assigned responsibility for human rights lead activities at each Mazda business location as well as at Group companies in Japan and overseas.

At Group companies in Japan, a network has been established to exchange opinions with the Company on a regular basis. Serious human rights violations identified through the network are reported to executive officers and other management-level members of Mazda Motor Corporation, providing a framework that enables the implementation of Groupwide solutions.

Moreover, twice a year, the Human Rights Committee conducts a global employee survey to check the progress of human rights protection activities in each region around the world and confirm whether there are any problems to be addressed or not. The results of the survey are communicated to relevant members of management and response measures are taken as needed.

In regard to suppliers, Mazda seeks to establish a supply chain in which suppliers are also required to fulfill their social responsibilities in the area of respect for human rights based on the Mazda Supplier Sustainability Guidelines.

Furthermore, the Company actively collaborates with local governments, companies, and other external organizations to implement human rights protection activities for local communities.

HUMAN RIGHTS COUNSELING BY DEDICATED COUNSELORS

Mazda has established a Human Rights Counseling Desk and a Female Employee Counseling Desk to appropriately respond to human rights consultations from employees, through providing advice and supporting early relief from human rights violations. For more than 10 years, the counseling desks have responded to consultations from sexual minority (LGBTQ+) employees and, working with workplaces, have continued to provide support. Mazda has set out regulations mandating strict confidentiality, guaranteeing immunity from reprisals, and ensuring that no disadvantage will accrue to employees who request consultations. Counseling is offered in various forms, such as face-to-face, by telephone, or by email.

Mazda promptly responds to consultations, with the goal of rapidly improving the work environment for the affected employee, while taking any necessary measures against the relevant violator based on factual inquiry. The Company also offers the necessary support to ensure respect for human rights throughout the entire workplace, through the abovementioned counseling desks. For example, these desks offer advice on work place culture improvement to the employee's supervisor, and provide counseling and advice for the employees and other persons concerned.

TOPIC

Human Rights Due Diligence Initiatives

In FY March 2024, Mazda began partnering with NPO and third-party organization Caux Round Table Japan to advance human rights due diligence initiatives and refine its corrective and remediation measures for responding to human rights issues in a manner that is matched to the value chain. Groupwide coordination is being practiced globally as part of these initiatives. In addition, Mazda is advancing phased human rights due diligence activities and corrective and remediation processes based on the United Nations Guiding Principles on Business and Human Rights and with emphasis placed on engagement with rights holders*1 to practice effective communication and build strong relationships. Mazda is thereby developing a human rights management system that incorporates members of senior management. Information on the progress of this process is disclosed as appropriate on Mazda's corporate website.

TRAINING AND EDUCATIONAL ACTIVITIES*2

Mazda proactively and regularly provides awareness-raising activities and education on human rights, targeting all executive officers and employees. In March 2008, recognized for these initiatives and other human rights protection activities, Mazda became the first corporation in Japan to be awarded the Human Rights Merit Award by Japan's Ministry of Justice and the National Federation of Consultative Assemblies of Civil Liberties Commissioners.

Human Rights Training*2

Mazda is engaged in the following human rights education activities.

- Collective training
- In-house awareness training for sexual minority issues
- Human rights mini-lectures and other information offered via the Company intranet

Senior Management's Message during Human Rights Week*2

The Company's senior management sends all employees a message to acquaint them with the importance of respect for human rights every year during Human Rights Week, in connection with Human Rights Day on December 10.

Human Rights Meetings*2

Mazda holds regular meetings (four times a year) at each workplace themed on familiar topics, helping employees to think for themselves about human rights and form their own insights.

*1 Engagement refers to the process of practicing direct communication with people whose human rights may be affected in order to build trust.
*2 These activities are only conducted at Mazda Motor Corporation.



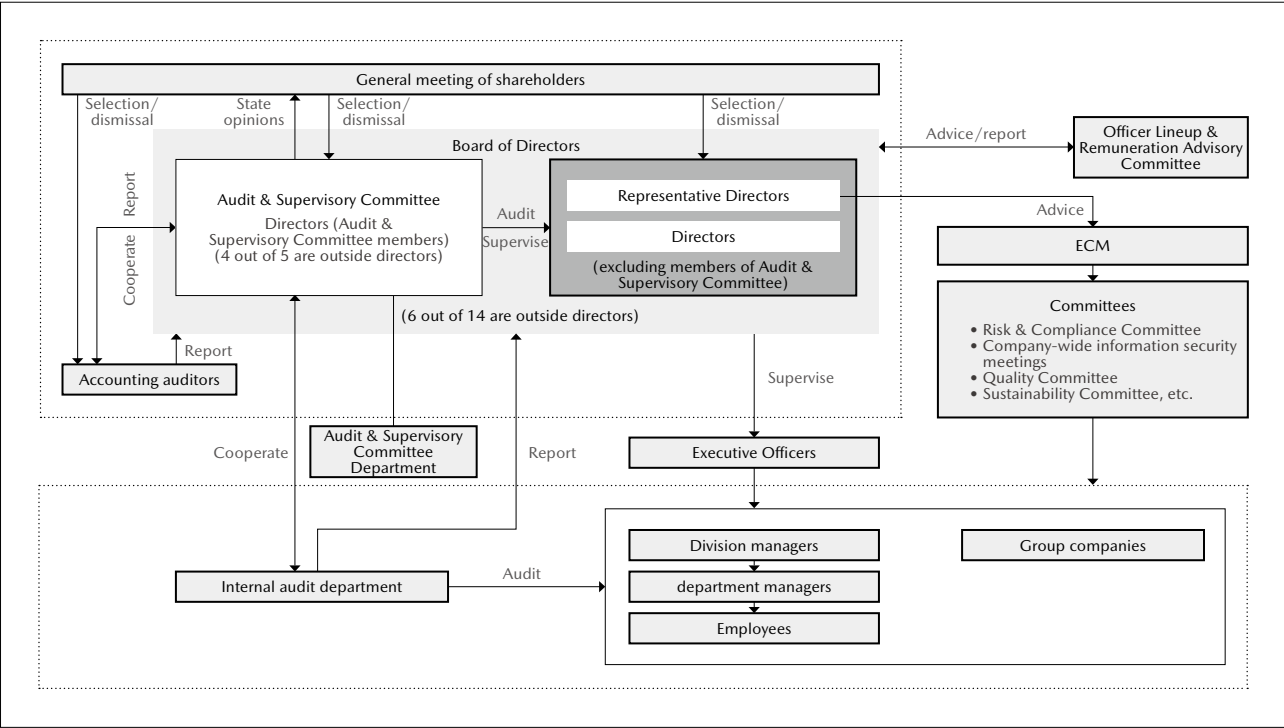
04 GOVERNANCE

- 67 Corporate Governance
- 71 Compliance
- 72 Risk Management
- 73 Discussion between Outside Directors

Mazda respects the principles of Japan's Corporate Governance Code, formulated by Tokyo Stock Exchange, Inc., and works to maintain strong relationships with its stakeholders, including shareholders, customers, suppliers, local communities, and its employees. By doing so, the Company strives to sustain growth and enhance its corporate value over the medium and long term through transparent, fair, prompt, and decisive decision-making and to continue to enhance its corporate governance.

The Company's business environment is undergoing rapid changes. In order to enable faster business decision-making, further enhance discussion of management strategies, and strengthen supervisory functions of the Board of Directors, Mazda has adopted the company with audit and supervisory committee structure described in the Companies Act of Japan. Based on this structure, the Company maintains legally mandated governance organizations including the general meeting of shareholders, the Board of Directors, and the Audit & Supervisory Committee. Furthermore, to raise the transparency of the processes behind the nomination and selection of officers and the remuneration decision-making process, the Company established the Officer Lineup & Remuneration Advisory Committee as an advisory body to the Board of Directors.

Corporate Governance System



Changes in Initiatives to Strengthen Corporate Governance

(Years ended March 31)																	
		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
Organization design, etc.		Company with an Audit & Supervisory Committee								June 2019: Adopted a Company with an Audit & Supervisory Committee structure							
Advisory body related to officer lineup and remuneration						Officer Lineup & Remuneration Advisory Committee (majority of the members are independent outside directors)											
Board of Directors	Number of independent outside directors	Selection of 2 members								Selection of 6 members ^{*1} (one-third or more of the Board of Directors)							
	Evaluation of effectiveness and operational improvement						Evaluation of the effectiveness of Board of Directors										
Audit & Supervisory Board Number of Outside Audit & Supervisory Board members		Selection of 3 members															
Audit & Supervisory Committee Number of outside directors who are Audit & Supervisory Committee members											Selection of 4 members						
Executive remuneration							Remuneration in the form of stock options									RS / PSU ^{*2}	

*1 Including 4 outside directors who are Audit & Supervisory Committee members
*2 RS: Restricted Stock / PSU: Performance Share Unit

Board of Directors

The Company's Board of Directors deliberates and makes decisions on important operational execution matters, such as management strategy and basic management policies, and supervises the execution of duties by individual directors.

In addition, to facilitate quick and flexible decision-making, based on the Articles of Incorporation a substantial part of decision-making regarding important operational execution matters will be delegated to management, and executive officers including and below the president to whom authority has been delegated based on the Company's rules of administrative authority will make decisions regarding these matters. The Board of Directors is made up of 14 directors, 6 of whom are highly independent outside directors. The Board of Directors generally meets once per month.

Major Matters Discussed in FY March 2024

- Implementation of management policies and progress management leading up to 2030
- Phased electrification scenarios based on trends and other conditions specific to each market, and collaboration for electrification
- Plan to achieve carbon neutrality at domestic factories and operating sites by FY March 2031
- Approach to issues around sustainability, development of the Group's human rights policy, and action plan for human rights due diligence
- Status of operation of systems for internal control and risk management

Audit & Supervisory Committee

The Company's Audit & Supervisory Committee audits the Board of Directors' decision-making process, the execution of duties by directors, the implementation of internal control systems through the execution of voting rights at Board of Directors' meetings, and the execution of the right to state opinions on the personnel changes and remuneration of directors (excluding directors who are Audit & Supervisory Committee members) at the general meeting of shareholders. The committee is made up of 5 members, 4 of whom are highly independent outside directors. To ensure the effectiveness of audits, one full-time Audit & Supervisory Committee member has been appointed.

Major Matters Discussed in FY March 2024

- Audit policy, high-priority initiatives, audit plan, work assignment, and audit methods for effective functioning of audit activities
- Strengthening the mechanisms and means to reflect the opinions of outside directors based on multifaceted perspectives and outside viewpoints in audits while striving to enhance the opportunities to provide outside directors with information, as well as the nature of such information
- Checking and enhancing the execution of duties (including the formulation and progress of management strategy matters) by directors (excluding directors who are Audit & Supervisory Committee members), executive officers, general managers of major departments, and management of subsidiaries and affiliates
- Cooperation with the internal audit department and accounting auditors as an organizational audit
- The appropriateness of audit by the accounting auditors based

on quarterly reviews and reports by the accounting auditors, the selection and dismissal of the accounting auditors, and remuneration for the accounting auditors

Accounting Auditors

Accounting audits are conducted by KPMG AZSA LLC. The certified public accountants who conducted the Company's accounting audits are Hiroshi Tawara, Koji Yoshida, and Kazumi Kanehara. Those assisting with the Company's accounting audits include 13 certified public accountants and 38 others, 5 of whom have passed the certified public accountant examination.

Executive Officers

Mazda has introduced an executive officer system. By separating the execution and management functions, Mazda seeks to enhance the effectiveness of the Board of Directors as an oversight organization. In addition, decision-making is expedited through expanded discussion by the Board of Directors and by delegating authority to executive officers. In this way, the Company is working to further managerial efficiency.

Officer Lineup & Remuneration Advisory Committee

The Company has established the Officer Lineup & Remuneration Advisory Committee, made up of 3 representative directors and 6 outside directors, as an advisory body to the Board of Directors. The committee reports to the Board of Directors the results of its deliberation on matters such as officer lineup and policies regarding the selection and training of directors as well as remuneration payment policies and the remuneration system and processes based on those policies, which contribute to the Company's sustainable growth and to the raising of corporate value in the medium and long term.

Major Matters Discussed in FY March 2024

- Appropriateness of the composition of directors and executive officers to ensure the diversity and skills mix required to achieve management policy goals (executive personnel changes effective April 1, 2024, and executive personnel changes effective June 25, 2024)
- Appropriateness of remuneration amount for directors and executive officers to confirm conformity with the policies on determining details of individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members) and compare with the remuneration levels of the benchmark companies whose size and line of business are similar to those of the Company, etc.
- Review of the remuneration system for directors (excluding directors who are Audit & Supervisory Committee members and outside directors), executive officers, and fellows (introduction of restricted stock remuneration and the performance share unit remuneration, changes in remuneration composition rates, and identification of performance indicators for performance-based restricted stock remuneration)

MEASURES TO ENSURE THE EFFECTIVENESS OF THE BOARD OF DIRECTORS

Analysis and Evaluation of the Effectiveness of the Board of Directors

Mazda analyzes and evaluates the effectiveness of the Board of Directors in order to steadily advance measures for the further enhancement of its effectiveness.

Information on the processes of the analyses and evaluations conducted in FY March 2024 as well as the results is provided below.

Method of Analysis and Evaluation

Using a survey form prepared by the secretariat for the Board of Directors, all directors conducted a self-evaluation of the Board of Directors’ effectiveness. Based on the survey results, the directors analyzed the current situation and discussed improvements, focusing particularly on matters identified as ongoing issues in FY March 2024. Subsequent discussions were then held at Board of Directors’ meetings to define the principles to pursue and the approach to adopt.

Details of Analyses and Evaluations

The analyses and evaluations primarily covered the membership of the Board of Directors; deliberations on business strategies, compliance, internal control, and other topics; provision of information (the amount of information, materials, explanations, and support for outside directors); and involvement in deliberations.

Results Overview

It was found that directors were properly involved in determining the Company’s management strategy and share an understanding of its content, that outside directors expressed their opinions from an independent

perspective after gaining an understanding of the Company’s situation by receiving explanations of resolutions in advance and other forms of support, and that the oversight function for operational execution was effective. It was also confirmed that discussions at Board of Directors’ meetings have become livelier and that directors have a strong awareness and expectations regarding further improvements to the effectiveness of the Board of Directors.

Additionally, it was confirmed that matters were thoroughly discussed by securing ample time and that decision-making speed had been improved by delegating authority from the Board of Directors to representative directors within an appropriate scope based on the Company’s Articles of Incorporation. Conversely, the operating environment remains volatile and outlook opaque. Accordingly, the directors again clarified and shared their understanding of the functions and roles of the Board of Directors and discussed how agenda items should be selected and the processes required for deliberation. Through the discussion, all directors confirmed that important matters such as the management strategy should be brought up in a timely manner and decisions made after thorough discussion, and that it is necessary to continue to strengthen the monitoring of the progress of the management strategy and related specific initiatives from various perspectives. The directors also recognized the need to share information and hold discussions among themselves at an early stage to enable them to consider the opinions of outside directors amid rapid changes in the external environment.

In June 2024, a revision was instituted to the remuneration systems for directors (excluding directors who are Audit & Supervisory Committee members and outside directors), executive officers, and fellows. This revision was designed to heighten motivation for pursuing medium- to long-term improvements in corporate value by increasing the degree to which officers share the benefits and risks of share price fluctuations with shareholders.

Under the revised systems, performance share unit remuneration is determined using ① ROE, a financial indicator that gauges capital efficiency, and ② employee engagement, ③ customer focus enhancement, and ④ greenhouse gas emissions reductions, non-financial indicators selected based on the Company’s medium- to long-term management strategies and challenges. Targets for these indicators are set on an individual fiscal year basis and with consideration for medium- to long-term targets, and the number of shares to be issued is determined based on whether the target for each performance indicator was achieved.

* Restricted stock remuneration is comprised of restricted stock that is not linked to performance and performance share units that are linked to performance.

Remuneration category	Details	Performance indicators
Basic remuneration	Fixed-sum payments based on the director's position and responsibilities	—
Performance-based monetary remuneration	Payments based on the director's position and responsibilities that are adjusted in accordance with the degree of progress toward the initially announced performance forecasts for defined performance indicators Payments based on personal evaluations that reflect the degree of accomplishment of targets set for each individual	• Consolidated net sales • Net income attributable to owners of the parent
Restricted stock compensation	Number of shares issued based on standard value set in accordance with the director's position and responsibilities	—
Performance-based performance share units	Number of units allocated equivalent to the base amount (1 unit = 1 share equivalent) based on the director's position and responsibilities and used to determine the number of shares to be issued based on whether the target for each performance indicator was achieved after the performance evaluation period (one fiscal year in which the unit grant date falls)	• Return on equity • Employee engagement* • Customer focus enhancement* • Greenhouse gas emissions reductions















For information on director remuneration in FY March 2024, please refer to the Company’s securities report.
https://www.mazda.com/en/investors/library/s-report/
* Employee engagement and customer focus enhancement are measured based on rates of positive responses in regard to relevant questions on employee awareness surveys.

SKILL MATRIX FOR THE BOARD OF DIRECTORS

As the business environment surrounding the Company rapidly changes, Mazda believes that the Board of Directors must have an appropriate balance of knowledge, experience, and competence and also be diverse in composition to effectively fulfill its roles and responsibilities for the sustainable growth and improvement in corporate value over the medium to long term.

Organizational Affiliation (As of the end of June 2024)

Board of Directors (including members of Audit & Supervisory Committee)	14 (Inside directors: 8, Outside directors: 6), including 2 female directors and 1 foreign-national director Ratio of outside directors 42.9% Ratio of female directors 14.3%
Audit & Supervisory Committee	5 (Inside directors: 1, Outside directors: 4), including 1 female director
Officer Lineup & Remuneration Advisory Committee	9 (Inside directors: 3, Outside directors: 6), including 2 female directors and 1 foreign-national director Ratio of outside directors 66.7%

Job title Name and attributes*1	Organizational affiliation*2 and attendance in FY March 2024*3			Fields of experience and expertise*4									
	Board of Directors	Audit & Supervisory Committee	Officer Lineup & Remuneration Advisory Committee	Management (executive experience)	Global business	Product planning / R&D	Manufacturing / Purchasing / Quality	Brand / Marketing / Sales	ESG	IT / DX	HR management / Personnel development	Legal / Risk management	Finance / Accounting
 Representative Director and Chairman of the Board Kiyotaka Shobuda 65; male	● 16/16		● 5/5	●	●		●	●	●				
 Representative Director, President and Chief Executive Officer (CEO) Masahiro Moro 63; male	● 16/16		● 3/3	●	●			●	●		●	●	
 Representative Director, Senior Managing Executive Officer and Chief Financial Officer (CFO) Jeffrey H. Guyton 57; male	● 13/13		● 3/3	●	●			●	●				●
 Director, Senior Managing Executive Officer and Chief Customer Experience Officer (CCEO) Yasuhiro Aoyama 58; male	● 16/16			●	●	●		●					
 Director, Senior Managing Executive Officer and Chief Technology Officer (CTO) Ichiro Hirose 63; male	● 16/16				●	●			●				
 Director, Senior Managing Executive Officer and Chief Supply Chain Officer (CSCO) Takeshi Mukai 62; male	● 15/16				●		●		●				
 Director, Senior Managing Executive Officer and Chief Strategy Officer (CSO) Takeji Kojima 58; male	● 13/13					●			●	●			
 Director Independent Director Outside Director Kiyoshi Sato 68; male	● 16/16		● 5/5	●	●			●	●	●			
 Director Independent Director Outside Director Michiko Ogawa 61; female	● 16/16		● 5/5			●		●	●				
 Director, Audit & Supervisory Committee Member (full-time) Nobuhiko Watabe 65; male	● 16/16	● 19/19		●	●			●					●
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Akira Kitamura 73; male	● 16/16	● 19/19	● 5/5	●					●				●
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Hiroko Shibasaki 70; female	● 16/16	● 19/19	● 5/5					●			●		
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Masato Sugimori 67; male	● 16/16	● 19/19	● 5/5		●				●	●		●	●
 Director, Audit & Supervisory Committee Member Independent Director Outside Director Hiroshi Inoue 67; male	● 13/13	● 14/14	● 3/3						●		●	●	

*1 The age shown is as of June 25, 2024.
*2 ● shows the person’s status as chairperson.
*3 The attendance of Directors Masahiro Moro, Jeffrey H. Guyton, Takeji Kojima and Hiroshi Inoue is for the meetings held since they took office on June 27, 2023.
*4 Only shows each person’s major fields of experience and expertise, instead of providing complete information.

COMPLIANCE

At Mazda, the concept of compliance applies not only to laws and regulations but also includes adherence to other rules, such as internal guidelines and social norms and expectations. Business operations are conducted in accordance with the Mazda Corporate Ethics Code of Conduct to ensure fair and honest practices.

The Global Employee Engagement Survey, which includes a questionnaire concerning compliance, is conducted to check employees' degree of understanding of compliance.

OUTLINE OF THE MAZDA CORPORATE ETHICS CODE OF CONDUCT

Five principles of faithful behavior

1. To comply with laws and regulations, Company rules, common sense, and sound practice in international society
2. To be fair and impartial
3. To fulfill the Company's social responsibilities
4. To fulfill one's own duties truthfully
5. To be honest

Guidelines

1. Comply with laws and regulations and the Company rules.
In a situation where such rules are not clearly defined, make a judgment considering their spirit.

2. Treat employees, customers, and clients fairly and justly.
Do not obtain from or give anybody an unjust benefit and/or favor taking advantage of your business position.
3. Make distinctions between public and private affairs, and never pocket or abuse Company assets.
4. Keep confidential information. Never infringe on any intellectual property rights, whether it belongs to Mazda or another party.
5. Seek to develop, manufacture, and sell products taking human safety and the environment into consideration.
6. Act with a view to seeking sound profit.
7. Respect human rights and human dignity.
8. State the truth honestly and timely in reporting internally and/or to the public.

INTERNAL REPORTING SYSTEM—THE MAZDA GLOBAL HOTLINE

The Company has established the Mazda Global Hotline, which has contact points set up both inside the Company and outside (attorney's office).

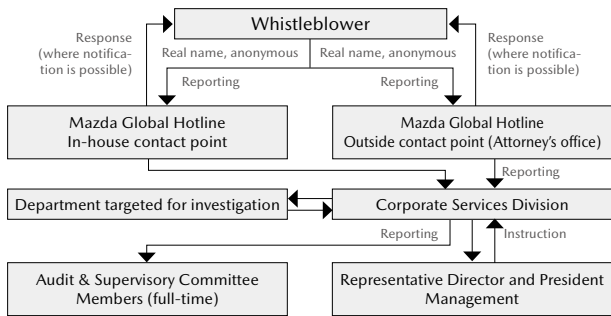
The hotline enables Mazda Group employees to choose a contact point to which they can submit reports on compliance or other issues either under their real names or anonymously. The content of these reports is carefully handled, and the whistleblowers' confidentiality is completely protected. In so doing, Mazda takes sufficient follow-up measures to ensure that those who make reports to the hotline or who cooperate in an investigation will not be subject to unfavorable treatment. To spread awareness regarding the hotline, Mazda puts up posters, implements e-learning programs, and distributes Compliance Cards with the contact information for the hotline to all employees. In addition, statistics on the hotline and its use is provided on an intranet site.

The Mazda Global Hotline is also introduced to suppliers so they can receive consultation regarding any doubts that may arise during transactions with Mazda or with Mazda Group companies.

COMPLIANCE INITIATIVES

Mazda presents its basic policies on anti-corruption in the Guidelines on the Mazda Corporate Ethics Code of Conduct. Also, Mazda has established the Guidelines on Entertainment and Gifts, which lays out the policy for prohibiting bribery, to promote highly transparent and fair transactions with all partner companies. These guidelines are revised as needed to cope with changes in the social environment, social needs, or other circumstances. Overseas as well, Mazda complies with international regulations and the laws of each country and region, and also respects local history, culture, and customs. When Mazda makes political contributions, it adheres to the Political Funds Control Act and follows necessary internal procedures.

Mazda Global Hotline



Achievements in FY March 2024

Number of reports (including consultations) through the Mazda Global Hotline of 53

In addition, Mazda systematically promotes the enhancement of compliance among dealerships and parts sales companies in Japan to support transparent management at all Mazda Group companies based on the understanding that compliance functions as the foundation for building its brand.

Achievements in FY March 2024

- Donations of ¥21 million
- No incidents of fines for bribery, etc.
- No incidents of employees of Mazda Motor Corporation being subject to disciplinary measures for engaging in corruption

RISK MANAGEMENT

Mazda makes continuous efforts to identify and reduce various internal and external risks in accordance with the Basic Policy on Risk Management, Risk Management Regulations, and other related internal regulations, so as to ensure the continuous and stable progress of business activities.

Considering the level of importance, individual business risks among the risks identified are managed by the department in charge of that business area while Companywide risks are handled by departments responsible for Companywide processes. These departments manage the risks appropriately through the implementation of a PDCA cycle.

In the event of an emergency, such as a natural disaster or situation that creates serious managerial consequences, Mazda takes appropriate measures based on its internal regulations, which may include establishing an emergency response taskforce to respond to the situation where necessary.

RISK MANAGEMENT STRUCTURE

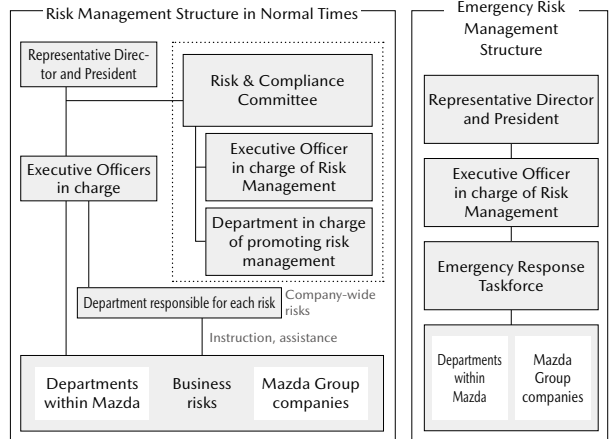
Mazda has created the Risk & Compliance Committee to further enhance and strengthen risk management at the Company and its affiliates. The committee selects risks that are to be prioritized in a Companywide manner based on major risks identified by individual departments and information on risk trends. Then, every six months, it checks to confirm that progress is being made on risk countermeasures.

The Risk & Compliance Committee reports to the Board of Directors on its activities every six months. Also, Mazda is working to enhance its business continuity plan (BCP) to ensure that society would not be severely impacted by a halt to its operations.

Achievements in FY March 2024

Formulation of shared rules for Group companies to enhance their risk management activities, assessment of conditions at Group companies based on rules, and pursuit of improvements

Risk Management Structure



INFORMATION SECURITY MEASURES

Mazda manages and protects personal information and other important information appropriately based on its established information management policies and internal regulations. The Company also checks the implementation status of information security measures and the management system each year so as to ensure information security.

As for the system to promote information security, a Companywide information security officer is appointed from among the officers. Under the guidance of this officer, the Information Security Committee^{*1} tracks cybersecurity risks across the entire supply chain, submits improvement plans to the Executive Committee Meeting, and discusses and implements ongoing improvement measures.

In addition, Mazda works together with suppliers to enhance the quality of cybersecurity measures for its products by participating in the automotive information sharing and analysis centers (Auto-ISACs) of Japan and the United States,^{*2} responding

BRAND PROTECTION (MEASURES TO COMBAT IMITATION PRODUCTS)

To protect customers, Mazda strives to eliminate the risk posed to customers by the purchase of imitation products. Mazda is prioritizing components related to safety in particular. These activities are aimed at improving the strength of the Mazda brand and its trustworthiness as a brand that continues to be relied on by customers.

Details of Activities

1. Mazda develops and implements its own measures against the sale of imitation products.

to information on security incidents detected within the industry, and adopting best practices. The Company also complies with the cybersecurity standards instituted in July 2022.

To raise employee awareness about information security, Mazda requires its employees to take part in training on the management of confidential information, protection of personal information, and IT security. Other educational efforts are conducted on an ongoing basis, including the provision of an intranet site dedicated to insight and knowledge on information security. In addition, Mazda provides guidelines and educational tools regarding information security to Group companies as part of Groupwide efforts to ensure rigorous information security.

^{*1} An organization that manages Companywide information security on a global basis. The committee regularly holds Companywide information security meetings as the decision-making body regarding information security issues on a Companywide level.

^{*2} In addition to participating in the U.S. Auto-ISAC, Mazda has participated in the establishment and operation of the Auto-ISAC of Japan (J-Auto-ISAC).

DISCUSSION BETWEEN OUTSIDE DIRECTORS

Michiko Ogawa

Outside Director

Ms. Ogawa has served as an outside director since June 2019. Mazda seeks her opinion and advice about management based on her technical expertise, which she developed as an engineer involved in research and development at an electric appliance manufacturer, and from the perspectives of ESG and brand marketing.

Akira Kitamura

Outside Director

Mr. Kitamura has served as an outside Audit & Supervisory Board member since June 2018 and as an outside director and Audit & Supervisory Committee member since June 2019. Mazda seeks his opinion and advice about management based on his broad management perspective and his specialized financial and accounting expertise, which he developed while holding representative director and other important positions in financial institutions.



Improvement of Corporate Value by Accelerating Change to Hone Mazda's Unique Edge

Since the 2022 formulation of the Management Policy up to 2030, Mazda has continued to move forward with initiatives based on the three policies of contribution to curbing of global warming, realization of an automotive society that offers safety and peace of mind, and creation of unique value. The following is a discussion between outside directors Michiko Ogawa and Akira Kitamura, in which they discuss the progress of these measures, their evaluations of Mazda's management team, and challenges needing to be overcome to improve corporate value.

PROGRESS BASED ON MANAGEMENT POLICY UP TO 2030

How would you evaluate the progress that has been made based on Management Policy up to 2030 and Mazda's recent performance?

Ogawa Management Policy up to 2030 defines three phases: Phase 1, which covers the period spanning from 2022 to 2024 and entails developing a platform for internal combustion engine, hybrid electric vehicle, plug-in hybrid electric vehicle, and other multi-electrification technologies; Phase 2, which encompasses the period from 2025 to 2027 and involves the transition to electrification; and Phase 3, the full-scale launch of battery electric vehicles in the period from 2028 to 2030. Mazda is advancing a staged transition to electrification based on these three phases. Since the start of the global trend toward electrification, the Board of Directors has been engaged in extensive discussions based on scenarios for the transition to electrification. These discussions have been shaped by projected operating environment changes and an understanding of the risks to be faced if Mazda is unable to successfully undertake this transition. The recent changes to environmental regulations have been substantial, exceeding all expectations. Nevertheless, I feel that we have developed a capacity to accurately assess Mazda's position in the rapidly changing operating environment. Today, the

Company is faced with a need to respond carefully and flexibly toward changes in environmental regulations, market trends, and customer sentiment with regard to electrification in the regions where it operates. This must be done while determining the timing at which a variety of factors will line up. Examples of these factors include investments in distinctly Mazda electrification technologies and software. I believe that Mazda's approach of scrutinizing market trends and constantly reassessing its position as it advances phase-by-phase in the transition leading up to 2030 is the correct approach. I also have praise for how the Company is steadily building the foundations for accomplishing transition.

Kitamura In FY March 2024, Mazda set new records for net sales, operating income, and per share dividends, though this strong performance was due in part to the benefits of yen depreciation. Moreover, the Company was finally able to achieve a recovery in its sales volumes, which had been declining due to factors including the COVID-19 pandemic, semiconductor shortages, and logistics issues. As such, I think we can say that Mazda is making progress in rebuilding its operating foundations.

We also must recognize how the Company managed to grow sales volumes, despite increasing the portion of its lineup represented by large products. This is no doubt a feat that must be attributed to the hard work of everyone within the Mazda Group.

These strong results in the first year of the new management team led by President Masahiro Moro show how the team was able to get off to a good start. I have high expectations for the future success of this team.

Ogawa One could even say that these successes were brought about by the sales network reforms that Mazda implemented after designating North America as a core strategic market. When I went to visit bases in the United States, it was clear how beneficial it was that this reform plan, which entailed strengthening production systems and sales networks in this market, was moved forward through a joint effort between production and sales. It is certainly because of this approach that Mazda is able to win the favor of luxury-minded customers in this country's competitive market filled with diverse values. By creating a unified aesthetic for communication with stakeholders regarding its vehicles, their features, the advanced technologies they employ, and the locations where they are sold, Mazda has succeeded in heightening its brand image and making the appeal of its brand resonate with customers. This, in turn, has contributed to higher per vehicle profit margins. Furthermore, a sense of drive toward improving brand value has also been cultivated within the Company, which is giving form to the concept of brand value management espoused by Management Policy up to 2030.



Kitamura Going forward, I think that Mazda will need to apply the successful branding activities undertaken in North America to other regions in order to foster uniform brand value.

EVALUATION OF MAZDA'S MANAGEMENT TEAM

Under the new management team led by President Moro that was instituted in June 2023, Mazda has been moving forward with corporate governance reforms, which have included the introduction of a chief officer system and the revision of officer compensation systems. How would you evaluate the new management team?

Ogawa I have witnessed two major changes since the transition to the new management team. The first change can be seen in communication. In the past, Mazda has practiced communication based primarily on its viewpoint, delivering messages pertaining to such matters as its vision for automobile development and the unique value it provides. Under the new team, however, communication has emphasized the customer as the first priority, placing increased focus on how to achieve ongoing improvements in customer loyalty in the ideal mobility society. This unique approach is made possible by President Moro's experience exploring the North American market primarily via marketing measures. The second major change has to do with frameworks for collaboration. Addressing global-scale social issues

requires industrywide initiatives. I believe that Mazda has been highly successful in building strong relationships with its peers and suppliers that will allow for joint effort in pursuit of lofty goals while still enabling Mazda to maintain its unique identity.

Kitamura One factor contributing to these large changes is likely the clear division of roles under the new management team. The introduction of the chief officer system made it possible for Mazda to build upon its capabilities in its prior organizations based on specialized areas while also addressing cross-organizational issues. Meanwhile, the revision to officer compensation systems undertaken in June 2024 included the introduction of non-financial performance indicators. These clearly defined criteria for assessing performance will no doubt make officers more strongly motivated to act with a focus on sustainability. The frameworks for accelerating such changes are currently being developed, underscoring Mazda's clear commitment to change.

How would you rate the effectiveness of Mazda's Board of Directors?

Ogawa At monthly meetings of the Board of Directors, we discuss short-term performance as well as medium- to long-term topics such as collaboration and electrification strategies. Each agenda item is met with input from outside directors that strikes at the heart of the issue from a variety of angles. The executive directors are receptive and responsive toward such input, giving rise to lively discussion geared toward improving management.

Kitamura Mazda has frameworks for providing thorough and detailed explanation in advance of Board of Directors' meetings, facilitating more meaningful discussions at meetings. However, there is also the tendency for discussion to become overly centered on short-term issues and

specific agenda items. This focus limits the amount of time that can be devoted to topics based on a more overarching perspective in pursuit of medium- to long-term improvements in corporate value. This is an area where I see room for improvement. One option that could be examined for addressing this issue would be to arrange additional forums for discussion, such as off-site meetings that are separate from Board meetings.

IMPROVEMENT OF CORPORATE VALUE

What type of measures should Mazda take to improve corporate value?

Kitamura Human resource development is a fundamental part of improving corporate value. The automotive industry is undergoing a massive transformation. Mazda must therefore transform itself if it hopes to enact Management Policy up to 2030 and fulfill its Purpose. Achieving such transformation will require all of the Mazda Group's people, the drivers of transformation, to be aligned toward a common goal. This is why I have incredibly high praise for how Mazda clarified its corporate philosophy in 2023 and how President Moro is using a variety of communication channels to describe his vision to people throughout the Group. This diligence has helped instill an understanding of Mazda's future direction among its employee base, and the benefits will begin to appear later on.

Ogawa The Blueprint organizational culture reform initiatives being spearheaded by CFO Jeffrey H. Guyton are one example of Mazda's efforts to promote employee unity. Every time I visit Mazda's Head Office in Hiroshima, I can truly sense the pride that employees feel toward creating vehicles and inspiring mobility experiences as well as the Mazda spirit that inspires employees to overcome any challenge. Truly, the people on

the front lines are the suspension supporting Mazda. I see the Blueprint initiatives as a measure for fostering, among all employees, a mindset of creating products and services that are of value from the perspective of the customer. These initiatives are important given the recent transformation in the very idea of mobility being spurred by the diversification of values and by AI, robotics, and other advanced technologies. This approach is sure to prove highly beneficial to future corporate value. Transforming an existing corporate culture requires time and patience, but I think it will be important for Mazda to continue to move forward with these efforts. Looking ahead, I hope to see the Company advance measures for enhancing human capital—its most important asset—based on these organizational culture reforms. Such measures should include revisions to personnel systems or the promotion of diversity. In this manner, I want Mazda to heighten employee engagement.

Kitamura The "joy of driving" described in Mazda's 2030 Vision is a clear encapsulation of the Company's approach toward creating vehicles. I take these words to indicate that the heart of Mazda's production creation endeavors is the technological prowess that enables the Company to elevate cars above mere tools to be used for movement and to provide mobility experiences that emphasize people and their sensibilities. I want to see Mazda heighten the value of its vehicles by building upon these distinctive values and engaging in ongoing research into the relationship between people and vehicles. The Company should also maintain its focus on safety and security throughout this process.

At the same time, Mazda must also look to create connections with its customers. In this regard, it is important to bolster its information provision capabilities to ensure that the market is able to accurately appraise its

corporate value. Mazda gives me the impression of an artisan that has steadfast devotion to their craft. This quality is a major boon to product creation, but I also feel that it might be holding the Company back when it comes to information provision. If Mazda is able to effectively communicate its strengths and the aforementioned corporate value improvement initiatives to stakeholders, it will allow capital markets to more accurately appraise the Company. This, in turn, will lead to improvements in share price and price-to-book ratio.

Ogawa Information provision strategies are an important part of competing on the global stage. The method through which information is provided can radically change how an occurrence is viewed or perceived, and a lack of communication can be fatal in terms of competitiveness. It can be particularly difficult to put into clear words the impact that sustainability and other non-financial information can have on a company or on society. I therefore think that Mazda should devote its attention toward accurately portraying the value and significance of its non-financial information and to communicating effectively with its various stakeholders.

What are your expectations with regard to social value creation by Mazda?

Ogawa When I first drove a Mazda car, I remember how the perception of gravity made it feel like I was one with the road, creating the sense of connectiveness between the car and myself as driver that the Company refers to as *Jinba-ittai*. I drive as part of my daily routine, and I have thus had the opportunity to experience just how much the new sights that can be seen while driving can enrichen one's life. This is why I would like to see Mazda fulfill the Purpose of "enrich life-in-motion for those we serve" described in its corporate philosophy by providing people with new

experiences and feelings of emotional release through mobility. The craftsmanship used to fashion the striking and distinctive designs of Mazda vehicles, refine the feel of the steering wheel, find the perfect level of firmness for the seat, and sculpt even the tiniest of details is a testament to Japanese quality. Transmitting the technological and product creation values that underpin this craftsmanship to future generations is how Mazda can create social value.

As an outside director, I want to help merge Mazda's brand with its management to help entrench its brand value management approach.



Kitamura In the future, we can expect significant advancements in various types of technology, ranging from electrification technologies to technologies for safe and secure driving. However, I want Mazda to go further than the technologies so that it can continue to be a unique company that provides society with the joy of driving. From this perspective, I think the new management team has charted the right course for Mazda. I can speak from experience with regard to how getting lost in one's day-to-day work can narrow one's perspective. Accordingly, I look to provide management with advice and support from a broad, objective perspective as an outside director.

Thank you both for taking time out of your busy schedules to join us today.



05

DATA SECTION

78	External Recognition
79	Eleven-year Summary of Consolidated Financial Statements
81	ESG Data
84	Company Profile
85	Major Affiliates
87	Major Product Lineup
88	Activities by Region

EXTERNAL RECOGNITION

(As of August 31, 2024)

Inclusion in key indices

MSCI ESG Leaders Indexes

(Selected since June 2020)

S&P/JPX

Carbon Efficient Index

(Selected since the index was established in September 2018)

FTSE4Good

(Selected since March 2011)

Morningstar

Japan ex-REIT Gender Diversity Tilt Index

(Selected since the index was established in February 2023)

FTSE Blossom Japan Index

(Selected since the index was established in July 2017)

SOMPO

Sustainability Index

(Selected since the index was established in August 2012)

MSCI Japan

ESG Select Leaders Index

(Selected since the index was established in January 2024)

Key evaluations

CDP Climate Change:

A-

(FY March 2024)

EcoVadis

Total score of 57

(FY March 2025)

CDP Water Security:

B

(FY March 2024)

Latest information on external evaluations: <https://www.mazda.com/en/sustainability/initiatives-recognition/>

ELEVEN-YEAR SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Mazda Motor Corporation and Consolidated Subsidiaries
Years ended March 31

	2014	2015	2016	2017	2018	2019* ⁹	2020	2021	2022** ¹⁰	2023	2024
Business results (Millions of yen):											
Net sales	¥2,692,238	¥3,033,899	¥3,406,603	¥3,214,363	¥3,474,024	¥3,564,172	¥3,430,285	¥2,882,066	¥3,120,349	¥3,826,752	¥4,827,662
Cost of sales	1,993,643	2,247,720	2,567,465	2,448,184	2,653,600	2,772,184	2,683,647	2,268,422	2,432,645	3,025,230	3,788,978
Selling, general and administrative expenses	516,474	583,291	612,363	640,492	674,003	709,681	703,035	604,824	583,477	659,553	788,181
Operating income	182,121	202,888	226,775	125,687	146,421	82,307	43,603	8,820	104,227	141,969	250,503
Income before income taxes	97,409	209,335	166,986	128,413	157,484	107,567	49,282	2,202	112,399	169,972	298,323
Net income/(loss) attributable to owners of the parent	135,699	158,808	134,419	93,780	112,057	63,155	12,131	(31,651)	81,557	142,814	207,696
Capital expenditures* ¹	133,216	131,010	89,214	94,399	104,129	119,734	132,578	92,972	144,332	94,139	121,343
Depreciation and amortization	57,656	68,872	78,972	82,416	86,954	88,443	92,269	89,765	90,281	105,950	113,348
Research and development costs	99,363	108,378	116,610	126,915	136,009	134,660	135,009	127,432	134,622	127,990	146,289
Cash flows:											
Operating cash flows	136,379	204,459	262,770	161,097	207,795	146,690	34,834	120,058	189,155	137,424	418,895
Investing cash flows	(120,057)	(95,548)	(108,092)	(63,751)	(159,989)	(131,611)	(127,578)	(78,862)	(136,237)	(99,427)	(179,889)
Free cash flow** ²	16,322	108,911	154,678	97,346	47,806	15,079	(92,744)	41,196	52,918	37,997	239,006
Financing cash flows	10,483	(62,776)	(94,062)	(149,898)	30,461	83,411	(24,274)	99,348	(86,405)	(89,863)	(84,704)
Financial position (Millions of yen):											
Total assets	¥2,246,036	¥2,473,287	¥2,548,401	¥2,524,552	¥2,724,092* ⁸	¥2,877,613	¥2,787,640	¥2,917,414	¥2,968,148	¥3,259,251	¥3,791,768
Net assets	676,837	891,326	976,723	1,064,038	1,219,470	1,233,441	1,205,846	1,195,830	1,316,697	1,456,801	1,757,378
Interest-bearing debt	742,735	701,019	617,132	491,434	497,893	607,051	619,868	755,928	680,807	615,502	567,806
Net cash	(262,981)	(171,871)	(48,418)	35,430	106,961	94,573	(51,874)	(17,135)	59,578	101,591	351,459
Amounts per share of common stock (Yen):											
Net income/(loss) ³	¥ 226.99* ⁷	¥ 265.64* ⁷	¥ 224.85	¥ 156.87	¥ 182.93	¥ 100.28	¥ 19.26	¥ (50.26)	¥ 129.49	¥ 226.71	¥ 329.65
Cash dividends applicable to the year* ⁴	1.00	10.00	30.00	35.00	35.00	35.00	35.00	—	20.00	45.00	60.00* ¹¹
Net assets* ⁵	1,105.21* ⁷	1,454.61* ⁷	1,595.83	1,738.70	1,894.29	1,910.67	1,865.63	1,876.40	2,065.74	2,285.21	2,757.74
Financial indicators (%):											
Operating income ratio	6.8%	6.7%	6.7%	3.9%	4.2%	2.3%	1.3%	0.3%	3.3%	3.7%	5.2%
Return on equity (ROE)* ⁶	23.5	20.8	14.7	9.4	10.0	5.3	1.0	(2.7)	6.6	10.4	13.1
Equity ratio* ⁶	29.4	35.2	37.4	41.2	43.8* ⁸	41.8	42.1	40.5	43.8	44.2	45.8* ¹²
Average number of shares outstanding (in thousands)	597,829* ⁷	597,823* ⁷	597,819	597,816	612,554	629,757	629,781	629,786	629,852	629,950	630,052
Number of employees (people)	40,892	44,035	46,398	48,849	49,755	49,998	50,479	49,786	48,750	48,481	48,685

*1 Capital expenditures are calculated on an accrual basis.
*2 Free cash flow represents the sum of net cash flows from operating activities and investing activities.
*3 The calculations of net income/(loss) per share of common stock are based on the average number of shares outstanding during each fiscal year.
*4 Cash dividends per share represent actual amounts applicable to each fiscal year.
*5 The amounts of net assets used in the calculation of net assets per share exclude non-controlling interests (and from FY March 2017 to FY March 2024, stock acquisition rights) from net assets.
*6 The amounts of equity exclude non-controlling interests (and from FY March 2017 to FY March 2024, stock acquisition rights) from net assets.
*7 A share consolidation was implemented on common stock with a ratio of five shares to one share on August 1, 2014. Average number of shares outstanding, net income per share, and net assets per share are calculated based on the assumption that consolidation of shares had been carried out at the beginning of FY March 2014.

*8 The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of FY March 2019. The figures for FY March 2018 were adjusted retrospectively in accordance with this change.
*9 The consolidated foreign subsidiaries that apply U.S. GAAP adopted ASU 2014-09 from the beginning of FY March 2020. The figures for FY March 2019 were adjusted retrospectively in accordance with this change.
*10 The Company has adopted "Accounting Standard for Revenue Recognition," etc., from the beginning of FY March 2022. The figures for FY March 2022 onward were adjusted in accordance with this change.
*11 The dividend of ¥60 per share for FY March 2024 includes a special dividend of ¥5.
*12 Percentage after consideration of the equity credit attributes of the subordinated loan is 46.7%.

ESG DATA

ENVIRONMENT

This section presents the results of major initiatives undertaken by Mazda and the Mazda Group through their business activities.

The

SASB TR-AU-code

 is included in the sections where the SASB Standards apply.

Greenhouse gas (GHG) emissions: Global*1

	Unit	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024
Scope 1*2	1,000 t-CO ₂ e	122	97	97	113	112
Scope 2*3 (Market-based*4)		862	736	739	754	815
(Location-based*5)		539	459	448	467	492
Scope 3*6		36,336	31,603	29,797	30,522	60,049
Total*7		37,320	32,436	30,633	31,389	60,976

Scope of coverage: Mazda Motor Corporation, 21 domestic consolidated Group companies and 11 domestic equity-method Group companies, and 22 overseas consolidated Group companies and 4 overseas equity-method Group companies

For details on the scope of coverage for specific fiscal years, please refer to Mazda's sustainability report: <https://www.mazda.com/en/sustainability/report/>
*1 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*2 Scope 1: Direct emissions from consumption of fuels and industrial processes

*3 Scope 2: Emissions associated with consumption of purchased heat/electricity (indirect emissions from energy consumption)

*4 Market-based: For within Japan, emissions factors given in the Ministry of the Environment's greenhouse gas emissions accounting and reporting system are used. For purchased electricity by overseas companies, country-specific emissions factors provided by the supplier or given in the International Energy Agency (IEA)'s Emissions Factors 2022 are used.

*5 Location-based: Mazda has transitioned from calculation using emissions factors based on the standards in the Japan Automobile Manufacturers Association's Carbon Neutrality Action Plan to calculations using emissions factors based on the Ministry of the Environment's GHG accounting and reporting system. Previous figures have been restated to reflect this change. For purchased electricity by overseas companies, country-specific emissions factors given in the International Energy Agency (IEA)'s Emission Factors 2022 are used.

*6 Scope 3: Other indirect emissions excluding Scope 1 and Scope 2 emissions
Calculated using Mazda's own calculation method, based on the Ministry of the Environment's Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain.
FY March 2020–2023 figures for categories 11 and 12 for Scope 3 emissions calculated based on sales volumes in Japan and major overseas regions (North America, Europe, and China); FY March 2024 figures calculated based on global production volumes.

*7 Figures for Scope 2 emissions are calculated on a market basis.

Total amount of waste: Global*1

SASB TR-AU-440b.1

	Unit	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024
Japan	t	242,108	188,205	180,569	198,240	204,024
Overseas		38,828	32,589	32,259	41,478	47,755
Total		280,936	220,793	212,828	239,718	251,779

Scope of coverage: Mazda Motor Corporation's 4 domestic production sites and the production sites of 4 domestic consolidated Group companies, 4 domestic equity-method Group companies, 2 overseas consolidated Group companies, and 4** overseas equity-method Group companies

*1 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*2 FY March 2020 to FY March 2022, FY March 2024: 4 companies; FY March 2023: 3 companies

Amount of landfill waste, amount of recycled materials, recycling ratio: Global*1

SASB TR-AU-440b.1

	Unit	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024
Amount of landfill waste	t	1,619	1,144	1,073	1,109	1,126
Amount of recycled materials		264,702	208,331	202,006	228,023	240,130
Recycling ratio	%	94	94	95	95	95

Scope of coverage: Mazda Motor Corporation's 4 domestic production sites and the production sites of 4 domestic consolidated Group companies, 4 domestic equity-method Group companies, 2 overseas consolidated Group companies, and 4** overseas equity-method Group companies

*1 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*2 FY March 2020 to FY March 2022, FY March 2024: 4 companies; FY March 2023: 3 companies

Resource recycling results: Japan

SASB TR-AU-440b.2SASB TR-AU-440b.3

	Unit	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024
Number of vehicles from which ASR is collected	Vehicles	150,235	137,818	129,770	113,036	114,054
Number of vehicles from which airbags are collected		131,975	125,020	118,837	108,127	110,363
Number of vehicles from which fluorocarbon is collected		133,798	127,292	118,939	107,587	108,118
Recycling ratio <div>ASR*1</div>	%	95.9	96.4	96.5	96.8	96.7
Airbags		94.5	95.0	95.2	95.3	97.1
Recycling ratio for ELVs*2		More than 99	More than 99	More than 99	More than 99	More than 99
Total contracting deposits received	Yen	1,759,696,038	1,647,855,677	1,556,426,986	1,380,143,362	1,399,396,891
Total expenses for recycling		1,583,175,933	1,559,056,285	1,482,568,896	1,350,023,420	1,363,281,529

*1 Automobile Shredder Residue refers to the residue remaining after the crushing or shredding of what is left of the vehicle body (following the removal of batteries, tires, fluids, and other parts requiring appropriate processing as well as the removal of engines, bumpers, and other valuable parts) and separating and recovering metals.

*2 Recycling ratio for end-of-life vehicles (ELVs) is the recycling ratio in dismantling or shredder processes of around 83% (cited from the May 2003 joint council data), plus the remaining ASR ratio of 17% multiplied by the ASR recycling rate for the relevant fiscal year.

Amount of recycled parts: Japan

SASB TR-AU-440b.2

	Unit	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024
Damaged bumpers	Bumpers	57,126	46,515	47,939	45,399	43,889

Scope of coverage: Dealerships (excluding some) with which Mazda has an exclusive dealership agreement in Japan

SOCIAL

Third-party safety evaluations

(As of May 31, 2024)

		DEMIO / MAZDA 2	MAZDA 3	ATENZA / MAZDA 6	CX-3	CX-30	CX-5	CX-50	CX-60	CX-70	CX-90	MX-30	ROADSTER / MX-5
Japan	J-NCAP*1 (Collision Safety Performance Tests)	5★ (2014)	—*6	5★ (2013)	5★ (2015)	5★ (2021)	5★ (2017)	—*5	5★ (2023)	—*5	—*6	—*6	—*6
	J-NCAP*1 (Advanced Safety Vehicle (ASV) Technology Assessment)	ASV+ (2014)	—*6	ASV+++ (2018)	ASV+++ (2018)		ASV+++ (2018)					—*6	—*6
US	US-NCAP*2	—*5	5★ (2024MY)	—*5	—*5	5★ (2024MY)	5★ (2024MY)	—*6	—*5	—*6	—*6	—*6	—*6
	IIHS*3	—*5	24TSP+	—*5	—*5	24TSP+	23TSP	24TSP+	—*5	—*6	24TSP	—*6	—*6
Europe	Euro-NCAP*4	5★*8 (2020)	5★ (2019)	5★ (2018)	—*6	5★ (2019)	—*6	—*5	5★ (2022)	—*5	—*5	5★ (2020)	—*6

Recent NCAP Evaluations*7

SASB TR-AU-250a.1

(As of May 31, 2024)

		Vehicle models evaluated	Number of vehicle models receiving the highest possible (5★) rating/number of vehicle models evaluated
Japan	J-NCAP*1	CX-60	1 / 1
US	US-NCAP*2	Mazda3, CX-30, CX-5	3 / 3
Europe	Euro-NCAP*4	—	0 / 0

*1 Japan New Car Assessment Program: Vehicle collision safety performance evaluations conducted by the National Agency for Automotive Safety and Victims' Aid. For collision safety performance, 5★ is the highest possible rating. For Advanced Safety Vehicle (ASV) Technology Assessment, ASV+++ is the highest possible rating (from 2018 to 2019).

*2 National Highway Traffic Safety Administration's 5★ Safety Ratings program. 5★ is the highest possible rating.

*3 Insurance Institute for Highway Safety: Safety performance evaluations by an independent, NPO funded by auto insurers. Top Safety Pick + (Plus) is the highest possible rating.

*4 European New Car Assessment Programme: An independent agency comprised of the transport authorities of European countries, etc. 5★ is the highest possible rating.

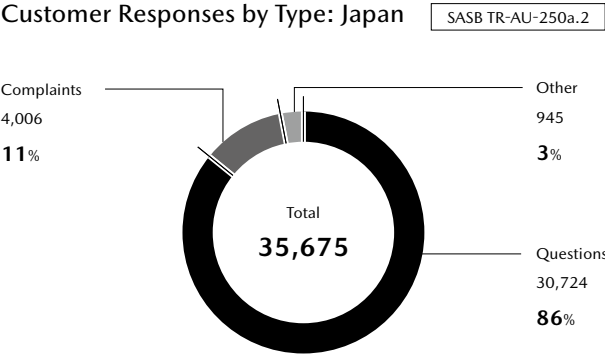
*5 No sales as of May 31, 2024

*6 Not evaluated

*7 Excluding OEM vehicles

*8 Mazda2 Hybrid

FY March 2024 Breakdown of Mazda Call Center



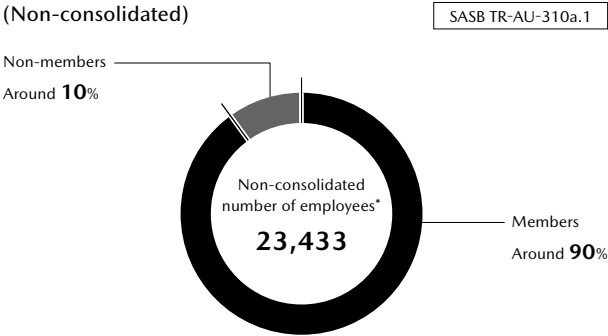
Recalls: Japan

SASB TR-AU-250a.3

Unit	FY March 2024
Cases	5
10,000 vehicles	21.6

SOCIAL

Ratio of Mazda Motor Corporation employees who are the member of Mazda Workers’ Union in FY March 2024 (Non-consolidated)

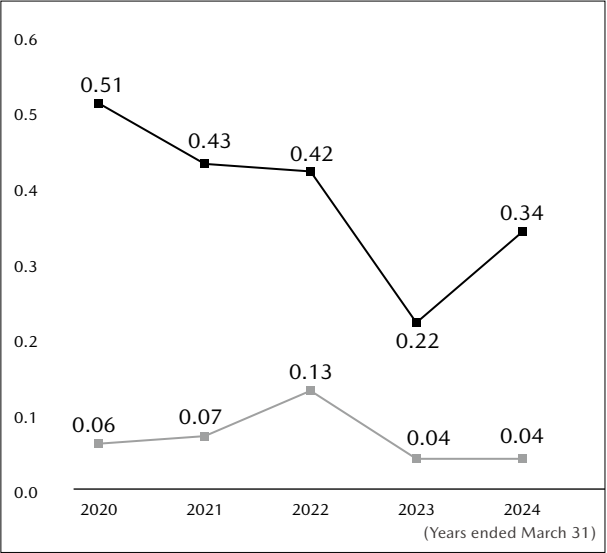


* The “Non-consolidated” numbers exclude the number of employees dispatched to Mazda Motor Corporation from other companies, but include the number of Mazda Motor Corporation employees dispatched to other companies.

Number of collective labor disputes within the Mazda Group

Unit	FY March 2024
Cases	0

Injury Frequency Rate (Non-consolidated)



Total injury frequency rate: The number of casualties from occupational accidents (including non-lost-time accidents) at Mazda Motor Corporation per million person-hours worked.
Lost-time injury frequency rate: The number of casualties from occupational accidents at Mazda Motor Corporation per million person-hours worked.

FY March 2024 average salary by gender (Non-consolidated)

	Unit	Company-wide		Full-time employees		Limited-term employees	
		Male	Female	Male	Female	Male	Female
Total annual salary expenses	Thousands of yen	143,636,229	13,709,874	142,124,092	13,267,880	1,512,136	441,994
Number of employees	Persons	20,903	2,397	20,478	2,240	424	157
Average annual salary	Thousands of yen	6,872	5,719	6,940	5,923	3,563	2,817
Gender pay gap	%	83.2		85.3		79.1	

Percentage of managers (middle management and above) who are women (Non-consolidated)

	Unit	FY March 2022	FY March 2023	FY March 2024
Total number of managers (middle management and above)	Persons	1,404	1,487	1,646
Of which, female managers (middle management and above)		55	65	71
Percentage of female managers* (middle management and above)	%	3.9	4.4	4.3

(For end of each FY)

* Number of female managers (middle management and above)/ Number of managers (middle management and above)

Uptake of paternity leave* defined by law (Non-consolidated)

	Unit	FY March 2024
Number of male employees whose partners gave birth in the previous fiscal year	Persons	548
Of which, those who took paternity leave		512
Those who took childcare leave		444
Those who took a child-rearing leave		131
Those who took paternity leave for the birth of their child		167
Uptake rate	%	93.4

* “Paternity leave” includes sabbaticals to raise children, childcare leave immediately after the child’s birth, and a Mazda-specific form of childcare leave (five consecutive working days for the child’s birth or childcare).

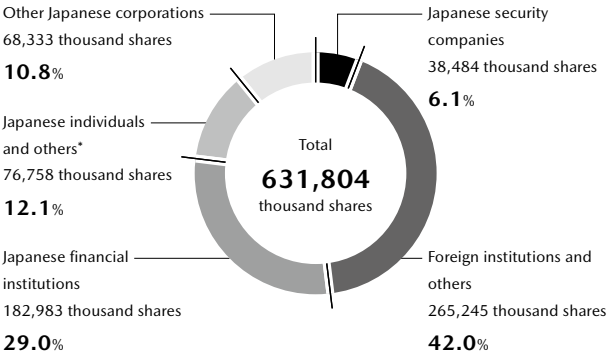
COMPANY PROFILE

As of March 31, 2024

Company name	Mazda Motor Corporation		
Founded	January 30, 1920		
Head office	3-1 Shinchì, Fuchū-cho, Aki-gun, Hiroshima 730-8670, Japan		
Representative	Masahiro Moro as Representative Director, President and CEO (appointed June 27, 2023)		
Main business	Manufacture and sales of passenger cars and commercial vehicles		
Stock information	Authorized: 1,200,000,000 Shares issued: 631,803,979 Number of shareholders: 124,740		
Major shareholders	Shareholder name	Number of shares held (Thousands of shares)	Ratio (%)
	• The Master Trust Bank of Japan, Ltd. (Trust)	97,042	15.40
	• Custody Bank of Japan, Ltd. (Trust)	37,376	5.93
	• Toyota Motor Corporation	31,928	5.07
	• JPMorgan Securities Japan Co., Ltd	13,677	2.17
	• STATE STREET BANK WEST CLIENT-TREATY 505234	11,831	1.88
	• Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	10,277	1.63
	• Sumitomo Mitsui Banking Corporation	10,191	1.62
	• THE BANK OF NEW YORK 133969	8,585	1.36
	• JP MORGAN CHASE BANK 385781	7,920	1.26
	• SSBTC CLIENT OMNIBUS ACCOUNT	7,576	1.20
Capital	284 billion yen		
Employees	Non-consolidated total: 23,433 (Male: 21,015, Female: 2,418)* Consolidated total: 48,685**		
Research and development sites	Head Office, Mazda R&D Center (Yokohama), Mazda North American Operations (U.S.A), Mazda Motor Europe (Germany), China Engineering Support Center (China)		
Production sites	Japan: Hiroshima Plant (Head Office, Ujina), Hofu Plant (Nishinoura, Nakanoseki), Miyoshi Plant Overseas: China, Thailand, Mexico, U.S.A., Vietnam,* ³ Malaysia* ³		
Sales companies	Japan: 197, Overseas: 130		
Principal products	Four-wheeled vehicles, gasoline reciprocating engines, diesel engines, automatic and manual transmissions for vehicles		

*1 Non-consolidated figures exclude the number of employees dispatched to Mazda Motor Corporation from other companies, but include the number of Mazda Motor Corporation employees dispatched to other companies.
*2 Consolidated figures exclude the number of Mazda Group employees dispatched to companies outside the Group, but include the number of employees dispatched to Mazda Group companies from outside the Group.
*3 Assembly only (Volume is not disclosed.)

Breakdown of Shareholders (As of March 31, 2024)



* The treasury stock is included in Japanese individuals and others.

MAJOR AFFILIATES

As of March 31, 2024

CONSOLIDATED SUBSIDIARIES (70)

Company name	Country/region	Mazda's share	Business
Mazda Motor of America, Inc.	Irvine, California, U.S.A.	100%	Distribution of vehicles and parts
Mazda Canada Inc.	Richmond Hill, Ontario, Canada	100%	Distribution of vehicles and parts
Mazda Motor de Mexico, S. de R.L. de C.V.	Mexico City, Mexico	100%	Distribution of vehicles and parts
Mazda Servicios de Mexico, S. de R.L. de C.V.	Mexico City, Mexico	100%	Outsourced services for Mazda Motor de Mexico
Mazda Motor Manufacturing de Mexico, S.A. de C.V.	Salamanca, Guanajuato, Mexico	100%	Production and sales of vehicles
Mazda Motor (Deutschland) GmbH	Leverkusen, North Rhine-Westphalia, Germany	100%	Distribution of vehicles and parts
Mazda Motor Logistics Europe N.V.	Willebroek, Antwerp, Belgium	100%	Distribution of vehicles and parts
Mazda Motor Europe GmbH	Leverkusen, North Rhine-Westphalia, Germany	100%	Overall management of business in Europe
Mazda Automobiles France S.A.S.	Saint-Germain-en-Laye, France	100%	Distribution of vehicles and parts
Mazda Motors UK Ltd.	Dartford, Kent, U.K.	100%	Distribution of vehicles and parts
Mazda (Suisse) S.A.	Petit-Lancy, Switzerland	100%	Distribution of vehicles and parts
Mazda Motor de Portugal Lda.	Lisbon, Portugal	100%	Distribution of vehicles and parts
Mazda Motor Italia S.r.l.	Rome, Italy	100%	Distribution of vehicles and parts
Mazda Automoviles Espana, S.A.	Madrid, Spain	100%	Distribution of vehicles and parts
Mazda Austria GmbH	Klagenfurt, Austria	100%	Distribution of vehicles and parts
Mazda Motor Rus, OOO	Moscow, Russia	100%	Distribution of vehicles and parts
Mazda Australia Pty Ltd.	Mulgrave, Victoria, Australia	100%	Distribution of vehicles and parts
Mazda Motors of New Zealand Ltd.	Auckland, New Zealand	100%	Distribution of vehicles and parts
Mazda Sales (Thailand) Co., Ltd.	Bangkok, Thailand	96%	Distribution of vehicles and parts
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.	Chonburi, Thailand	100%	Production and sales of vehicles
Mazda Malaysia Sdn. Bhd.	Selangor, Malaysia	70%	Production (consignment) and sales of vehicles
Mazda Motor (China) Co., Ltd.	Shanghai, China	100%	Overall management of business in China
Mazda Motor Taiwan Co., Ltd.	Taipei, Taiwan	100%	Distribution of vehicles and parts
Mazda Southern Africa (Pty) Ltd.	Johannesburg, Republic of South Africa	70%	Distribution of vehicles and parts
MAZDA DE COLOMBIA S.A.S.	Bogotá, Colombia	100%	Distribution of vehicles and parts
Mazda Chuhan Co., Ltd.	Minami-ku, Hiroshima-shi, Hiroshima	100%	Sales of used cars
Mazda Ace Co., Ltd.	Fuchu-cho, Aki-gun, Hiroshima	100%	Security, accident prevention, insurance sales, and engineering operations
Mazda Logistics Co., Ltd.	Minami-ku, Hiroshima-shi, Hiroshima	100%	Transportation of vehicles and parts
Kurashiki Kako Co., Ltd.	Kurashiki-shi, Okayama	75%	Production and sales of vehicle parts
Mazda Engineering & Technology Co., Ltd.	Minami-ku, Hiroshima-shi, Hiroshima	100%	Commissioned vehicle development, and manufacturing and distribution of special use vehicles
Mazda Parts Co., Ltd.	Higashi-ku, Hiroshima-shi, Hiroshima	100%	Sales of vehicle parts
Tohoku Mazda Co., Ltd.	Miyagino-ku, Sendai-shi, Miyagi	100%	Distribution of vehicles and parts

Company name	Country/region	Mazda's share	Business
Fukushima Mazda Co., Ltd.	Koriyama-shi, Fukushima	100%	Distribution of vehicles and parts
Kitakanto Mazda Co., Ltd.	Mito-shi, Ibaraki	100%	Distribution of vehicles and parts
Koushin Mazda Co., Ltd.	Nagano-shi, Nagano	100%	Distribution of vehicles and parts
Kanto Mazda Co., Ltd.	Itabashi-ku, Tokyo	100%	Distribution of vehicles and parts
Shizuoka Mazda Co., Ltd.	Suruga-ku, Shizuoka-shi, Shizuoka	100%	Distribution of vehicles and parts
Tokai Mazda Sales Co., Ltd.	Mizuho-ku, Nagoya-shi, Aichi	100%	Distribution of vehicles and parts
Hokuriku Mazda Co., Ltd.	Nonoichi-shi, Ishikawa	100%	Distribution of vehicles and parts
Keiji Mazda Co., Ltd.	Minami-ku, Kyoto-shi, Kyoto	100%	Distribution of vehicles and parts
Kansai Mazda Co., Ltd.	Naniwa-ku, Osaka-shi, Osaka	100%	Distribution of vehicles and parts
Nishi Shikoku Mazda Co., Ltd.	Matsuyama-shi, Ehime	100%	Distribution of vehicles and parts
Kyushu Mazda Co., Ltd.	Hakata-ku, Fukuoka-shi, Fukuoka	100%	Distribution of vehicles and parts
Minami Kyushu Mazda Co., Ltd.	Kagoshima-shi, Kagoshima	100%	Distribution of vehicles and parts
Okinawa Mazda Sales Co., Ltd.	Urasoe-shi, Okinawa	100%	Distribution of vehicles and parts
Others (25)	—	—	—

EQUITY METHOD APPLIED COMPANIES (20)

Company name	Country/region	Mazda's share	Business
Mazda Toyota Manufacturing, U.S.A., Inc.	Huntsville, Alabama, U.S.A.	50%	Production and sales of vehicles
AutoAlliance (Thailand) Co., Ltd.	Rayong, Thailand	50%	Production and sales of vehicles
Changan Mazda Automobile Co., Ltd.	Nanjing, China	48%	Production and sales of vehicles
Changan Mazda Engine Co., Ltd.	Nanjing, China	50%	Production and sales of vehicle parts
Toyo Advanced Technologies Co., Ltd.	Minami-ku, Hiroshima-shi, Hiroshima	50%	Production and sales of machine tools
Japan Climate Systems Corporation	Higashihiroshima-shi, Hiroshima	33%	Production and sales of vehicle parts
Yoshiwa Kogyo Co., Ltd.	Kaita-cho, Aki-gun, Hiroshima	33%	Production and sales of vehicle parts
Sanfrecce Hiroshima FC.	Naka-ku, Hiroshima-shi, Hiroshima	17%	Professional soccer team
Mazda Processing Chugoku Co., Ltd.	Aki-ku, Hiroshima-shi, Hiroshima	29%	Pre-delivery inspection and attachment of vehicle accessories
Mazda Credit, Inc.	Kita-ku, Osaka-shi, Osaka	50%	Automotive retail finance
MCM Energy Service Co., Ltd.	Minami-ku, Hiroshima-shi, Hiroshima	40%	Steam and electricity supply
Mazda Parts Sales Hiroshima Co., Ltd.	Saka-cho, Aki-gun, Hiroshima	33%	Sales of vehicle parts
MCF Electric Drive Co., Ltd.	Minami-ku, Hiroshima-shi, Hiroshima	50%	Development of advanced technology for electric vehicle motors
Mazda Imasen Electric Drive Co., Ltd.	Higashihiroshima-shi, Hiroshima	50%	Development of inverters for vehicles
MHHO Electric Drive Co., Ltd.	Minami-ku, Hiroshima-shi, Hiroshima	10%	Development of production technology for electric drive units
Others (5)	—	—	—

MAJOR PRODUCT LINEUP

MAZDA 2



Global Sales Volume

92,895 units

Sales market(s)

J N E O

Production base(s)

J N O

MAZDA 3



Global Sales Volume

187,907 units

Sales market(s)

J N E C O

Production base(s)

J N C O

MAZDA 6



Global Sales Volume

29,167 units

Sales market(s)

J E O

Production base(s)

J O

MAZDA CX-3



Global Sales Volume

37,357 units

Sales market(s)

J N E O

Production base(s)

N O

MAZDA CX-30



Global Sales Volume

213,081 units

Sales market(s)

J N E C O

Production base(s)

J N C O

MAZDA CX-5



Global Sales Volume

350,339 units

Sales market(s)

J N E C O

Production base(s)

J C O

MAZDA CX-50



Global Sales Volume

73,004 units

Sales market(s)

N C O

Production base(s)

N C

MAZDA CX-60



Global Sales Volume

48,244 units

Sales market(s)

J E O

Production base(s)

J

MAZDA CX-70



Launched in North America in April 2024

Production base(s)

J

MAZDA CX-8



Global Sales Volume

25,866 units

Sales market(s)

O

Production base(s)

O

MAZDA CX-80



Launched in Europe in fall 2024

Production base(s)

J

MAZDA CX-90



Global Sales Volume

50,901 units

Sales market(s)

N

Production base(s)

J

MAZDA MX-30



Global Sales Volume

13,235 units

Sales market(s)

J N E O

Production base(s)

J

MAZDA MX-5



Global Sales Volume

25,165 units

Sales market(s)

J N E O

Production base(s)

J

Sales markets and production bases

J Japan N North America E Europe C China O Other

* Global sales volume is for FY March 2024; sales markets and production bases are as of March 31, 2024.

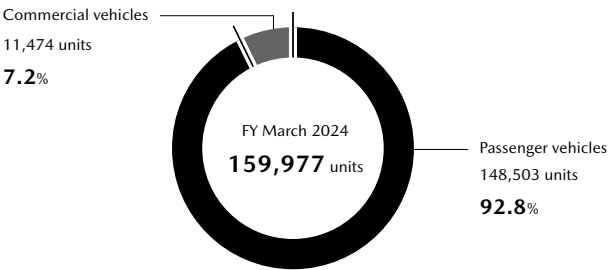
* Vehicle specifications differ by market.

ACTIVITIES BY REGION

As of March 31, 2024

JAPAN

SALES VOLUME



Numbers of DEALERSHIPS AND OUTLETS

Number of dealers	Number of outlets (for either new or used cars)
197	912

R&D SITES

Region	Name	Location	Activities
Japan	Head Office, R&D Divisions	Fuchu-cho, Aki-gun, Hiroshima	<ul style="list-style-type: none">Product and engineering planningDesign developmentProduct developmentAdvanced research for significant new technology
	Mazda R&D Center (Yokohama) (MRY)	Kanagawa-ku, Yokohama-shi, Kanagawa	<ul style="list-style-type: none">Product and engineering planningAdvanced research for significant new technology

COMPREHENSIVE VEHICLE PROVING GROUNDS

Name	Location	Start of operations	Land area	Activities
Miyoshi Proving Ground	Miyoshi-shi, Hiroshima	June 1965	1,702,000 m ²	Mazda's main proving ground used to develop basic vehicle functionality for driving, cornering, and stopping. Also, contributes to comfortable and safe vehicle engineering by proving test areas for stability tests, crash tests, and durability tests.
Mine Proving Ground	Mine-shi, Yamaguchi	May 2006	753,000 m ²	Proving ground with a test course, which is unavailable at the Miyoshi Proving Ground, contributing to product improvement through marginal checks on steering stability and other processes.
Kenbuchi Proving Ground	Kenbuchi-cho, Kamikawa-gun, Hokkaido	January 1990	4,700,000 m ²	Technology development and functional tests on frozen roads of systems, such as 4WD, ABS, TCS ^{*1} , and DSC ^{*2} that ensure safe driving under hazardous frozen/snow conditions.
Nakasatsunai Proving Ground	Nakasatsunai-mura, Kasai-gun, Hokkaido	January 2002	260,000 m ²	Mazda's second proving ground in Hokkaido is for developing vehicle functions for differing conditions in various climates. Mainly performs development tests for safe-driving systems, such as ABS, TCS, and DSC under frozen conditions.

^{*1} Traction Control System (TCS): Mechanism to optimize a vehicle's traction according to the driving conditions.
^{*2} Dynamic Stability Control (DSC): DSC integrates the 4-wheel Anti-lock Braking System (ABS) and TCS to optimally control engine output and 4-wheel individual brake force to prevent side skids. In addition, the system maintains stable driving conditions while cornering on slippery roads or during evasive steering to avoid hazard.

PRODUCTION SITES

Location	Name	District	Products	Start of operations
Fuchu-cho, Aki-gun, Hiroshima	Hiroshima Plant	Head Office	Gasoline reciprocating engines, diesel engines, manual transmissions	March 1931
		Ujina Plant No.1 (U1)	CX-30, CX-5, CX-8, CX-9, ^{*3} MX-30, MX-5	November 1966
		Ujina Plant No.2 (U2)	CX-5	December 1972
Miyoshi-shi, Hiroshima	Miyoshi Plant		Gasoline reciprocating engines, diesel engines	December 1964
			Vehicle components	May 1974
Hofu-shi, Yamaguchi	Hofu Plant	Nishiura district Hofu Plant No.1 (H1)	Mazda2, Mazda3, CX-30	September 1982
		Hofu Plant No.1 (H2)	Mazda6, CX-60, CX-70, CX-90 ^{*3}	February 1992
		Nakanoseki district	Manual transmissions, automatic transmissions	December 1981

^{*3} For export only

VALUE CREATION SITE

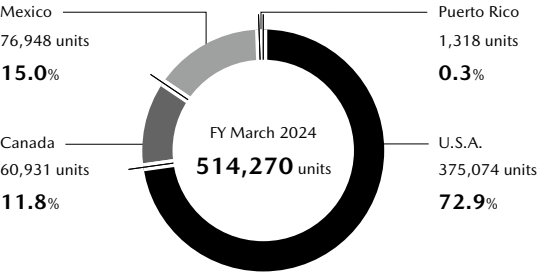
Name	Location	Established	Activities
Mazda Innovation Space Tokyo	Minato-ku, Tokyo	Feburary 2024	Place where partnerships are formed and talented individuals dare to create new value

ACTIVITIES BY REGION

As of March 31, 2024

NORTH AMERICA

SALES VOLUME



NUMBER OF MARKETS AND DISTRIBUTORS

Market	Number of markets	Number of distributors	Number of dealers
U.S.A.	1	1	544
Canada	1	1	163
Mexico	1	1	71

REGIONAL HEADQUARTERS

Country/region	Name	Location	Established	Activities
U.S.A.	Mazda North American Operations (MNAO)* ¹	Irvine, California	October 1997	Importer and distributor of Mazda vehicles, parts and accessories. Technical trend surveys and research, design development, evaluation testing and vehicle certification for the North American market.



Mazda North American Operations (MNAO)

R&D SITES

Country/region	Name	Location	Activities
U.S.A.	Mazda North American Operations (MNAO)* ¹	Irvine, California	<ul style="list-style-type: none">Technology and market trend studies in the North American marketDesign development for the North American marketEvaluation of product conformity with North American market standards

MAJOR DISTRIBUTORS

Country/region	Name	Location	Established	Number of employees	Investment ratio
U.S.A.	Mazda Motor of America, Inc.* ¹	Irvine, California	February 1971	908	Mazda: 100%
Canada	Mazda Canada Inc.	Richmond Hill, Ontario, Canada	July 1968	175	Mazda: 100%
Mexico	Mazda de Mexico Sales & Commercial Operation* ²	Mexico City, Mexico	December 2004	110	Mazda: 100%

*¹ "Mazda North American Operations (MNAO)" is a trade name that encompasses both Mazda Motor of America, Inc. and Mazda Motor de Mexico, S. de R.L. de C.V.
*² Trade name for Mazda Motor de Mexico, S. de R.L. de C.V. and Mazda Servicios de Mexico, S. de R.L. de C.V.

PRODUCTION FACILITIES

Country/region	Name	Location	Start of Mazda production	Number of employees	Primary products	Investment ratio
U.S.A.	Mazda Toyota Manufacturing, U.S.A., Inc. (MTM)	Huntsville, Alabama	January 2022	4,436	CX-50	Mazda: 50% Toyota: 50%
Mexico	Mazda de Mexico Vehicle Operation (MMVO)	Salamanca, Guanajuato	January 2014	4,978	Mazda2, Mazda3, CX-3, CX-30	Mazda: 100%

Mazda Toyota Manufacturing, U.S.A., Inc. (MTM)



Appearance

History

2022

January
Started production of CX-50

Mazda de Mexico Vehicle Operation (MMVO)



Appearance

History

2011

September
Established MMVO together with Sumitomo Corporation
October
Held the groundbreaking ceremony

2014

July
Started double-shift operation
September
Started production of Skyactiv-G1.5

2014

October
Started production of Mazda2
Started operations at engine machining factory
Announced a plan to increase yearly production capacity to 250,000 units by FY March 2016

2015

April
Started production of Skyactiv-D1.5
June
Started production of compact cars for Toyota Motor Corporation

2017

January
Started production of Skyactiv-G2.5

2018

May
Started production of Mazda2 (sedan)

2019

January
Started production of new Mazda3
September
Started production of CX-30

2020

November
Mazda and Sumitomo Corporation agreed on the transfer of Sumitomo Corporation's shares in MMVO to Mazda

2022

September
Started production of CX-3

2024

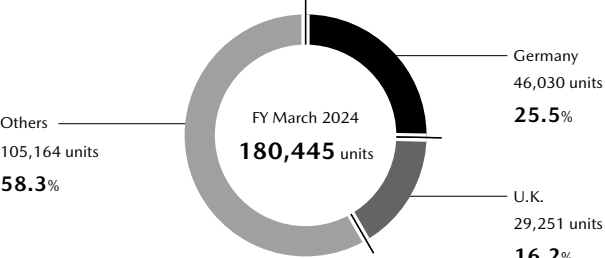
February
Held ceremony celebrating 10 years of operation

ACTIVITIES BY REGION

As of March 31, 2024

EUROPE

SALES VOLUME



NUMBER OF MARKETS AND DISTRIBUTORS

Market	Number of markets	Number of distributors	Number of dealers
Germany	1	1	454
U.K.	1	1	126
Others	39	24	1,281

REGIONAL HEADQUARTERS

Country/region	Name	Location	Established	Number of employees	Activities	Investment ratio
Germany	Mazda Motor Europe GmbH (MME)	Leverkusen, North Rhine-Westphalia	March 1998	249	Office Sales	Mazda Motor Logistics Europe N.V.: 100%
	(European R&D Centre)	Oberursel, Hesse	December 1987	74	R&D	
Belgium	Mazda Motor Logistics Europe N.V. (Vehicles and Parts Distribution Center)	Willebroek, Antwerp	August 1998	313	Office Logistics, Sales	Mazda: 100%

R&D SITES

Country/region	Name	Location	Activities
Germany	Mazda Motor Europe GmbH (MME)	Oberursel, Hesse	<ul style="list-style-type: none">Technology and market trend studies in the European marketDesign development for the European marketEvaluation of product conformity with European market standards



Mazda Motor Europe GmbH (MME)

MAJOR DISTRIBUTORS

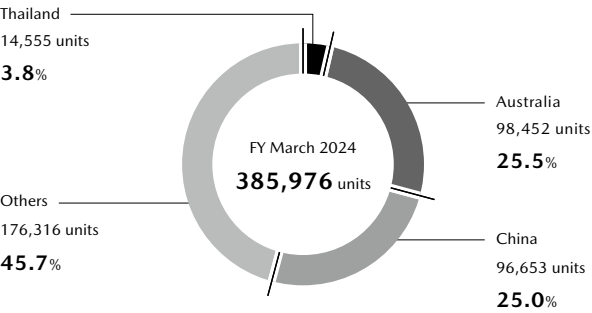
Country/region	Name	Location	Established	Number of employees	Investment ratio
Germany	Mazda Motors (Deutschland) GmbH	Leverkusen, North Rhine-Westphalia	November 1972	167	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
Austria	Mazda Austria GmbH	Klagenfurt	July 1981	61	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
Portugal	Mazda Motor de Portugal Lda.	Lisbon	February 1995	12	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
Italy	Mazda Motor Italia S.r.l.	Rome	December 1999	51	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
Spain	Mazda Automoviles Espana, S.A.	Madrid	February 2000	55	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
France	Mazda Automobiles France S.A.S.	Saint-Germainen-en-Laye	February 2001	37	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
Switzerland	Mazda (Suisse) S.A.	Petit-Lancy	February 2001	35	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
U.K.	Mazda Motors UK Ltd.	Dartford, Kent	May 2001	115	Mazda: 75%; Mazda Motor Logistics Europe N.V.: 25%
Denmark	Mazda Motor Denmark	Rodovre	April 2003	17	Mazda Motor Logistics Europe N.V. branch
Norway	Mazda Motor Norge	Kolbotn	April 2004	16	Mazda Motor Logistics Europe N.V. branch
Sweden	Mazda Motor Sverige	Kungsbacka	April 2004	14	Mazda Motor Logistics Europe N.V. branch
Russia	Mazda Motor Rus, OOO	Moscow	December 2005	74	Mazda: 100%
Ireland	Mazda Motor Ireland	Dublin	July 2006	10	Mazda Motor Logistics Europe N.V. branch
Czech Republic	Mazda Motor CZ, s.r.o.	Prague	October 2006	14	Mazda Motor Logistics Europe N.V.: 100%
Slovakia	Mazda Motor Slovakia, s.r.o.	Bratislava	October 2006	4	Mazda Motor Logistics Europe N.V.: 100%
Belgium and Luxemburg	Mazda Motor Belux	Willebroek	April 2007	33	—
Hungary	Mazda Motor Hungary Kft.	Budapest	April 2008	8	Mazda Motor Logistics Europe N.V.: 100%
Croatia	Mazda Motor Croatia d.o.o.	Zagreb	April 2008	11	Mazda Motor Logistics Europe N.V.: 100%
Slovenia	Mazda Motor Slovenija d.o.o.	Ljubljana	April 2008	6	Mazda Motor Logistics Europe N.V.: 100%
Poland	Mazda Motor Poland Sp. z.o.o.	Warsaw	May 2008	35	Mazda Motor Logistics Europe N.V.: 100%
Turkey	Mazda Motor Logistics Europe N.V. Turkish Branch	Istanbul	June 2008	5	Mazda Motor Logistics Europe N.V. branch
Netherlands	Mazda Motor Nederland	Waddinxveen	October 2008	35	Mazda Motor Logistics Europe N.V. branch

ACTIVITIES BY REGION

As of March 31, 2024

CHINA, THAILAND, AUSTRALIA AND OTHER COUNTRIES/REGIONS

SALES VOLUME



NUMBER OF MARKETS AND DISTRIBUTORS

Market	Number of markets	Number of distributors	Number of dealers
China	1	1	231
Australia	1	1	143
Thailand	1	1	109
Sum for other regions	110	98	886

PRODUCTION FACILITIES

Country/region	Name	Location	Start of Mazda production	Number of employees	Primary products	Investment ratio
Thailand	AutoAlliance (Thailand) Co., Ltd. (AAT)	Rayong Province	May 1998 (Established in November 1995)	5,079	Mazda2, Mazda3, CX-3, CX-30	Mazda: 50% Ford: 50%
	Mazda Powertrain Manufacturing (Thailand) Co., Ltd. (MPMT)	Chonburi Province	January 2015	808	Transmissions, engines	Mazda: 100%
China	Changan Mazda Automobile Co., Ltd. (CMA)	Nanjing, Jiangsu Province	October 2007	2,315	Mazda3, CX-30, CX-30EV CX-5, CX-50	Changan Automobile: 47.5% Mazda Group: 46.55% FAW: 5% MCO: 0.95%
	Changan Mazda Engine Co., Ltd. (CME)	Nanjing, Jiangsu Province	April 2007 (Established in September 2005)	957	Engines	Changan Automobile: 50% Mazda: 50%
Vietnam*1	MAZDA AUTOMOBILE MANUFACTURING ONE MEMBER LIMITED LIABILITY COMPANY (THACO MAZDA)	Nui Thanh District, Quang Nam Province	October 2011	—	Mazda3, Mazda6, CX-5, CX-8	Local: 100%
Malaysia*1	Mazda Malaysia Sdn. Bhd. (MMSB)	Shah Alam, Selangor	Established in September 2012*2	123	CX-5, CX-8, CX-30	Mazda: 70% Local: 30%

*1 Assembly only (Volume is not disclosed.)
*2 New plant established in May 2018.

REGIONAL HEADQUARTERS

Country/region	Name	Location	Established	Number of employees	Activities	Investment ratio
Thailand	Mazda South East Asia, Ltd. (MSEA)	Bangkok	August 2005	—	Overall management of business in the ASEAN region	Mazda: 100%
China	Mazda Motor (China) Co., Ltd. (MCO)	Pudong New District, Shanghai	January 2005	82	Overall management of business in China	Mazda: 100%
	Mazda Motor (China) Co., Ltd. Beijing Branch (MCO-Beijing)	Chaoyang District, Beijing	November 2007		Branch office of MCO	—
	Mazda Motor (China) Co., Ltd. China Engineering Support Center (MCO-CESC)	Jiading District, Shanghai	August 2005		Branch office of MCO: Administration, workshops, market research and technology studies for the Chinese market, and technical support in the fields of R&D, purchasing, quality assurance and services	—

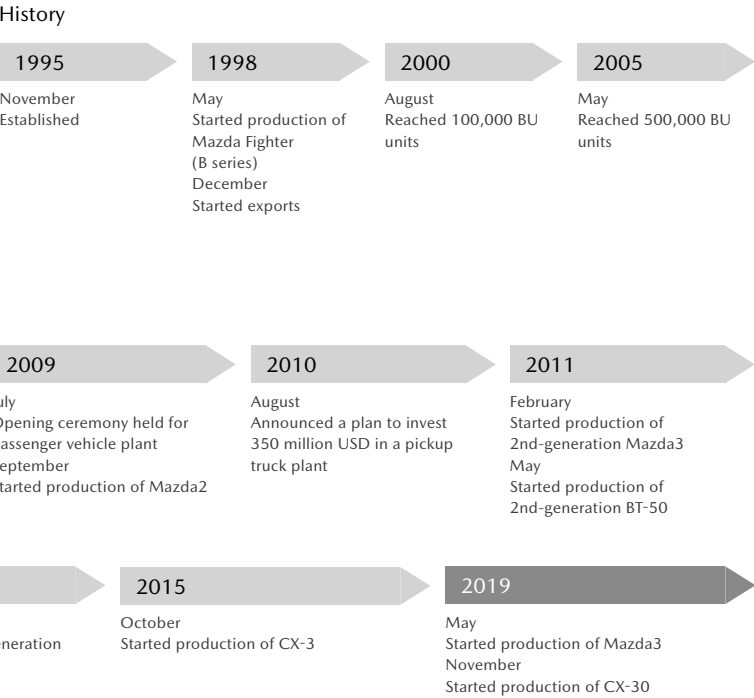
R&D SITES

Country/region	Name	Location	Activities
China	Mazda Motor (China) Co., Ltd. China Engineering Support Center (MCO-CESC)	Shanghai	• Technology and market trend studies in the Chinese market

AutoAlliance (Thailand) Co., Ltd. (AAT)



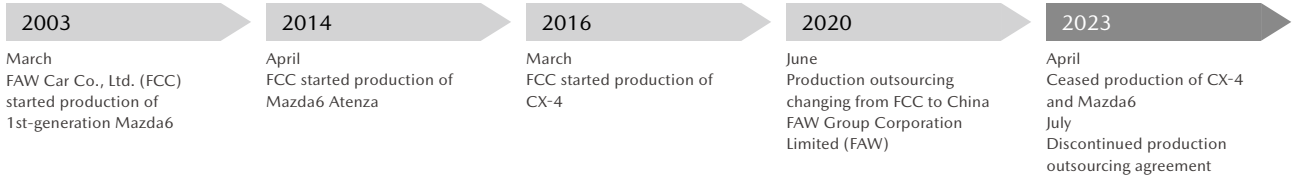
Appearance



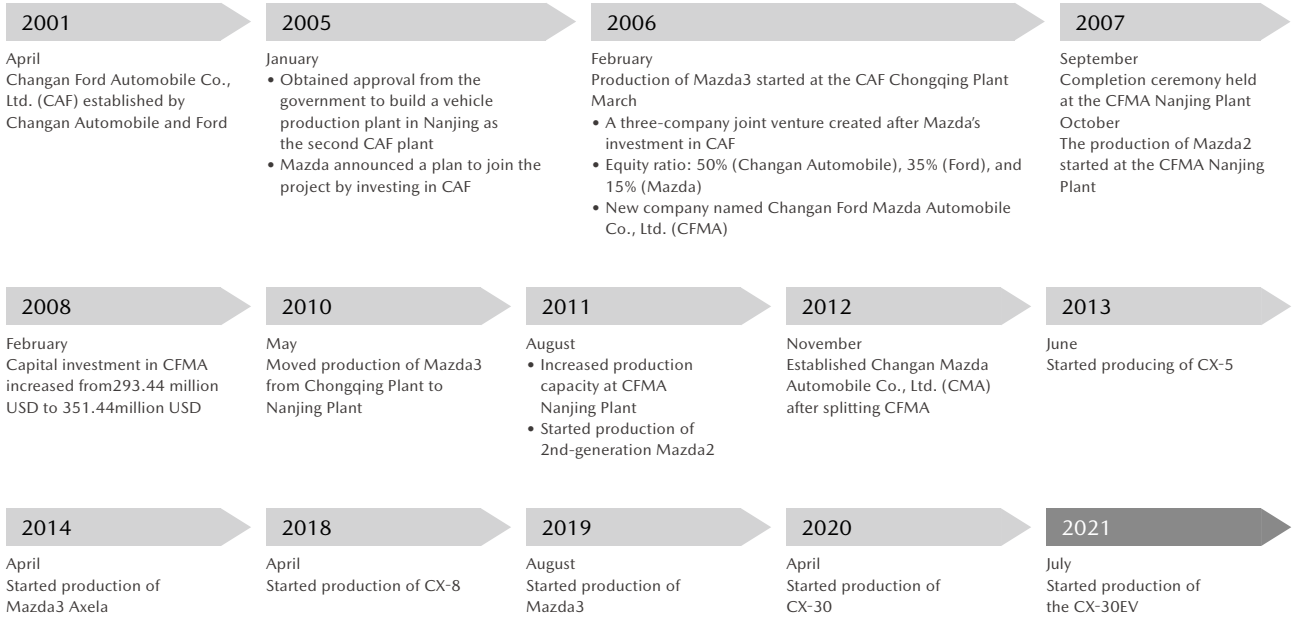
ACTIVITIES BY REGION

As of March 31, 2024

History of China FAW Group Corporation Limited (FAW)



History of Changan Mazda Automobile Co., Ltd. (CMA)

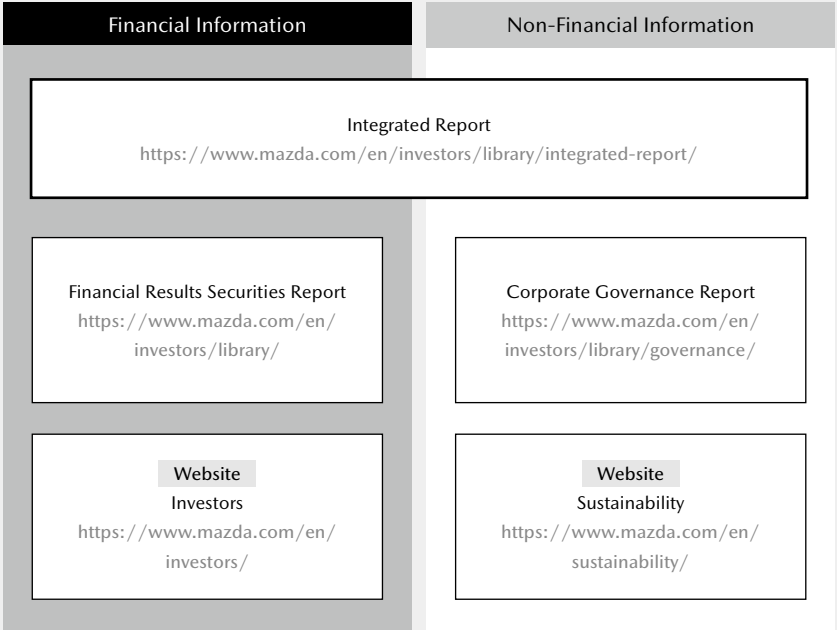


MAJOR DISTRIBUTORS

Country/region	Name	Location	Established	Number of employees	Investment ratio
Thailand	Mazda Sales (Thailand) Co., Ltd.	Bangkok	June 1990	153	Mazda: 96.1% KKS: 3.9%
China	Changan Mazda Automobile Co., Ltd. Sales branch	Nanjing, Jiangsu Province	April 2007	293	Sales department of CMA
Taiwan	Mazda Motor Taiwan Co., Ltd.	Taipei	December 2013	51	Mazda: 100%
Australia	Mazda Australia Pty Ltd.	Mulgrave, Victoria	April 1967	317	Mazda: 100%
New Zealand	Mazda Motors of New Zealand Ltd.	Auckland	June 1972	42	Mazda: 100%
Columbia	MAZDA DE COLOMBIA S.A.S. (MCOL)	Bogotá	May 2014	69	Mazda: 100%
South Africa	Mazda Southern Africa (Pty) Ltd. (MSA)	Johannesburg	July 2013	42	Mazda: 70% Itochu Corporation: 30%

Positioning of the Integrated Report

Mazda discloses information in the following formats.



Request for cooperation in answering our questionnaire

Your frank opinions and comments regarding Mazda Integrated Report 2024 would be highly appreciated.

https://mag.mazda.jp/enq/pub/sustainability/questionnaire_en



Mazda Motor Corporation Corporate Communications Division

Head office: 3-1 Shinchu, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan

Issued: October 2024

<https://www.mazda.com/en/>