

(Reference)

Mazda Motor Corporation

**Questions and Answers Concerning Consolidation of Shares
and Change in the Number of Shares per Share Unit**

Q1. What is meant by the consolidation of shares and change in the number of shares per share unit?

A. A consolidation of shares is the reduction of a certain number of shares into a smaller number of shares. A change in the number of shares per share unit is a change in the number of shares that constitute a voting right at the general meeting of shareholders and in the number of shares that constitute a trading unit at a stock exchange. The Company plans to consolidate five shares into one share and change the number of shares per unit from 1,000 shares to 100 shares.

Q2. What is the purpose of the consolidation of shares and change in the number of shares per share unit?

A. Japan's stock exchanges, including the Tokyo Stock Exchange, seek to standardize the stock trading units (number of shares per share unit) of their listed domestic corporations at 100 shares to enhance the convenience of investors and others who use the market. As a company listed on the Tokyo Stock Exchange, the Company respects the purport of this plan and has decided to take action accordingly.

Japan's stock exchanges have deemed an investment unit (the price per trading unit) of 50,000 yen or more and less than 500,000 yen as desirable. From the standpoint of the current stock price level, it is possible that simply by changing the number of shares per share unit of the Company's stock to 100 shares, the investment unit will not be appropriate. Therefore the Company plans to consolidate five shares into one share at the same time. (After the consolidation of shares, 100 shares will be equivalent to 500 shares before the consolidation, so theoretically the stock price will be five times the price prior to the consolidation. But because the number of shares per share unit will be reduced to one tenth (from 1,000 to 100 shares), in essence the investment unit will be half of what it was before the consolidation.)

Through the consolidation of shares, the Company would also like to make its total number of outstanding shares more appropriate relative to its market capitalization in comparison with other corporations in the same industry or of approximately the same size listed on the Tokyo Stock Exchange (first section).

Q3. How will the number of shares held and voting rights change?

A. After the consolidation of shares, the number of shares held by shareholders will be one fifth of the total number of shares by shareholders as listed in the Register of Shareholders as of the end of July 31, 2014. (Fractions of less than one share will be rounded down.) After the consolidation, the number of voting rights will be one per 100 shares held. Specifically, the number of shares and voting rights before and after the consolidation of shares and the change in the number of shares per share unit will be as follows:

	Before Changes Take Effect		After Changes Take Effect		
	No. of Shares	No. of Voting Rights	No. of Shares	No. of Voting Rights	Fractional Shares
Example 1	2,000	2	400	4	None
Example 2	1,100	1	220	2	None
Example 3	1,026	1	205	2	0.2
Example 4	500	0	100	1	None
Example 5	453	0	90	0	0.6
Example 6	4	0	0	0	0.8

If a fraction of less than one share (hereinafter “fractional shares”) is created due to the consolidation of shares (as in Examples 3, 5 and 6 above), the Company will sell all such fractional shares together, and the proceeds will be distributed to shareholders who held the fractional shares in proportion to the number of fractional shares they held. The Company plans to send notice of the amount to be paid (the proceeds from the sale of the fractional shares) between the end of September and the beginning of October 2014.

By making use of the system for adding to their holdings or for the purchase of their shares prior to the effective date of the consolidation of shares, shareholders may avoid the sale of their fractional shares. For specific procedures, please contact your securities company or the Company’s stock transfer agent noted below.

In the case of shareholders whose holdings were less than five shares prior to the consolidation of shares (as in Example 6 above), upon the consolidation of shares, their holdings will become fractional shares, and they will lose their status as shareholders.

Q4. With the consolidation of shares, the number of shares held will decrease. Will this affect the asset value?

A. Before and after the implementation of the consolidation of shares, there will be no change in the Company’s assets or capital. So, except for fluctuations in the stock market and other factors, there will be no change in the asset value of the Company’s shares held by its shareholders. The number of shares will be reduced to one fifth of the number before the consolidation, but the amount of net assets per share will increase five times. Theoretically, the price of each share price will increase by five times the price prior to the consolidation of shares.

Q5. Do shareholders have to carry out any procedures?

A. No special procedures are required. As noted in Question 3 above, because holdings in the amount of less than five shares will become fractional shares as a result of the consolidation of shares, the company will sell these shares as a block and the proceeds will be distributed to shareholders who held the fractional shares in proportion to the number of fractional shares they held. Shareholders whose holdings were less than five shares prior to the consolidation of shares will lose the opportunity to hold shares in the company.

Q6. Can shareholders acquire or dispose of shares constituting less than one share unit?

A. As with the effective date of the consolidation of shares, shareholders who hold shares constituting less than one share unit which are not marketable (as in Examples 2, 3 and 5 in Question 3 above) may use make use of the system for adding to their holdings or for the purchase of their shares. For specific procedures, please contact your securities company or the Company’s stock transfer agent noted below.

Q7. What is the specific schedule?

A. The schedule is as follows:

June 24, 2014	Ordinary general meeting of shareholders
July 17, 2014	Public notice of consolidation of shares
July 28, 2014	Final day of sales of current share unit (1,000 shares)
July 29, 2014	Company's share unit changed to 100 shares; effect of consolidation of shares reflected in share price
August 1, 2014	Consolidation of shares, change in number of shares per share unit and change in total number of shares that may be issued take effect

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