

RESPECT FOR PEOPLE

Mazda aims to be a company staffed by people who enjoy their work. To this end, the Company promotes personal development revolving the principles of the Mazda Way. Mazda also regards respect for human rights as fundamental to its corporate activities, and is actively and sincerely committed to human rights protection activities.

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88 Initiatives with Employees

100 Human Rights

CSR Targets for FY March 2019

(Self-assessment key ○ : Accomplished, △ : Nearly accomplished, x : Not accomplished)

| Items | FY March 2018 targets | FY March 2018 results | Self-assessment | FY March 2019 targets | ISO 26000 core subjects |
|--------------------------------|---|---|-----------------|--|-------------------------|
| Achieving of diversity | Continue to respect the diversity of employees. ① Continue and evolve training and effective development of top management in each region. ② Steadily implement plans for training female managers, toward achieving the target number of female managers.*1 ③ Continue to achieve the legally required percentage of employees with special needs (2.0%) and promote employment of intellectually challenged people.*1 | ① Held meetings (twice a year) aimed to formulate a plan for developing successors of top management of Group companies, and implemented collective training and project work for successor candidates. ② Specified highly promising female candidates at the assistant manager level for management positions in the future, and drew up individual development plans for them. Progress is continuously followed up by each division and the Personal Development Committee 2 (PDC2). (Number of female middle managers: 42; percentage of female managers (middle management and above): 2.9%)*1 ③ Increased the percentage of employees with special needs to 2.1%, and employed 13 intellectually challenged people.*1 | ○ | Continue to respect the diversity of employees. ① Continue and evolve training and effective development of top management in each region. ② Steadily implement plans for training female managers, toward achieving the target number of female managers.*1 ③ Promote employment of people with special needs, encourage employment of intellectually challenged people and expand their opportunities, toward achieving the legally required percentage of employees with special needs (which was raised to 2.2%).*1 | 6.3 Human rights |
| Human resource development | Strengthen initiatives to promote understanding of brand value management and its practice, and check the progress of these initiatives. | • Held the 1st session of MBLD#14 themed on the implementation of brand value management practices in December, and subsequently held the 2nd and 3rd sessions. • Established the Hiroshima Cross-Industrial Co-creation Seminar, bringing together people from diverse industries working at Hiroshima-based companies and organizations (industry, academia and government). Participating employees were given opportunities to understand the importance of strengthening bonds with customers and to conduct practical activities. They were also given chances to improve their loyalty to the Company.*1 | ○ | Strengthen initiatives to promote understanding of brand value management and its practice, and check the progress of these initiatives. ① Hold the MBLD#15 session themed on the implementation of brand value management practices. ② Start training for managers themed on "what they should implement, to achieve dual goals—jobs (tasks) that lead to providing value to customers, and the improvement in the level of members' job satisfaction.*1 | 6.4 Labor practices |
| Work-life balance | Improve the quality of various measures for further implementation of work-life balance.*1 | • To increase business competitiveness, worked to realize flexible working styles, and improve the environment/measures to enable individual employees to work enjoyably (e.g., by making revisions to the vacation regulations, the flextime working system, business travel regulations, the work-at-home system). • The minimum number of paid vacation days taken a year (11 or more days) was achieved by almost all employees.*1 • Increased both the rate and the average number of paid vacations: to 88%, up 2% from the previous year, to 16.9, up 0.4 days from the previous year.*1 | ○ | Improve the quality of various measures for further implementation of work-life balance*1 | 6.4 Labor practices |
| Occupational safety and health | Promote activities based on the Safety and Health Management System. ① Continue risk assessment and improvement activities based on the assessment results.*1 ② Continue system auditing and share best practices with the related divisions.*1 ③ Achieve Japan's lowest-level workplace accident occurrence ratio, and consolidate the results of workplace accident occurrence surveys of Group companies on a global basis. | ① Surveyed/identified dangerous or hazardous factors and then conducted activities to remove/reduce these factors, resulting in a 62% reduction in high-risk factors.*1 ② Conducted system auditing in all the targeted divisions, and shared the auditing results (improvements and best practices) with related divisions. ③ Total injury frequency rate*2: 0.42 (increased by 0.09 points from 2016, and ranked 7th among 14 JAMA companies). Consolidated the results of workplace accident occurrence surveys of Group companies (production sites). | ①○ ②○ ③△ | Promote activities based on the Safety and Health Management System. ① Continue to conduct risk assessment and improvement activities based on the assessment results.*1 ② Continue system auditing and share best practices with the related divisions.*1 ③ Achieve Japan's lowest-level workplace accident occurrence ratio, and consolidate the results of workplace accident occurrence surveys of Group companies on a global basis. | 6.4 Labor practices |
| Industrial relations | Maintain sound labor relations in each region on a global basis, based on the legislation, culture, and labor practices in respective countries. | Maintained and improved sound labor relations through mutual communication between labor and management in Mazda Motor Corporation and in each region (resulting in no collective labor disputes). | ○ | Maintain and improve sound labor relations through mutual respect and communication between labor and management at Mazda Motor Corporation and in each region. | 6.4 Labor practices |
| Respect for human rights | ① Continue to support international initiatives, including the Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. ② Encourage all divisions across the Company, Group companies and suppliers to use materials and manuals of Mazda's human rights awareness raising activities, for human rights meetings and training by level,*3 including the programs to understand LGBT issues. | ① Continued to clarify support for both declarations, in the Mazda Sustainability Report 2017. Continued efforts to realize the principles of the UN Global Compact, such as human rights protection. ② Executed the following activities as scheduled, to raise awareness of human rights*3: • Held human rights lectures using an external program, for management twice (themes: "Discrimination Cases That Occurred in Succession and Their Background" and "Social Rehabilitation from Intractable Diseases.") • Held on-site training lectures at a greater number of venues, including the entire Hiroshima Plant and Group companies. • Augmented and held a training program for managers aimed at improving their interpersonal skills. • As part of LGBT-related initiatives, held a human rights lecture at the Company (for middle management, in July), held training by level and human rights meetings, and encouraged Group companies to use materials and manuals designed for Mazda's human rights awareness raising activities. | ○ | ① Continue to support international initiatives, including the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. ② Encourage all divisions across the Company, Group companies and suppliers to use materials and manuals of Mazda's human rights awareness raising activities, for human rights meetings and training by level,*3 including programs to understand LGBT issues. | 6.3 Human rights |
| Due diligence | Continue surveys and follow-up of the status of human rights initiatives throughout the value chain. | Promoted human rights initiatives throughout the value chain, recognized the status of these initiatives, and conducted surveys of these initiatives, as planned. • Applied Mazda materials for human rights meetings to Group companies, dealerships, and parts sales companies in Japan. • Provided advance guidance to employees dispatched to overseas Group companies on local cultures and customs. • Checked the expressions used to disseminate information inside and outside the Company for human rights infringements. • Responded to consultation requests from collaborating companies submitted to the Human Rights Counseling Desk. • Conducted a questionnaire survey and hearing of local suppliers, regarding the way the Human Rights Counseling Desk was being managed. Also, presented the management method of the Mazda Global Hotline to local suppliers. | ○ | Continue surveys and follow-up of the status of human rights initiatives throughout the value chain. | 6.3 Human rights |

*1 Initiatives at Mazda Motor Corporation (FY March 2018 results, and FY March 2019 targets).

*2 Results between January and December 2017. Accident frequency, measured as the number of casualties per million person-hours worked.

*3 Training programs for new recruits, mid-career hires, new band 5 (assistant manager level) and newly appointed managers.

INITIATIVES WITH EMPLOYEES

Basic Approach to Human Resources

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who enjoy their work.

To this end, the Company promotes human resources training based on the Mazda Way principles that are shared throughout the entire Mazda Group worldwide. Also, the Company has established Group-wide human resources policies and measures along with promotion of various initiatives.

Mazda Way

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. In FY March 2017, examples of best work practices conducted within the Company were shared to encourage the implementation of such practices, in order to raise awareness of the Mazda Way in each Mazda employee and promote related changes in behavior. Mazda continues to promote measures to ensure that the Mazda Way can easily be put into practice by employees.

a Seven Principles of the Mazda Way

- **INTEGRITY**
We keep acting with integrity toward our customers, society, and our own work.
- **BASICS/FLAWLESS EXECUTION**
We devote ourselves to the basics, and make steady efforts in a step by step fashion.
- **CONTINUOUS KAIZEN**
We continue to improve with wisdom and ingenuity.
- **CHALLENGER SPIRIT**
We set a high goal, and keep challenging to achieve it.
- **SELF INITIATIVE**
We think and act with "self initiative."
- **TOMOIKU**
We learn and teach each other for our mutual growth and success.
- **ONE MAZDA**
We think and act with the view of "Global" and "One Mazda."

Group-wide Human Resources Policies

Mazda engages in regular communication with Group companies worldwide, and each Group company is working together to create further opportunities for interaction among personnel and cultivate a climate based on a shared point of view. Overseas Group companies have established a system to conduct management strongly rooted in local communities.*1 By appointing locally hired personnel as managers and above, the Company makes global efforts to create a comfortable working environment tailored to the culture of each country and region. Mazda also implements human resources exchanges throughout the Group (short-term personnel exchange program), through the Global PDC (Global Personnel Development Committee) and other measures, to enable a diverse range of employees to succeed on the global stage regardless of their country of origin or place of employment.

Global Personnel Development Committee*2

Mazda is aiming to provide medium- to long-term training for employees to become leaders in every field of global business and ensure their optimal positioning and performance. Top managements of Mazda Motor Corporation and its Group companies discuss and decide the development and exchange plan for individual personnel in these companies.

Short-term Personnel Exchange Program

This program is mainly designed for employees in mid-level positions, with the aim of developing human resources who can be immediately effective in global business settings. Suitable employees in the Head Office are exchanged with their counterparts in overseas regions to gain opportunities for overseas business experience for a short term (three to six months). (Total number of employees exchanged from FY March 2011, when the program commenced, to FY March 2018: 31)

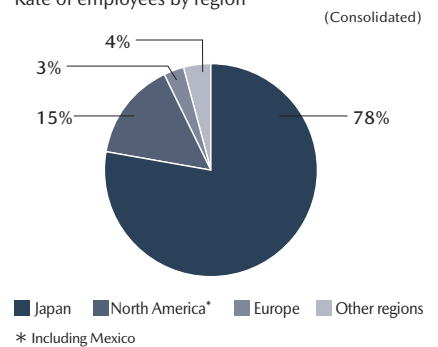
Regular Meetings with Human Resources Managers of Group Companies

- Bimonthly regular meetings with overseas regions
- Biannual global human resource meetings with the managements in charge of human resources of major overseas bases
- Half-yearly meetings with domestic Group companies located on the premises of the Head Office (Hiroshima)

Maintaining Global Employment and Recruitment

The Mazda Group conducts recruitment activities to employ the personnel suited to each country and region. Particularly production sites strive for the maintenance and management of appropriate 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 manufacturing sites in Hiroshima and Yamaguchi Prefectures. Overseas, each of the Group companies promotes employment maintenance and recruitment activities tailored to the labor practices of each country/region. At the same time, initiatives are under way to improve the operation rate of plants in Mexico and Thailand, and to establish a new plant in the United States.

Rate of employees by region



b Rate of locally hired personnel assigned to management-level in overseas Group companies

| Employment rate in FY March 2018 | 72.5% |
|----------------------------------|-------|
|----------------------------------|-------|

(Consolidated)

* Executive officers/divisional general managers

*1 Countries/regions where Mazda Group companies are located.

*2 The Personal Development Committee (PDC) comprises four committees: PDC1 and Global PDC, which cover personnel in domestic and overseas global companies; PDC2, which covers the personnel in middle management of Mazda Motor Corporation; and PDC3, which covers employees of Mazda Motor Corporation excluding PDC1 and PDC2 level.

Realization of Diversity

Mazda respects the diversity of its employees, and the Company aims to foster a corporate climate in which every employee can express his/her individuality while working alongside others to contribute to the Company and society. Mazda also works on a variety of programs to enable its 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.

Increasing the Employment and Range of Opportunities for Female Employees*1

Through enhancement of measures promoting work-life balance and other initiatives, Mazda is striving to cultivate a workplace in which women can work comfortably. The Company has set the goal of increasing the number of female middle managers and above to three times the figure as of March 31, 2014 by 2020. To achieve this numerical target, Mazda has promoted initiatives according to voluntary action plans*2. In 2016, the Company submitted these voluntary plans to the authority concerned as the business owner's action plans, based on the Act of Promotion of Women's Participation and Advancement in the Workplace. As of March 2018, the number of female middle managers and above has increased to twice the figure in FY March 2014. In the future, Mazda will continue to draw up and implement individual development plans for female candidates for middle and above management positions and also further promote the opportunities for female employees, by improving training and promoting female employee recruitment.

Employment for Those with Special Needs*1

Mazda steadily and continuously recruits employees with special needs, considering that each employee can demonstrate his/her best performance. In support of a comfortable working environment for employees with special needs, Mazda has established the Physical Challenge Support Desk for consultations. In FY March 2016, the Company started to employ intellectually challenged people. Mazda has also assigned two sign-language interpreters to further ensure information provision to people with hearing impairments (as of April 2018). In March 2014, the Company was certified as an Ai Support Company/Organization under the Ai Support campaign*3, by Hiroshima Prefecture. 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 special needs. The Company has also registered itself with the "special support school employment support unit Hiroshima" *4 to carry out the internship program for intellectually challenged students, as part of its collaboration with the local community to promote employment of people with special needs.

Promoting Re-Employment of the Elderly, and Passing on Expertise, Skills, and Know-How*1

Mazda is actively re-employing retired former employees to help them share their expertise, skills, and know-how with younger employees. Efforts are being made to create a work environment that is fulfilling yet able to balance work and personal life through measures such as reduced work hours and shorter days. Starting in FY March 2014, Mazda has introduced a system to ensure the continued employment of all post-retirement employees who wish to continue working, in response to the revised Act on Stabilization of Employment of Elderly Persons, which took effect in April 2013.

Systems to Enable Limited-Term Employees in Manufacturing Operations to Become Fulltime Employees and Mazda Workers' Union Members*1

Mazda is implementing ongoing measures toward the achievement of a workplace in which limited-term employees can feel fulfilled with their work.

A system has been put in place for limited-term employees who have worked for one year or more at Mazda in becoming full-time employees.

In addition, limited-term employees who have worked for six months or more and had their contracts renewed can become members of the Mazda Workers' Union. Through these and other initiatives, the Company is cultivating a sense of oneness among employees with different employment styles as it aims to cultivate a vibrant environment where employees can enjoy their work.

Employee Data (as of March 31, 2018) (see p. 139)

| | | Number of Employees | | Average age*3 | Average years of employment*3 |
|--------------------|--------|----------------------|------------------------------|---------------|-------------------------------|
| | | Production / medical | Administrative / engineering | | |
| Non-consolidated*1 | Male | 10,191 | 10,347 | 40.3 | 17.2 |
| | Female | 683 | 1,396 | 37.4 | 13.7 |
| | Total | 22,617 | | 40.0 | 16.8 |
| Consolidated*2 | Total | 49,755 | | — | — |

*1 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.

*2 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.

*3 Exclude the number of employees hired under the Expert Family system.

| | (Non-consolidated) | | |
|---|--------------------------|--------------------------|--------------------------|
| | FY March 2016 | FY March 2017 | FY March 2018 |
| Number of female employees hired | 144 | 133 | 170 |
| Number of female managers (assistant manager and above) | 173 | 190 | 206 |
| Number of female managers (middle management and above) | 29 | 36 | 42 |
| Percentage of female managers*1 (assistant manager and above) | 4.3% | 4.6% | 4.9% |
| Percentage of female managers*2 (middle management and above) | 2.0% | 2.5% | 2.9% |
| Number of male managers (middle management and above) | 1,409 | 1,419 | 1,405 |
| Number of workers aged 60 and over (Expert Family) | 1,067 | 1,042 | 994 |
| Percentage of employees with special needs*3 | 2.02% (Legal rate: 2.0%) | 2.03% (Legal rate: 2.0%) | 2.11% (Legal rate: 2.0%) |
| Number of employees with special needs*3 | 295 | 303 | 324 |
| Average age of managers | 51.9 | 52.0 | 52.2 |
| Employee turnover rate*4 | 3.1% | 2.8% | 3.1% |
| Number of new graduates hired (University, college and high school graduates) | | | |
| Male | 459 | 449 | 448 |
| Female | 87 | 77 | 94 |

*1 Number of female managers (assistant manager and above)/ Number of managers (assistant manager and above)

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

*3 Average number in each fiscal year

*4 Exclude the number of employees hired under the Expert Family

Global rate of female middle managers and above

| | (Consolidated) |
|---------------|----------------|
| FY March 2018 | 6.7% |

Percentage of female new graduates hired (from FY March 2017 to FY March 2019) (Non-consolidated)

| | FY March 2017 | FY March 2018 | FY March 2019 |
|----------------|---------------|---------------|---------------|
| Administrative | 35% | 37% | 42% |
| Engineering | 11% | 15% | 15% |
| Production | 10% | 11% | 12% |

Subject to independent third-party assurance

*1 Initiatives at Mazda Motor Corporation

*2 "Mazda Promoting Active Participation of Female Employees" http://www2.mazda.com/en/csr/csr_vision/employee/pdf/diversity.pdf

*3 "Ai" is Love in English. The Ai Support campaign is intended to certify companies and organizations that recommend their employees to read the textbook "Let's Learn about and Live with People with Special Needs," and to participate in Ai Supporter training programs.

*4 A program to promote the employment of special school students through collaboration between local companies and Hiroshima Prefecture.

Global Employee Survey

Mazda has conducted employee surveys on a continual basis. These surveys are intended to identify employees' work motivation and the conditions in the environment supporting such motivation, and the results are used to make further improvements.

The survey results are reported to top managements of Mazda and its Group companies at home and abroad, and the major contents are disclosed to employees. The results for each division/company are fed back to its management-level members, who are thereby encouraged to develop improvement plans as part of the PDCA (plan-do-check-act) cycle.

To more accurately grasp the state of human resources and organizations that contribute to the realization of its corporate vision, Mazda revised the survey items in FY March 2018. Specifically, the questions were refined regarding "Mazda's unique ways of proceeding with work" and "management." The revised survey was commenced in May 2018.

Percentage of Positive Responses in Global Employee Survey Results (Consolidated)

| | FY March 2015 | FY March 2016 | FY March 2017 |
|---|---------------|---------------|---------------|
| I would like to work at Mazda/Mazda Group companies as long as possible. | 78% | 79% | 79% |
| I make efforts to develop my knowledge or skills at work for which I am responsible as a professional. | 77% | 77% | 79% |
| I feel motivated to go beyond my formal job responsibility. | 74% | 75% | 76% |
| I understand the relationship between my job and this company's strategy and goals. | 70% | 71% | 72% |
| I try my best to exceed the expectations of customers and stakeholders at work by putting myself in their position. | 74% | 75% | 78% |
| I consider how I can act or behave in line with Mazda's Corporate Vision and deal to be pursued. | 61% | 63% | 62% |
| I propose and implement ways of working that enable me to realize Mazda's Corporate Vision and deal to be pursued. | 57% | 58% | 59% |

C Examples of Improvement Measures at Workplaces Based on Survey Results

- Organizing divisional town hall meetings (for explanation of strategies/policies and holding discussions) and meetings with senior management
- Promoting idea sharing and strengthening teamwork by activating small-group activities

The Global HR co-creation team



Tetsuro Nakayama,
Aya Izumitani,
Yuriko Hara,
Takayuki Ito
(Mazda Head Office
– left to right)



Bruno L. Mueller
(Mazda Motor Europe)



Brian McDougall
(Mazda Canada)

EMPLOYEE'S VOICE

Mazda revised the Global Employee Survey (GES) in FY March 2018.

Revised the Global Employee Survey (GES)

- To build and sustain a Mazda unique success model

Our former GES was designed based on generic definitions of a successful company and did not lend itself to identify the factors that are strengthening Mazda's unique organizational power. To build and sustain Mazda's unique success model, the Global HR co-creation team from Japan, Australia, Canada, Europe and the US, made a directional decision to update the former Global Employee Survey. The project team wanted to create a better alignment to our business strategy and to measure what our people feel about Mazda's internal quality (the experience that our people have at work), employee engagement, agility, alignment, and motivation, which are covered in the 6 important categories of the survey* (described further down). We also wanted to introduce a more effective management tool to support the many organizations within Mazda to review, understand and take action on the feedback they received. During the co-creation phase we were faced with many demanding challenges, including an extremely tight time schedule, global complexity and cultural differences, as well as complying with the latest European data protection regulation. We also had to translate the survey into 19 local languages and design a user-friendly survey tool. We overcame these challenges because the project team demonstrated team work, had mutual trust in one another and had great support from our Global Executive Officers within HR. Bringing the new GES to life was only possible because of the way that HR at MC and the regions completed global co-creation activities - a success model the Global HR members highly value and will continuously build on.

*6 categories

1. Mazda's Global Essence (Customer First, Mukainada Spirit ("Never Stop Challenging" spirit), Collaboration, Mazda Way)
2. Employee Motivation (Enablement, Job Role & Connection with Mazda, Personal Growth & Development)
3. Working Environment (Positive Working Environment, Pay & Benefits, Communication)
4. Effective Leadership & Management (Setting up for Success, Building Positive Relationships, Recognition)
5. Brand Engagement
6. Clear Advantage Framework (Agility, Alignment, Engagement)

On the phone and/or missing on the picture:

Jacinta Spedding (Mazda Australia), Theresa Barrera (Mazda North American Operations), Takeshi Fujiga, Kazuhisa Yoshida, Yuzo Toyoda, Masahiko Takamura, Yuko Yamade, Kiyotaka Ishii, Toshio Sahara, and Chris Clark (Mazda Head Office)

Best Match of People, Work and Rewards

Mazda has put in place a system to ensure that each employee understands their work evaluation results and ability level assessments, and feels that their growth and performance are appropriately reflected in their compensation. Specifically, since 2003, instead of using gender, age, nationality, or years of service as criteria, employees are graded according to their ability level (production and medical staff) and work level (administrative and engineering staff), so that individual employee's performances are directly reflected in their base salaries and bonuses. In wage determination, Mazda is not only in compliance with local laws and regulations in each region both in Japan and overseas, but also taking industry standards into consideration.

Choice and Self-Accomplishment

Mazda provides various opportunities for employees to take the initiative in setting their own growth and performance goals and doing their best to achieve them, so that ultimately, such efforts will bring great results to the Company. Mazda offers a range of education and training programs to assist employees in developing their careers and improving their skills according to their job types and positions. These programs are for Mazda and its Group companies in Japan and overseas to manufacture and sell products of the same quality in all countries and regions, by sharing the same objectives.

Major Education and Training Programs

| Name of education and training program | Duration, frequency, etc. | Target | Objective | Content of training | Remarks |
|---|---------------------------|---|---|--|--|
| Mazda Business Leader Development (MBLD) | Once a year | All Group employees in Japan and overseas | <ul style="list-style-type: none"> To communicate the intention of the top management To cultivate business leaders at all levels who have a company-wide perspective To reform the corporate culture and climate. | Regarding management issues and the future direction of the Company, message from the management team is delivered. The understanding and the future execution of the message through active participation by all employees is promoted | Commenced in 2000. Since FY March 2013, the program has been annually implemented on the theme of "Brand Value Management." |
| Global Business Leader Program | As needed | Employees selected from Mazda Group companies around the world | To hone skills in areas including leadership, broadness of vision, and the ability to think strategically, and train the next generation of business operators to take the lead in global business | The program features practical activities such as communication with top business leaders and engagement as a team on management issues | Inaugurated in FY March 2016 |
| Human Resource Development at Global Production Sites | As needed | Management and production staff at overseas production sites | To provide basic training by level to employees working at overseas production sites | <ul style="list-style-type: none"> Management training Supervisor education program Technical skills training Karakuri Kaizen training | — |
| Training by level*1 | As needed | Administrative and engineering staff*1 | To encourage employees to reconfirm their roles at each level, and consider how they can help improve the organizational strength of the Company | <ul style="list-style-type: none"> Training for third-year employees Training for band 6 employees Training through communication between departments for band 5 employees | — |
| Management skill training*1 | When newly appointed | Newly appointed senior managers, new band 5 employees (assistant manager level)*1 | To develop trainees' awareness and sense of responsibility as managers and urge them to acquire a companywide perspective, thereby altering their mindset toward their own roles | Mazda Way, CSR, compliance, internal controls, personnel management, human rights, safety and health, etc. | — |
| Production Leader Training Program*1 | As needed | Foreman/ Assistant Foreman/ Team Leader candidates*1 | To develop trainees' abilities to recognize and resolve problems, management improvement skills, and leadership capabilities and other skills required to work as a leader at each level | <ul style="list-style-type: none"> Super leader training Senior leader training Team leader training Junior leader training | — |
| WorldSkills Competition Training Program*1 | Two years / 12 employees | Selected employees in the production field who are under 21 years old*1 | <ul style="list-style-type: none"> Systematic training of young engineers Training participants to compete in the regional, national and international WorldSkills competitions | Employees are trained in special skills so as to participate in the WorldSkills competition | Results of FY March 2018 Gold, silver and bronze medals in Sheet Metal Technology 1 of each Bronze medal in Car Painting 1 Medallion for Excellence in Autobody Repair 2 |
| Advanced Technical Skills Training course*2 | As needed | Selected highly skilled employees*1 | To preserve the advanced technical skills necessary for manufacturing and hand them down from one generation of craftspeople to the next | <ul style="list-style-type: none"> During the two-year program, one expert trains two apprentices After completing the course, the expert is awarded the title of Production Engineering Meister and receive the Meister Badge | Cumulative Results since 1996 Number of employees completing the course 129 Production Engineering Meisters 61 Hiroshima Prefecture award winning skilled workers 16 Contemporary Master Craftspeople 13 Medal with Yellow Ribbon recipients 15 |
| Welding Skills Training Program*1 | As needed | Welding technicians*1 | <ul style="list-style-type: none"> To train technicians to compete in the regional and national competitions To promote the growth of individual technicians, pass on skills within Mazda and raise standards | Specialized training is conducted with the goal of sending welding technicians to complete in the national championships | Inaugurated in 1982 (Figures below are the cumulative numbers) National competition winners 9 Prize recipients 36 |

*1 Initiatives at Mazda Motor Corporation

*2 Twenty-four courses comprising skills to pass on to new engineers are available in 13 fields: iron and casting, die casting, casting, powder alloys, heat treatment, machining, engine assembly, axle assembly, transmission assembly, press, chassis, painting, and vehicle assembly

d e

d Average yearly salary (Non-consolidated)

| | FY March 2016 | FY March 2017 | FY March 2018 |
|-------|---------------|---------------|---------------|
| Total | 6,812,000 yen | 6,846,000 yen | 6,803,000 yen |

e Average salary by gender (Non-consolidated, in April 2018)

| | Male | Female |
|---------------------------------------|-------------|-------------|
| Middle management and above positions | 643,108 yen | 578,854 yen |
| General employees | 309,070 yen | 291,089 yen |

f

f Education/training results in FY March 2018 (Non-consolidated)

| | |
|--|----------------------|
| Average days of training per person | 1.23 days/year |
| Average training cost per person | 2,337 yen/year |
| Number of employees that received training | 5,809 employees/year |

TOPICS Creating a Proactive and Enjoyable Working Environment by Combining the Forces of All Employees

The entire Mazda Group strives to create workplaces that enable all employees to align their efforts in the same direction and that allow each employee to work enjoyably and proactively with a sense of job satisfaction. In FY March 2018, Mazda enhanced opportunities for dialogue between management and employees regarding the future of the Company. Also, some measures, including flextime working and work-at-home systems, were reviewed for improvement, to ensure that employees can use these systems more flexibly. These activities are considered to lead to the "correction of the issue of long working hours," "promotion of the use of annual paid leave" and "promotion of flexible work styles," which have been promoted by the Japanese government under the "work-style reforms."

For particularly relevant SDGs (sustainable development goals), see p. 21 for details of SDGs.

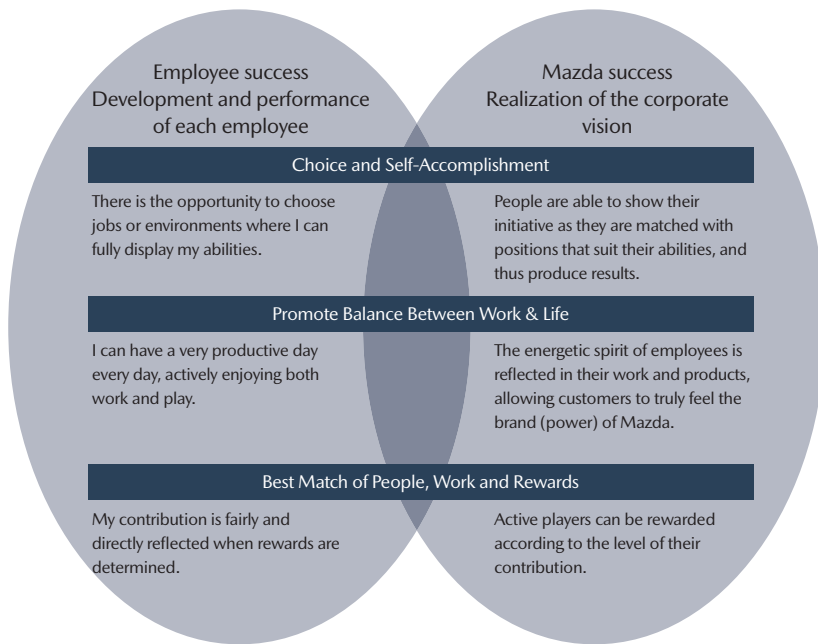


Human Resources System to Provide Appropriate Jobs and Environments*1

Mazda uses the *Tobiuo**2 Human Resources System to provide the appropriate jobs and environments where each employee can demonstrate their best performance and to support their development and success.

Specifically, a wide variety of human resource measures are actively deployed based on the system's three pillars of "Choice and Self-Accomplishment," "Promote Balance between Work and Life," and "Best Match of People, Work and Rewards."

The Three Pillars of Tobiuo



Career Meetings*1

At Mazda, opportunities for formal communication are provided for all employees through one-on-one career meetings between supervisors and their staff, held four times a year. The things that employees should do, the specific targets and broad goals expected by supervisors are combined with the employees' personal goals as well as the things they hope to, and can achieve, enabling supervisors and their staff to understand each other and proceed to set common targets. Based on the Mazda Way, they reflect on their work accomplishments and personal initiatives and efforts in order to encourage personal development and successful performance. In addition, supervisors are required to take coaching training so that they can successfully motivate employees at these career meetings.

g

Main Themes of Career Meetings

Discussions to encourage personal development:

Confirm vision of future upon accomplishment of goals, determine abilities to refine through work and activities to undertake, monitor rate of improvement

Discussions to encourage performance:

Determine work-related targets, confirm progress toward meeting targets, share present and future issues

Ratio of career meetings held

FY March 2018
92.5% of all applicable employees

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*1 Initiatives at Mazda Motor Corporation

Competency Evaluation System

Once a year, Mazda carries out a competency evaluation, through which the work attitude and behavior of administrative and engineering staff are evaluated. Based on the seven principles of the Mazda Way, a subjective evaluation is carried out to assess the work attitude and behavior that individual employees are expected to improve (competency evaluation items), from the employees' own perspectives and from the perspectives of their supervisors and subordinates/colleagues/partner companies (multidimensional feedback). Feedback on the evaluation results is given to employees by supervisors at the career meetings, at which they discuss future issues to be addressed.

The competency evaluation system is used as an effective tool for supporting employees' personal development and successful performance. The evaluation results are used as a reference for effective company-wide positioning of personnel.

OJT Coach System*¹

Mazda has introduced the OJT (on-the-job-training) coach system for all new employees in administrative and engineering positions since FY March 2012. Typically a senior employee who shares a workplace with the new hire is assigned as an OJT coach providing the job related advices to each new hire. The purposes of this system are to train new employees, foster the coach's growth, and energize the workplace.

Career Challenge (In-House Recruitment / FA) System*¹

As part of the Career Challenge System (for employees' career development assistance), an in-house recruitment system has been implemented. Briefing sessions on in-house recruitment were held, attracting many participants who considered applications for the system. They actively communicated with the personnel from the departments that called for applicants for specific assignments. Mazda will continue to implement this system to provide employees with an opportunity to think about their own career development.

Mazda Technical College (Two-Year Course)*¹

Mazda Technical College, approved by the Ministry of Health, Labour and Welfare, is an in-house education institution offering courses to high school graduates and selected employees in order to cultivate human resources that can play a central role in manufacturing at Mazda. Those who complete the two-year program are assigned to production and manufacturing related divisions, and thrive at various manufacturing sites and in a range of situations.

- Number of present students: 103 (as of April 1, 2018)*²
- Total number of graduates (among present employees): 1,707 (from April 1988 to March 2018)

Promotion of Work-Life Balance*¹

Mazda is working on a variety of programs to enable its employees — a diverse range of people with different values and lifestyles — to enjoy their work and find a healthy balance between their work and personal lives. To promote understanding of various measures to help employees achieve a better life-work balance (see p. 94), the Company provides explanations in management skills training programs, and in the section "Compass for Work and Rewards of Employees" on the Intranet about support measures designed for each life event. In FY March 2004, Mazda's variety and frequency of use of systems introduced to enable the balancing of work with child-rearing and/or nursing care was recognized, and the Company received commendation from the Minister of Health, Labour and Welfare as the most "Family-Friendly Company" in Japan. Also, in FY March 2008, Mazda was awarded the Kurumin*³ certification logo mark in affirmation of its action plan for child-rearing support initiatives, based upon the Ministry of Health, Labour and Welfare's Law to Support the Development of the Next Generation.

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In-house recruitment
A system where the Company releases details on occupational experience and skill requirements for the specific assignments so that the appropriate employees are able to apply for a particular job

FA (Free Agent) System
A system where employees release their abilities and career history via the FA Declaration in order to challenge the job in a different field of work or department using their accumulated skills and experience

i Kurumin logo mark



*¹ Initiatives at Mazda Motor Corporation

*² Including five students from Group companies

*³ Kurumin logo certification status of domestic Group companies: Mazda Motor Corporation (2007), Mazda E&T (2009), Mazda Logistics (2011), Kurashiki Kako (2011), Mazda Ace (2012)

Major Measures to Promote Work-Life Balance and Diversity in the Workplace

(Non-Consolidated)

| System | Description (as of March 31, 2018) | Started | FY March 2016 | FY March 2017 | FY March 2018 |
|---|---|------------|--|--|--|
| Maternal care paid leave | This system allows female employees who are pregnant and have difficulty performing their duties due to morning sickness or other feelings of discomfort to take paid leave for the necessary amount of time. | Aug. 2008 | 38 beneficiaries (1,081 days) | 47 beneficiaries (845 days) | 36 beneficiaries (825 days) |
| Child-rearing paid leave | This system allows employees to take up to five consecutive working days off, following childbirth or for child-rearing. | Aug. 2008* | 2,189 days (491 beneficiaries) Including 17 non-regular employees Male: 1,684 days (389 beneficiaries) Female: 505 days (102 beneficiaries) | 2,474 days (546 beneficiaries) Including 30 non-regular employees Male: 1,876 days (429 beneficiaries) Female: 598 days (117 beneficiaries) | 2,164 days (481 beneficiaries) Including 35 non-regular employees Male: 1,742 days (394 beneficiaries) Female: 422 days (87 beneficiaries) |
| Child-rearing leave | This system supports unpaid leave for child-rearing for children up to 3 years old. It is possible to take leave in installments. (Legal requirement: Up to one year old.) | Jan. 1991 | 252 beneficiaries (including 11 male) Rate of reinstatement after childrearing leave: 99% Rate of retention after childrearing leave: 100% | 300 beneficiaries (including 14 male) Rate of reinstatement after childrearing leave: 98% Rate of retention after childrearing leave: 85% | 269 beneficiaries (including 13 male) Rate of reinstatement after childrearing leave: 98% Rate of retention one-year after childrearing leave: 96% |
| Nursing care leave | This system allows employees with eligible family members requiring nursing care to take a leave of absence (maximum length of 1 year). (Legal requirement: up to total of 93 days per eligible family member.) | Jan. 1992 | 8 beneficiaries (including 4 male) | 2 beneficiaries (including 1 male) | 11 beneficiaries (including 5 male) |
| Special working arrangements for employees involved with child-rearing or nursing | This system allows employees involved with nursing or childrearing (until end of child's sixth year of primary school) to reduce work hours, be excused from overtime and holiday work, etc. (Legal requirement regarding work hour reduction: until the child reaches 3 years old.) | Apr. 1999 | Employees with reduced working hours For child-rearing: 325 For nursing care: 7 | Employees with reduced working hours For child-rearing: 369 For nursing care: 6 | Employees with reduced working hours For child-rearing: 392 For nursing care: 8 |
| Work-at-home system | This system enables employees to perform up to 25% of their work hours at home for the purpose of childrearing or nursing care, or when working at home will raise work efficiency. | Aug. 2008 | 118 beneficiaries | 149 beneficiaries | 265 beneficiaries |
| Special Warm Heart leave system | A paid-leave system covers nursing care for relatives, volunteer work, functions at one's child's school, and infertility treatment "Volunteer work" here refers to the following: • Social welfare (welfare services for children, for elderly people and for people with disabilities, etc.) • Environmental protection (forest preservation, recycling activities, etc.) • Interaction and cooperation with communities (participation in community events, support for activities of children's associations, crime prevention activities, etc.) • International friendship activities (welcoming home stay guests, interpretation service, etc.) • Health and medical volunteering (health care instructions, donor activities, etc.) • Disaster relief • Acquisition of qualifications, skills and knowledge that are useful in volunteer activities • Support for sports activities (sports coaching, organizing sports events, etc.) * Note that activities related to specific political and religious beliefs are not included in volunteer work. | Aug. 2008* | 404 beneficiaries (2,492 days) Male: 180 beneficiaries (963 days) Female: 224 (1,529 days) For nursing care for relatives 342 beneficiaries (1,692 days) Including 30 non-regular employees Male: 137 beneficiaries (675 days) Female: 205 (1,017 days) | 503 beneficiaries (2,598 days) Male: 229 beneficiaries (1,593 days) Female: 274 (1,005 days) For nursing care for relatives 377 beneficiaries (1,786 days) Including 30 non-regular employees Male: 165 beneficiaries (780 days) Female: 212 (1,006 days) | 769 beneficiaries (3,051 days) Male: 448 beneficiaries (1,476 days) Female: 321 (1,575 days) For nursing care for relatives 411 beneficiaries (1,758 days) Including 34 non-regular employees Male: 158 beneficiaries (724 days) Female: 253 (1,034 days) |
| Onsite daycare center: Mazda Waku Waku Kids En | This daycare center was established for employees' children who have not yet entered school. A permanently stationed nurse is available to look after children who become ill. | Apr. 2002 | Preschoolers: 47 | Preschoolers: 47 | Preschoolers: 47 |
| Challenging Career leave | In order to increase future career potential, employees can use this system to take leave for up to three years while attending a school or other training facilities. | Oct. 2003 | 2 beneficiaries | 2 beneficiaries | 2 beneficiaries |
| Leave for employees accompanying a transferred family member | This system allows employees to take a fixed-term leave in order to accompany a spouse who has been transferred, allowing the employee to resume their career at Mazda later on. | Oct. 2003 | 24 beneficiaries | 22 beneficiaries | 15 beneficiaries |
| Re-employment Systems | This system provides an opportunity for former Mazda employees who left the Company due to marriage, child-rearing, nursing care, or other reasons to return to work if they desire. | Aug. 2008 | 1 registrant | 4 registrant | 2 registrant |
| Expert Family System | This system enables interested individuals who meet a certain standard of abilities and experience to be rehired as engineers, advisors to younger engineers (to pass on their knowledge), specialists or in other positions following their retirement at the mandatory retirement age. | Apr. 2006 | 250 hires | 201 hires | 180 hires |
| Super-Flextime Working System (with no set core working hours) | This system was introduced to maximize results by supporting a balance between each employee's private life and working life. Under this flextime working system, the employees can setup days of not showing up to their workplace. | Oct. 2000 | Used at 80% of administrative and engineering field workplaces | Used at 80% of administrative and engineering field workplaces | Used at 80% of administrative and engineering field workplaces |
| Go Home Early Campaign | By streamlining operations, the Company has reduced the long working hours for divisions not directly connected with production. Examples of this initiative include no-overtime days and setting mandatory lights-out times. (Information about the overtime hours is reported back to management of each division, once in three months to implement the PDCA cycle.) | Sep. 2007 | Ongoing | Ongoing | Ongoing |
| Paid Leave for JICA Activities | Employees participating in Japan International Cooperation Agency (JICA) volunteer activities are entitled to take paid leave for these activities. | Apr. 2007 | - | - | - |
| Mazda Flex Benefit System | This is a selective benefit system. Individual employees can seek the type of assistance that most suits them by choosing from a number of preset benefit options within the points they have. Livelihood support, capacity development, childrearing, nursing care, social contributions, hobbies, etc. | Oct. 2001 | All employees | All employees | All employees |
| Benefit program to support employees' environmental protection and social contribution activities | As part of the Mazda Flex Benefit System, employees can apply their points toward compensation for the costs incurred during volunteer activities they perform. This system is also extended to employees who take a leave of absence to participate in JICA activities. | Oct. 2001 | 6 instances 115,000 yen | 19 instances 415,800 yen | 14 instances 201,800 yen |
| Promotion of planned use of paid leave | Labor and management cooperate to streamline and standardize work processes, helping to create an environment in which employees take the initiative in planning for and using their paid vacation days (vacation may be taken in 0.5 day increments). | Ongoing | Rate of vacation day use: 82% Average of vacation days taken: 15.6 days | Rate of vacation day use: 86% Average of vacation days taken: 16.5 days | Rate of vacation day use: 88% Average of vacation days taken: 16.9 days |

*1 Operated under a different system before August 2008.

Mazda Mutual Aid Union*¹

The Mazda Mutual Aid Union has its foundations in the spirit of mutual assistance for all members*². Funded by mutual membership fees (from both members and the Company) as well as special contributions from the Company, this organization provides a range of assistance to its members and their families.

Marriage and Childbirth Support

- Payments of gift money for marriage and childbirth
¥15,000 is paid upon marriage, and ¥5,000 per child is paid upon childbirth

Long-Term Care Support

- Long-term care leave payments
¥30,000/month will be paid to members who take leave under the long-term care leave system (If payment continues for more than three months, ¥100,000/month will be paid for the months after first three months)
- Family long-term care relief payments
¥50,000/year will be paid to members whose spouse is in a state requiring long-term care (as defined by the Ministry of Health, Labour and Welfare) for a continuous period of one year or more

Education Support

- Payment of subsidies for raising disabled children
¥50,000/year will be paid in support of child development to members whose child possess a grade 2 disability or higher

Support During Disasters, etc.

- Payments of money as condolence following a disaster
Up to ¥160,000 will be paid in condolence if a member or his/her parents' home is adversely affected by a disaster

Other Support

- Injury/sickness leave payments, long-term medical relief payments, and injury/sickness leave special payments ¥5,000 will be paid each time a member takes leave of one month or more for injury or sickness
¥30,000/month will be paid for a long-term (three months or more) period of leave (if long-term leave results in the member not receiving his/ her bonus the member will receive a special payment of up to ¥100,000)
- Financial aid for advanced medical treatment
- Monetary condolence gifts and farewell gifts, financial support for survivor's pensions funds and scholarship pension funds, etc.

*1 Initiatives at Mazda Motor Corporation

*2 Executives and regular employees, as well as those approved by the governing board

Occupational Safety and Health

Under its Safety and Health Creed, Mazda is proactively working to develop people, workplaces, and mechanisms that ensure the safety and health of the employees. In FY March 2017, Mazda launched a new three-year plan, and globally promoted all-participating-type activities under the three pillars that support the realization of a proactive and enjoyable workplace. The Company believes that it will help invigorate employees and improve their work performance, also leading to the fulfillment of Mazda's Corporate Vision.

General Safety and Health Committee

Mazda has established the General Safety and Health Committee, whose members include management (executive officer in charge of safety, general managers of each division and independent department) and labor representatives (Mazda Workers' Union*1 leaders). The committee members meet to discuss each year's action plan and priority measures concerning safety and health. Based on the decision made by the committee, division/independent department general managers take the lead in promoting occupational safety and health activities taking into account the work characteristics and risks of each workplace. For Group companies in Japan and overseas, the committee shares information on its activities, observes and provides guidance to each workplace, and supports education activities, etc.

Coordination with Overseas Group Companies

Mazda steadily promoted fostering people and improving workplaces that emphasize safety and health across the Mazda Group through sharing safety and health management methods with overseas Group companies considering the laws and regulations as well as labor practices of the countries and regions. During the three years from 2016 to 2018, Mazda supported each local site according to its level of safety and health activities, with the aim of facilitating work standardization. In addition, initiatives are due to start to manage the injury frequency rate for the entire Mazda Group. The Company will continue to provide global support and establish a system that enables mutual learning between its Group companies, while strengthening exchange among production sites and encouraging each local site to make self-reliant efforts to develop people and workplaces that focus on safety and health.

Safety and Health Management System (SMS)

Mazda implements voluntary and continuous safety and hygiene management through its Safety and Health Management System. This system reduces the potential risks for work-related accidents and enhances overall levels of safety and hygiene standards.

Contents of the Management System Initiative

Mazda performs risk assessments to prevent accidents before they happen. The Company also carries out internal audits for all applicable divisions and departments to investigate and evaluate the management system, as part of the PDCA (plan-do-check-act) cycle.

Risk Assessments

Since FY March 2006, Mazda has conducted risk assessments at all facilities to determine potential dangers and risks in manufacturing, product development, administration, office operations and other processes, in order to determine suitable countermeasures. Through these efforts the Company reviews and identifies risks each year, improving the level of workplace safety.

Since FY March 2016, Mazda has been developing a mechanism for risk evaluation based on the status of use and harmful effects of chemical substances and the system to prevent diseases caused by chemical substances by introducing risk assessment of chemical substances.

Safety Record (Injury Frequency Rate) in FY March 2018

In FY March 2018, Mazda saw a rise in the injury frequency rate, from the previous year. This was primarily because the number of minor accidents increased due to work difficulties associated with the upsizing of parts or other operational changes, although the number of accidents involving serious injuries decreased because of a reduction in the number of accidents that occurred during troubleshooting. In FY March 2019, Mazda is intensifying its efforts to anticipate potential risks that may arise when changes are made, by enhancing employees' attentiveness and sensitivity to better identify hazardous spots, through thorough risk assessments and cross-checks between the divisions concerned. The Company understands that the trends in work-related accidents vary according to the employee's years of experience. With this recognition, Mazda pushes forward with initiatives to coach employees in view of their behavioral characteristics and to reduce work difficulties, by preparing manuals for unskilled workers and by other means.

j Safety and Health Creed / Three-Year Plan "One Mazda Movement for an Enjoyable Workplace"

Safety and Health Creed

For workers, safety and health are essential assets. Our people are our most valuable resource, and we are committed to keeping them safe.

One Mazda Movement for an Enjoyable Workplace The Three-Year Plan

Policy: Realize a proactive and enjoyable workplace* by accomplishing safety and health activities initiated by individuals and divisions.

Slogan: Safety and health first in One Mazda, 24 hours a day

Three pillars of activities

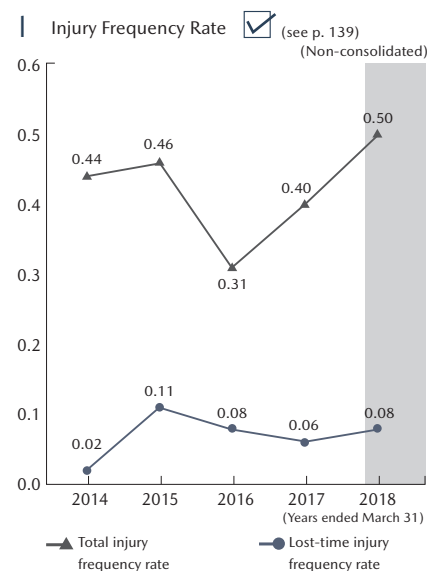
- 1) Development of human resources with heightened sensitivity
- 2) Realization of a safe, secure and comfortable working environment
- 3) Activities on a global basis

* Proactive and enjoyable workplace: A workplace where intensive problem-solving activities are implemented, taking into account the division's characteristics, and where individual employees work as a team harmoniously led by their manager, so that individual employees and the organization are both invigorated.

k Global lost-time injury frequency rate*

| | |
|---------------|------|
| FY March 2018 | 0.16 |
|---------------|------|

* Lost-time injury frequency rate: The number of lost-time accidents per million person-hours worked.
Scope of data collection: Mazda Motor Corporation, eight Group companies in Japan, and five overseas production sites (Subsidiaries and equity-method Group companies that promote safety and health initiatives are included in the scope of data collection.)



Total injury frequency rate: The number of lost-time and non-lost-time accidents in Mazda Motor Corporation per million person-hours worked.

Lost-time injury frequency rate: The number of lost-time accidents in Mazda Motor Corporation per million person-hours worked.

Subject to independent third-party assurance

*1 Membership is around 90% of Mazda employees.

Education and Training Concerning Occupational Safety and Health

To develop human resources with a heightened sensitivity toward occupational safety and health, Mazda provides education that “resonates with participants” and offers employees opportunities for practical implementation, in addition to the conventional training designed for knowledge acquisition and skill development. In FY March 2018, a survey was conducted in order to reconsider the ideal state of safety and health education and the method of improving participants’ motivation and practical abilities. As a result, some training program contents were revised. Mazda also provides education and training on safety and health for suppliers (Toyukai Cooperative Union*1), and distributes training materials to overseas production sites.

Contents of Education and Training Programs Concerning Occupational Safety and Health (FY March 2018)

| (Non-consolidated) | |
|---|---|
| Contents | Number of training participants |
| Safety and health training prescribed by the Occupational Safety and Health Law | 2,295 (including 554 from Group companies and suppliers) |
| Training for achieving zero accidents (prediction trainer training, etc.) | 525 |
| Capacity-building training for dangerous or hazardous work engaged persons (forklift operation, etc.) | 176 |
| Training for safety and health managerial and supervisory personnel (for newly appointed personnel) | 134 |
| Practical first aid training (including AED use) | 1,406 |

TOPICS Developing Production Processes from the Female Perspective, in Consideration of Differences in Physical Constitution and Strength among Employees

Powertrain Production Department No. 4 at Hofu plant is carrying out improvement activities with the aim of developing production processes taking into account the differences in physical constitution and strength among employees. The concept of universal design* has been incorporated into these activities, in which loads on the arm and knee as well as the angle of bending forward at the waist during work were evaluated from the female perspective. For the work processes with which a problem was found, countermeasures were taken, such as the introduction of auxiliary devices. As a result, improvements were made for around 40% of problematic work processes in FY March 2018.

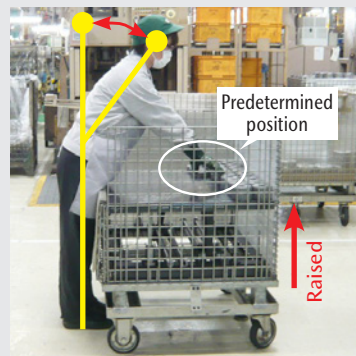
* Concept of designing products and services to make them easier to use to the greatest extent possible for all people, regardless of their age, gender, etc.

Example of improvements) A work process requiring severe bending at the waist was eliminated, by holding a part at its predetermined position with a weight balance provided by a gas spring.

Before improvement



After improvement



For particularly relevant SDGs (sustainable development goals), see p. 21 for details of SDGs.



*1 The Toyukai Cooperative Union consists of 62 vehicle parts and equipment companies that are direct or indirect trading partners with Mazda, and is a union organization that actively engages in initiatives with a constant awareness of the need to put “quality first.” It was founded in 1952 by Mazda and 20 collaborating companies that have trading relationships with the Company, with the aim of promoting friendly relations among members and improving welfare, as well as developing a system for cooperating with Mazda. The Company offers advice and support to this group from a safety viewpoint by introducing safety information and inviting safety training provided by Mazda.

Mental Health Measures*1

In 2003, Mazda declared its commitment to active cooperation between labor and management to promote employees' mental health in the Warm Heart Declaration, and formulated the Mazda Warm Heart Plan. In 2007, labor and management, including managements, respective divisions, Company doctors and occupational health nurses, and the Mazda Worker's Union, cooperated to establish the Mental Health Project and construct a Company-wide support system.

Consultation System

Mazda has established a system to provide consultations by Company doctors and health advisors. Not only for employees at Mazda Head Office, but also for employees dispatched to other companies in Japan and overseas, the Company offers on-site healthcare consultations, and consultations via video-conference system to support their health maintenance.

Education and Training

Mazda holds "listening skills, coaching and assertion training" and "advanced training based on case studies" targeting newly appointed managers, and self-care training targeting third-year employees, on a regular basis. The Company also offers training by division on demand of the workplace. In addition, information is periodically provided to managers regarding the important points of mental health measures.

System for Supporting Employees Returning to Work

The Company is also making efforts to support employees who have taken time off from work not to be absent again by improving measures to support them in getting back to work. The measures are such as the reduce work hour system, a system of allowing them to return to workplaces on a trial basis, and follow-up consultations after their reinstatement.

Vitality Checkups (Investigation of Occupational Stress and Diagnosis of the Organization's Comprehensive Health Degree)

Prior to the legislation requiring companies to implement the stress check system (that came into effect in December 2015), in 2008 Mazda introduced occupational stress diagnoses known as "vitality checkups" for employees to reveal individual and organization-level risks. Employees use the results of individual diagnoses to grasp and manage their own health conditions. The result for organization-level is shared with the respective divisions. Based on the results of these diagnoses, each division promotes the complete checkups for workplaces*2 which will facilitate workplace improvements to prevent mental health problems. In FY March 2016, Mazda introduced the diagnosis of the organization's comprehensive health degree, aiming to assess the organizational productivity and human productivity based on the results of management and employees' engagement surveys.

Measures to Prevent Lifestyle-Related Diseases*1

To alleviate and prevent lifestyle-related diseases, including metabolic syndrome, Mazda carries out various activities, such as non-smoking measures, promotion of walking, and holding seminars on these themes.

Promotion of Non-Smoking Measures

Mazda has set a long-term target of reducing the percentage of smokers in the Company to 25%. To achieve this target, Mazda offers full individual support and promotes a nonsmoker-friendly environment. A Company-wide smoke-free day has been implemented once a month. In addition, the provision of outside smoking areas is promoted to prevent passive smoking.

Promotion of Walking

To help employees improve their health, Mazda promotes various measures to encourage walking. These include:

- Eco-Walk Commuting Program (with allowance payments)
- "10,000-step Challenge" (with the goal of walking 10,000 steps a day), which is held for indirect employees
- Mazda Active Walking, for which tools on the Company Intranet are provided to help employees record the distance they walk

Physical Management Seminars (Started in 2015)

Mazda holds seminars for employees of 31 years of age (in the year following the comprehensive medical checkups for those reaching the age of 30), aiming at "improving the practical skills to improve their lifestyles" and "preventing metabolic syndrome." Using external facilities, these seminars provide participants with opportunities to listen to lectures (about dietary habits) and to actually experience exercises and relaxation (these seminars are jointly held with the Mazda Health Insurance Society.)

Encouraging Healthy Eating

Starting in FY March 2010, a new type of healthy meal that is low calorie, low salt, and uses high-fiber ingredients, is being offered as a regular part of the Company lunch menu. It is also applied to dietary instruction of specific health guidance.

n Number of Participants in Mental Health Training

| | (Non-consolidated) | | |
|---|--------------------|---------------|---------------|
| | FY March 2016 | FY March 2017 | FY March 2018 |
| Training for newly appointed managers | 171 | 190 | 152 |
| Training for managers (advanced) | 54 | 92 | 196 |
| Training for third-year employees (Self-care seminar) | 299 | 107 | 247 |
| Training by division (at the division's request) | 213 | 357 | 653 |

o Vitality Checkups (Investigation of Occupational Stress and Diagnosis of the Organization's Comprehensive Health Degree)

| | (Non-consolidated) | | |
|---|--------------------|---------------|---------------|
| | FY March 2016 | FY March 2017 | FY March 2018 |
| Comprehensive health risk*1 | 93 | 94 | 90 |
| Comprehensive health degree of the organization*2 | 52.9 | 52.3 | 52.8 |

*1 An indicator of health effect (risk), based on workload/discretion/support conditions. The above figures are calculated assuming the national average value (announced by the Ministry of Health, Labour and Welfare) to be 100. (A smaller value indicates a smaller risk.)

*2 An indicator of the organization's current health degree, based on the stress response and work engagement. Expressed as a deviation value.

p Data on Measures to Prevent Lifestyle-Related Diseases

| | (Non-consolidated) | | | |
|----------------------------------|--|---------------|---------------|--------------|
| | FY March 2016 | FY March 2017 | FY March 2018 | |
| Non-smoking promotion activities | Percentage of employees who smoke | 30.6% | 29.9% | 29.2% |
| | Number of employees receiving nicotine patches /guidance | 25 | 18 | 9 |
| Walking activities | Number of participants in the "10,000-steps Challenge" / Percentage of employees who achieved 10,000 steps per day | 9,067 /45.8% | 9,659 /42.6% | 9,330 /39.7% |
| | Number of participants in Mazda Active Walking | 5,709 | 5,709 | 5,654 |
| | Number of employees who completed the Smile Course (2,000 km/year) | 133 | 144 | 136 |
| | Number of employees who completed the Steady Course (2,500 km/year) | 574 | 606 | 584 |
| | Number of employees who completed the Speedy Course (3,000 km/year) | 138 | 119 | 116 |

*1 Initiatives at Mazda Motor Corporation

*2 Activities in which all members of a workplace participate to identify points needing improvements and make proposals for improvements, and assess their working environment from a broad perspective, thereby improving it by using clear and simple procedures. Implemented since FY March 2017.

Health Maintenance and Improvement

To maintain and improve the health of its employees, Mazda conducts health checkups, and promotes measures to prevent and mitigate mental health problems and lifestyle-related diseases. Companywide health improvement activities are under way emphasizing the reduction of health risks, by providing guidance and education based on the results of health checkups, taking aging countermeasures, supporting related activities at domestic Group companies, and offering health maintenance support for employees dispatched to other companies overseas. Mazda was selected as one of the Excellent Enterprises of Health & Productivity Management in the large enterprise category (White 500), under the Certified Health and Productivity Management Organization Recognition Program, which is jointly run by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, for the second consecutive year since the inception of the Program in 2017.

Health Checkups*1

In addition to legally prescribed health checkups for all employees, Mazda carries out comprehensive medical checkups*2 covering a variety of areas for employees when they reach the ages of 25, 30, and 35, and when they pass the age of 40. Furthermore, the Company conducts complete physical checkups,*3 including gastroscopy and abdominal ultrasonography, for employees when they reach the ages of 50, 54, and 58. Based on the results of these health checkups, Company doctors determine if employees can continue to work or not. Mazda also promotes employees' health by offering personal health guidance and education by Company doctors and health advisors.

Health Risk Measures*1

The business climate has undergone various changes, including the globalization of workplaces and an increase in the number of people who are continuously employed after retirement. Giving consideration to these changes, Mazda strives to establish a system to appropriately assess and deal with the health risk of employees,*4 from the perspectives of risk prevention and management.

Measures for Employees at High Health Risk

Mazda has established a system to take appropriate measures for employees at high health risk for heart diseases and cerebrovascular diseases. The Company also promotes activities to clarify the assessment indexes, such as the process of determining high-risk individuals by multiple Company doctors based on relevant data, and to establish a follow-up system to care for high-risk individuals after their health checkups, through collaboration among the person in question, the Company doctor and other members of the workplace.

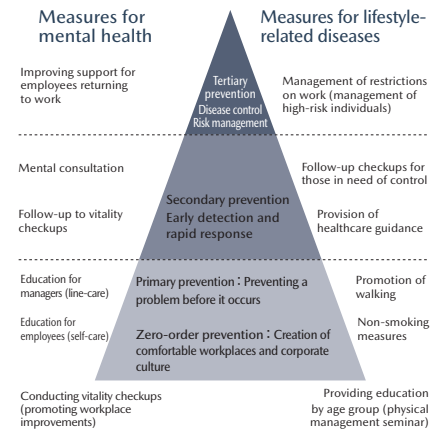
Industrial Relations

Mazda has a standing labor agreement with the Mazda Workers' Union.*5 The Company build relationships in which everyone thinks and works together with the Union to build environment contributing to all stakeholders. The Company and the Union held environment discussion on such themes as personnel affairs, production and sales once or twice a month.

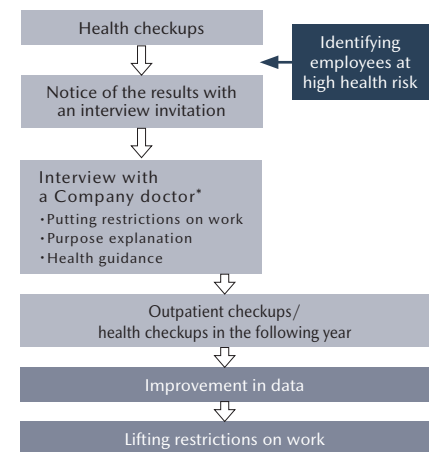
A discussion with the Mazda Workers' Union is also held regarding operation changes which may have a significant impact. The information about operation changes should be shared with employees with sufficient lead time. Moreover, various measures for discussion with labor are ready in entire Mazda Group to maintain and develop positive labor relations.

- Group companies in Japan
Regularly exchanges information and engages in active discussions with the Federation of All Mazda Workers' Unions.
- Group companies oversea
Measures for discussion with labor are ready based on the labor practices in each country and region.
(There was no collective labor dispute in FY March 2018.)

Measures for Health Risk



Healthcare Guidance Data



* After the interview results are confirmed by the employee, these results are also reported to the employee's manager.

| | (Non-consolidated) | | |
|---|--------------------|---------------|---------------|
| | FY March 2016 | FY March 2017 | FY March 2018 |
| Personal guidance on the basis of health checkup results (including specific health guidance) | 1,467 | 1,393 | 1,258 |

*1 Initiatives at Mazda Motor Corporation

*2 Checkup items: Height, chest circumference, chest X-ray, blood test, urinalysis, electrocardiogram, etc.

*3 For employees who reach the age of 30, 35, and 40-and above, breast cancer and uterine cancer examinations are available with comprehensive medical checkups upon request.

*4 Example) Vaccinations against infectious diseases (including malaria and tetanus) for employees dispatched to other companies overseas

*5 Membership is around 90% of Mazda employees.