Corporate Vision

We love cars and want people to enjoy fulfilling lives through cars. We envision cars existing sustainably with the earth and society, and we will continue to tackle challenges with creative ideas.

1. Brighten people’s lives through car ownership.
2. Offer cars that are sustainable with the earth and society to more people.
3. Embrace challenges and seek to master the Doh (“Way” or “Path”) of creativity.
Mazda revised its Corporate Vision in April 2015, with the following objectives, aiming to be recognized as a corporate group gaining sincere trust of its stakeholders.

- Clarify the attributes of the Mazda brand, and make concerted efforts across the Mazda Group to realize the Corporate Vision.
- Promote the Group-wide dialogue process to share, understand and agree the goal of the Corporate Vision through the continuous thorough discussions.
- Closely link the Corporate Vision to our daily business activities.

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In the March 2018 fiscal year, under the Structural Reform Stage 2 medium-term business plan, Mazda worked to offer appealing products that provide both driving pleasure and outstanding environmental and safety performance, to achieve qualitative growth in all areas of its business, and to further enhance its brand value. Looking at product initiatives, in the Japanese market we launched the CX-8, a new three-row crossover SUV. Since its launch in December 2017, the model has continually exceeded sales volume targets. We also expanded and improved our lineup of advanced safety technologies in an effort to provide safety and peace of mind to a wider range of customers.

In production, we worked to create a flexible production system in order to respond rapidly to the growing demand for crossovers around the world. In August 2017, for example, we expanded the crossover vehicle production capacity at our Hiroshima Plant, and in October we commenced production of the CX-5 crossover at the Hofu Plant. In April 2018, we announced the “Direction of Future Frameworks” as the basic direction of our future initiatives for sustainable growth (see pp. 8-13). Mazda regards the next three years as a time to secure a solid foundation for strong growth from the March 2022 fiscal year. On that basis, we will work to enhance product competitiveness through the development and introduction of next-generation technologies and products, and will accelerate the reform of our sales network, particularly in the United States. In addition, we will advance our alliances with Toyota and other companies and leverage the start of operations at the new plant in the United States.
Steady action toward Sustainable Zoom-Zoom 2030

At Mazda, we see it as our mission to bring about a beautiful earth and to enrich people’s lives as well as society. We will continue to seek ways to inspire people through the value found in cars.

Enhance customers’ mental well-being with the satisfaction that comes from protecting the earth and contributing to society with a car that offers true driving pleasure.

Through conservation initiatives, create a sustainable future in which people and cars coexist with a bountiful, beautiful earth.

Realize cars and a society that offer safety and peace of mind, and create a system that enriches lives by offering unrestricted mobility to people everywhere.

In August 2018 Mazda announced “Sustainable Zoom-Zoom 2030,” our long-term vision for technology development leading up to the year 2030. Mazda believes in a simple yet powerful idea of the car as a source of excitement and inspiration. We are firmly committed to the joy of driving and will continue to deliver the brilliance of life through our products and services.

The spirit that drives us to make our emotional connection with customers stronger and deeper. It is this driving joy that runs at the base of our challenges to solving issues faced by the earth, society and people. “Sustainable Zoom-Zoom 2030” is the roadmap and vision that lays out those challenges. As the concrete steps demonstrating our commitment to delivering on this vision, we announced the Skyactiv-X next-generation gasoline engine along with our next-generation vehicle architecture, which we call Skyactiv-Vehicle Architecture and our next-generation design vision model, Mazda VISION COUPE, was unveiled at the Tokyo Motor Show in 2017.

While keeping an eye on the changes that are occurring almost daily in the automotive industry, Mazda will continue to push forward with our strategy. We are witnessing an emergence of new auto technologies such as CASE -- Connected, Autonomous, Shared and Electric. To us, the spread of these new technologies and services will enable more efficient, safe and unrestricted mobility, potentially bringing new value to automobiles and to society.

First, for the earth, our greatest challenge lies in reducing carbon dioxide emissions to curb global warming. To that end, Mazda is embracing a well-to-wheel approach and working to reduce carbon dioxide emissions throughout the car’s life cycle. We are aiming to reduce our corporate average carbon dioxide emissions to 50 percent of 2010 levels by 2030, with a view to achieving a 90 percent reduction by 2050. Our approach and our targets align perfectly with the Paris Agreement and the Strategic Commission for the New Era of Automobiles set up by Japan’s Ministry of Economy, Trade and Industry. We are committed to further accelerating our efforts to achieve these targets. As automotive power source fitness, energy situations and energy mixes vary from country to country, a multi-solution approach is needed to implement the right solution for the right region.

In this diagram, the Well-to-Wheel system is shown. The diagram includes the following steps: Well (fuel extraction), Tank (fuel tank), Wheel (driving a vehicle), Oil refining, Refueling, Electrical charge, Power generation, Driving a vehicle (combustion engine), and Driving a vehicle (electric/plug-in hybrid).

* Where fossil fuel is extracted and used to drive a vehicle.
Mazda plans to introduce electrification technologies to all the cars we make by 2030. Meanwhile, we will continue to perfect the internal combustion engine, which is expected to remain the predominant power plant for many years yet, through heat insulation and other improvements. Other, tandem efforts toward carbon-neutrality will be essential to realize the reduction in carbon dioxide emissions we hope to achieve by 2050. The automotive industry is expecting a wider penetration of recyclable liquid fuels, such as biofuels made from microalgae. To help spread these alternative fuels and solve relevant technical issues, Mazda is taking part in a collaboration between industry, academia and government. For regions that generate a high ratio of electricity from clean energy sources or restrict certain vehicle types to reduce air pollution, EVs and other electric drive technologies are the optimal solution. We will exploit the advantages of electric drive systems and combine them with Mazda’s proprietary technologies to produce EVs that fully deliver the joy of driving.

Secondly, for society, Mazda will deliver safety and peace of mind based on its human-centered approach to vehicle development. We are witnessing the emergence of new causes of car accidents, mainly in developed countries. In our effort to create a safer car society, Mazda is, of course, committed to improving our advanced safety technologies and making more of these features standard in all cars. On top of that, we are aiming to make the Mazda Co-pilot Concept, which uses autonomous driving technologies, standard by 2025. We will also be examining the potential of new business models that leverage connectivity technologies to help fulfill the mobility needs of those who have difficulty driving or live in sparsely populated areas, issues compounded in countries with population aging or decline.

Last but not least, people. We want more people to experience the joy of driving a Mazda, as well as the sense of delight, accomplishment, and fulfillment that comes from contributing to the planet and society through driving. When we talk about driving joy, we don’t mean the adrenalin rush or feeling of acceleration you might experience on a roller coaster ride. It is a product of the car’s fundamental abilities to accelerate, turn and stop in common driving situations — on your daily commute, going to the store and on longer trips with your family. A Mazda feels like a tool you’ve been using for years. You relish the interaction and the pleasure it brings which makes you want to keep on driving. And because it’s engineered to match people’s sensitivities, the car’s movements feel natural to passengers, who can enjoy the ride in comfort and peace of mind. The same car should captivate people the moment they see it, and the way its expression changes in different environments and lighting means you never tire of looking at it. Owning such a car gives drivers a deep sense of fulfillment and a desire to keep on driving whenever and wherever. That’s how we define the joy of driving. Many of us today enjoy the benefits of economic affluence brought by industrialization and automation. Yet, an increasingly sedentary lifestyle and fewer opportunities for face-to-face interaction seem to be adding to the stress of daily life. To help remedy this situation, we will continue to hone the Jinba-ittai feeling of being one with the car that unlocks people’s potential and energizes them physically and mentally, as well as our designs that enrich the lives of all who see our cars.

Another crucial task is to balance these wide-ranging R&D activities with business efficiency. Fully utilizing the model-based development techniques, which are our strength, will allow us to improve quality and enhance development efficiency. We will also be working with alliance partners in areas in which we can cooperate and outsourcing when it makes strategic sense to do so. We are confident that, despite our relatively small size, initiatives such as these will help us respond to the need for multiple powertrain solutions while maintaining good business efficiency.

Growing responsibly with society

Mazda aims to grow with society through fulfilling our corporate vision. Every Mazda employee strives to meet the needs and expectations of our diverse stakeholders while also integrating CSR initiatives into our daily operations. As a result, in September 2017 Mazda was selected for the first time as a component of the Dow Jones Sustainability Index (DJSI). Our inclusion in this global ESG investment index serves as recognition of Mazda’s corporate sustainability and validation that our efforts are moving in the right direction.

In January 2018, Mazda signed the United Nations Global Compact. Mazda, which incorporates corporate social responsibility into its day-to-day operations, will work to uphold the 10 principles of the UN Global Compact, and is committed to contributing to the development of a sustainable society through these activities.

1. Investment indices based on performance in the areas of ESG (environment, social and governance). Developed and launched jointly by S&P Dow Jones Indices LLC of the U.S. and RobecoSAM AG of Switzerland in 1999, the DJSI is globally recognized by investors as the oldest ESG investment index.
2. The UN Global Compact is a voluntary effort by corporations and organizations to be good corporate citizens by exercising responsible, creative leadership and to build a global framework for sustainable growth. More than 12,000 corporations and organizations in approximately 160 countries worldwide are participants or signatories to the compact.
Wholehearted commitment to growing as a trusted company

We want to be a brand that inspires deep loyalty, so customers will choose to stay with Mazda for life. We call this “Mazda Premium.” While the word premium may call to mind expensive brands, for us Mazda Premium means making the best cars in the world, brightening people’s lives through the power of driving pleasure, and creating an emotional connection with our customers. It’s an aspiration we have had since the days Mazda began building three-wheeled trucks, and one we will continue to pursue with unrelenting passion.

With vehicles sold in more than 130 countries and regions worldwide and manufacturing operations in seven, Mazda has a social responsibility to many stakeholders. Since becoming president in June 2018, I have been very aware of the gravity of this responsibility and the enormity of my mission. I pledge to value dialogue with our stakeholders as we strive to realize our corporate vision and achieve sustainable growth for both Mazda and society. We will continue to work wholeheartedly to grow as a company that is truly trusted by our global stakeholders, and inspire people through cars that are sustainable with the earth and society.

Recovery support efforts following heavy rains*1 in July 2018

As a company based in an area heavily affected by the disaster, Mazda is placing its highest priority on the region’s recovery and moving swiftly to provide personnel and material support. For example, we revised our “Heartful Holidays”*2 program to encourage more employees to volunteer in the recovery effort.

To ensure the earliest possible recovery, we will continue working with local communities and suppliers to minimize the impact of our operations on safety and transportation conditions and ensure that government and community-led relief efforts are unimpeded.

Mazda’s basic approach
1. Our highest priority is to support victims and aid the recovery of affected areas.
2. Deal with our own issues in cooperation with local communities and business partners to ensure that recovery efforts are not hindered.
3. Without waiting, expand the scope of our thinking as to what we can do right now and proactively propose support measures.

Summary of relief efforts to date (as of August 31)

- Personnel support
  - Mazda employees have engaged in volunteer work (medical assistance,*3 field work,*4 and administrative support*5) for a total of 1,729 man-days.*6

- Material support
  - A total of 2,950 sandbags, 25,617 liters of drinking water, 1,764 pairs of work gloves, 1,688 dust masks, 4,840 towels and 436 dust cloths have been provided to affected areas or used during volunteer work.
  - Company cars have been loaned in response to requests from affected areas on 12 separate occasions.
  - Ten trucks for use in recovery efforts were donated to affected areas during August.

- Facilities
  - Mazda’s Taibi Training Center in Saka, Aki-gun, was opened as an accommodations facility for volunteers from August 1 through 30.

- Donations
  - Mazda has donated 100 million yen to relief efforts. (80 million yen to Hiroshima prefecture, 20 million yen to the Japanese Red Cross Society).*7
  - Donations were collected in the lobby of the headquarters building in Fuchu-cho, Hiroshima, from July 26 through August 31 (total collected: 127,988 yen).

*1. A series of heavy downpours that caused flooding and landslides across a large area of Japan, particularly in the west, in July 2018.
*2. Revised to increase holiday pay from 70% to 100% and the number of days that can be taken from 10 to no limit.
*3. Doctors, nurses and public health nurses from Mazda Hospital have provided medical assistance for a total of 145 man-days.
*4. Employees have engaged in field work, including clearing earth and debris, cleaning and tidying up both inside and outside houses, for a total of 489 man-days.
*5. Others have engaged in administrative support at volunteer centers and conducted hearings to ascertain what supplies and assistance are required for a total 57 man-days.
*6. Including 863 man-days of people taking “Heartful Holidays” to engage in volunteer work and 155 man-days and unpaid volunteer work by members of the Mazda Shinwa-ka sports teams.
Mazda’s “Direction of Future Frameworks” and Technologies that Enhance the Value of the Automobile
—A compass bearing on sustainable growth and a technology strategy for making car ownership a joyful and life-enriching experience—

In April 2018, Mazda announced the Direction of Future Frameworks as a compass bearing for fundamental initiatives aimed at sustainable growth. Designating the next three years as the time to lay a solid foundation for strong growth from FY March 2022 onward, the document outlines Mazda’s ambitions to develop and introduce next-generation products and new technologies; accelerate sales network reforms, especially in the U.S.; and forge alliances with Toyota Motor Corporation and other partners. Here we present an interview with Representative Director and Executive Vice President Kiyoshi Fujiwara, who talks about the Direction of Future Frameworks and the electrification and connectivity strategies woven into it.

### Feature Story

**Mazda Business Leader Development (MBLD)** training focused on brand value management

**Global production**

- •Cost improvement through Monotsukuri Innovation
- •Enhanced global production capacity (ASEAN / Mexico / Russia)

**Brand and Sales**

- •“Right-price” sales and volume growth
- •Brand value enhancement

**Product and R&D**

- •Launched 6 new Skyactiv (1st Generation) models

**Strengthen financial structure**

- •Profitable structure even in strong yen environment
- •Reinforced financial structure and returned dividend payment

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- •Profitable structure even in strong yen environment
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### FY March 2017-2019

**Structural Reform Stage 2**

- Qualitative growth & Brand value improvement

**Product and R&D**

- •Launch 6 new models and updated models
- •Skyactiv (2nd Generation) / next-generation design

**Brand and Sales**

- •Right-price sales / frontline innovation
- •New-generation showroom / dealer network restructuring
- •Customer retention

**Global production**

- •CX model production flexibility
- •Global swing production
- •Overseas plants production efficiency

**Strengthen financial structure**

- •Equity ratio: 45% or more
- •Payout ratio: 20% or more

### FY March 2013-2016

**Structural Reform Plan**

- Change of business structure by structural reforms

**Product and R&D**

- •Launched 6 new Skyactiv (1st Generation) models

**Brand and Sales**

- •“Right-price” sales and volume growth
- •Brand value enhancement

**Global production**

- •Cost improvement through Monotsukuri Innovation
- •Enhanced global production capacity (ASEAN / Mexico / Russia)

**Strengthen financial structure**

- •Profitable structure even in strong yen environment
- •Reinforced financial structure and returned dividend payment
Development and Introduction of Next-Generation Products & New Technologies

- Accelerate development of next-generation product technologies, including advanced internal combustion engines; electric, connectivity, and autonomous technologies; and next-generation KODO design
- Optimize product strategies in terms of customer needs, segment characteristics, profit, costs, etc., by dividing next-generation products into small and large architectures
- New product strategy will strengthen the business in the U.S. market, expand sales of CX models globally and improve net venue by strengthening high value-added products

Accelerate Sales Network Reforms

(Example of the United States)

- Promote qualitative/quantitative growth through higher brand engagement
- Increase investment in network reestablishment. ¥10 billion level in the first year (roughly ¥40 billion over the next four years)
- Increase next-generation branded dealers to 300, mainly in 35 priority markets
  Each next-generation branded dealer to sell an average of 1,000 units per year
- Aim for repurchase rate of 55% in 35 priority markets
- Overhaul marketing strategy to enhance brand value
- Increase dealership investment in local marketing
- Improve customer experience through enhanced training and trade cycle management initiatives

Successful Alliances

- Business and capital alliance with Toyota Motor Corporation: Joint manufacturing in the U.S., joint development of EV technologies, connectivity, complementary products, etc.
- Strategic collaboration with suppliers: Batteries, connectivity, advanced safety technologies, etc.
In regard to the Direction of Future Frameworks, we will aim to establish a highly competitive new lineup with the second generation of Skyactiv technologies. Specifically, to achieve further progress from the first generation, we will move on from the single architecture that we developed under the bundled product planning concept. We will divide our architecture into two product lineup categories — small products and large products. This will allow us to optimize our product strategy and the value our products deliver from such perspectives as customer needs, segment characteristics, profit, and costs.

Furthermore, looking at our production capacity, which supports sales, we will strive to make better use of existing capacity, and will add the new U.S. plant, which is scheduled to start operations in 2021.

With these new product strategies, Mazda will expand global production of crossover models, improve net revenue by strengthening high-value-added products, and strengthen its business in the U.S. market. We will announce more details about these initiatives at an appropriate time.
Q. Please discuss the sales network reforms in the United States.

A. Looking back at our initiatives to date, over the two-year period from 2016 we worked to reestablish our sales network based on Mazda brand value management. The objective of these initiatives was to increase the quality of dealerships, so that our locations and staff create exciting venues that draw customers who look forward to engaging with products that they truly want. In the U.S. market, we implemented a conversion to strong dealers who endorse Mazda’s brand value management, and began to establish next-generation branded dealers. In addition, we prioritized the establishment of the optimal sales network in 35 key markets. We will implement these initiatives and accelerate the construction of a U.S. sales network that can sell 400,000 units per year by 2021, when the U.S. plant will start operations. In these ways, we will advance quantitative growth over the medium to long term.

Q. What is Mazda’s approach to alliances?

A. Mazda is promoting alliance strategies that foster optimal complementarity in the areas of product, technology, and regions, based on equal partnerships. In particular, in the development of next-generation technologies, in addition to strengthening our competitiveness through next-generation Skyactiv engines and other advances in the internal combustion engine, we also need to address a wide range of fields, such as electrification, autonomous driving, and connectivity. Our basic approach is to discuss with each potential partner whether we can forge a win-win relationship based on our relative strengths. We then pursue co-creation based on equal effort as equal partners, applying our own strengths in technology, development, and production processes, such as bundled product planning and computer modeling-based development. In a number of fields, we will aim to further deepen strategic alliances with Toyota and suppliers and realize win-win alliances. Of course, we will also advance collaboration with other partners.

Q. In the “Direction of Future Frameworks”, what is your approach to Connected, Autonomous, Shared, and Electric (CASE) technologies, which are expected to transform the automotive industry?

A. The auto industry is said to be going through a once-in-a-century seismic shift. Mazda views this shift as an opportunity to create a new car culture. The trend toward CASE offers not only potential solutions to issues facing the earth and society but also a chance to make the automobile even more attractive to customers. This perspective is woven into the “Direction of Future Frameworks.” We are taking a unique, human-centered approach to CASE to create and deliver a new lifestyle with cars and a new car culture that will truly enrich the lives of our customers.

In August 2017, we announced plans to begin testing in 2020 autonomous driving technologies currently being developed in line with our human-centered Mazda Co-Pilot Concept (see p.19), aiming to make the system standard on all models by 2025. And in October 2018, we announced our unique approach to battery-powered electric vehicles (EVs) and connectivity.
Q. What is Mazda’s strategy for EVs?

A. Mazda is not about to change the way we make cars, just because we are dealing with battery-powered EVs. Regardless of the era or the type of car, the philosophy behind all Mazda cars is to stay true to our higher cause. In other words, our cars and technologies must contribute to the earth and society, and they must be human-centered. We are committed to making cars that invigorate the mind and body and offering customers an enriching experience of car ownership. And our battery-powered EVs will be no exception. There are three concepts that lie at the heart of our EVs.

Firstly, the joy of driving. We define driving joy as the feeling of driving a car that accelerates, turns and brakes in a way that feels just right, like a tool you’ve been using for years. The interaction and the pleasure it brings makes you want to keep on driving forever. The car should be engineered to move in a way that conforms to the natural movements of the human body, so its motion feels natural to drivers and passengers, and the comfort and security they feel mean they want to keep going too. The design captivates you from the moment you lay eyes on it, and you never tire of looking at the car because its expression changes with the light and the surrounding environment. Owning, driving and spending time with the car offers a truly satisfying experience. That is what Mazda means by driving joy. One way we deliver driving joy with our battery EVs is through our unique G-Vectoring Control technologies. These advanced technologies can control vehicle behavior whether the driver is pressing the accelerator or not, providing seamless and precise control even when the EV drives down a hill, for example. They will ensure even smoother linkage of the vehicle’s lateral and longitudinal motion, making possible the kind of motion I spoke about earlier, which conforms to the natural movements of the human body. We believe this will allow us to achieve the Jinba-ittai driving feel that makes people feel one with the car.

Secondly, earth- and people-friendly technologies. When driving a battery EV, there is always the fear of running out of battery life. It would be great if charging stations were as common as gasoline stations today and charging took no longer than filling up the tank, but at this point in time, that is simply not realistic. We see a range extender that uses an engine to generate electricity as a people-friendly technology that removes much of the anxiety of driving an EV. Mazda is developing a range extender with a rotary engine design. Because a rotary engine generates low vibration and noise, it won’t encroach on the quiet and comfortable atmosphere for which battery EVs are known. A rotary engine also generates power through the revolving motion of the rotor, so it can be integrated with an electric motor, which has a similar rotational structure, to create a very compact unit. Using the rotary-powered range extender as a base together with different combinations of generators, batteries and fuel tanks enables us to offer plug-in, series and other kinds of hybrids. Such vehicles will have larger fuel tanks and use the engine more, but still help to reduce well-to-wheel carbon dioxide emissions in countries that rely heavily on thermal plants for power generation.

And thirdly, technologies that contribute to society. In recent times, numerous natural disasters have disrupted our energy infrastructure and seriously affected people’s lives. Mazda is proposing a new way of helping people and contributing to society that uses the range extender’s ability to generate electricity. The rotary engine’s flexibility in accommodating a variety of fuel types means we can adapt it for use with CNG, LPG, hydrogen and other fuels. Electric vehicles with LPG-compatible range extenders could be used in disaster areas as mobile electricity supply vehicles. If, for example, a disaster causes power outages and a shortage of gasoline and diesel, the rotary-powered range extender could still supply electricity using widely-available and easy-to-transport LPG gas cylinders. Mazda hopes to create a new form of social contribution by sending such cars to disaster-affected areas and providing electricity to those in need. Mazda is developing its own EVs, entirely in-house, targeting market introduction around 2020.
Q. What is Mazda’s strategy for connectivity?

A. Mazda is proposing two value concepts through our connectivity technologies. The first, which all car companies want to offer, is simply the ability to enjoy digital convenience, safely, while in your car. The second is based on our human-centered development philosophy and is all about applying connectivity to provide an enriching lifestyle and experience of car ownership that energizes people physically and mentally. In today’s world, we are connected and empowered by having access to the Internet. Convenience has its drawbacks, however, and people are starting to want, at least temporarily, to be freed from their excessive dependence on digital tools. Again, Mazda wants to apply its human-centered approach to develop connectivity technologies that balance the convenience of a connected, digital society with real-world human interaction and connection. At Mazda, we want to connect the benefits of digital tools with the power of the automobile to expand the scope of people’s activities and make the journey itself something to be enjoyed. We think this fusion of the automobile and digital tools could help people reclaim and re-empower aspects of their humanity that were lost to digital overload by leading them back to real-world interactions with people and nature.

For example, people can drive their cars to depopulated areas and help others with limited options for getting around. While there, they may be inspired to take part in a depopulated community renewal project. Connectivity technologies thus enable users to encounter new places and new people. They can sign up for a volunteer project while driving and then participate and meet other volunteers when they get there. The benefits of their actions taken within the context of real human relationships can be broadcast through digital tools, with the vast digital society offering endless possibilities for making new connections. This is how we envision real-world activities that offer a digital detox combining with the power of the digital world to expand connections in a way that balances both. We would very much like to make such a world possible. We hope that creating such experiences will allow people to fully celebrate the joy of life.

Recent years have witnessed the dilapidation of public transportation systems in depopulated areas, and this has made it harder for the elderly and disabled to get around. We feel that the car and connectivity technologies can support activities that each of us can take part in to make a difference. Mobility by car is not only a way for people within a community to help one another; it can also help make local communities more open to diversity. More interaction between cities and depopulated areas may lead to human resource development and the creation of new industries. Mazda will start testing a mobility service in Miyoshi, Hiroshima in October 2018 with an eye to ride-sharing services in the future. The initiative aims to improve the operational efficiency of a local mobility service operated by a non-profit organization, encourage participation and create added value to energize the local community.

We are also working on technologies that connect customers to their car and technologies that connect customers to Mazda. To build a stronger customer relationship and connection for our business in the future, we’ll be using connectivity technologies to drive business innovation. The connected car system that will form the basis of our connectivity will be a part of our upcoming next-generation product lineup. To ensure access to a broad range of accurate information, Mazda sees the development of the majority of onboard devices, communication platforms and IT systems as areas of cooperation, and we plan to make full use of our alliance with Toyota Motor Corporation.

Q. You mentioned your desire to contribute to the creation of a new “car culture.” Can you tell us more about that?

A. Everything Mazda makes -- EVs, connectivity technologies, even autonomous driving and car sharing -- everything we make must be true to our development philosophy, which puts the human being at the center of everything we do. We will adapt to this new world and deliver the joy, not only of driving but -- through our efforts to create a new car culture -- the joy of life itself. We envision people enjoying better health and well-being physically and mentally as the ability to share experiences and feelings enhances their overall level of emotional fulfillment.

Combining connectivity technologies with the range-extender’s ability to act as a power source provides the basic necessities of life -- off-grid access to electricity and 24/7 communication capability -- and combines them with the power of a car to expand the range of your activities. Mazda believes that this combination can encourage people to get offline, enjoy new experiences in nature and the pleasure of using a car, and truly feel the joy of life. That’s the kind of new car culture we hope to create. And it’s one we will pursue as part of our insatiable passion to enrich people’s lives and society and bring about a more beautiful earth through the value found in cars.
Pursuing CSR initiatives in the course of daily business activities for sustainable development of society and the Company

**Basic Approach**

Mazda aims to achieve its Corporate Vision (see p.2) through the actions of each individual, based on the Mazda Way (see p.22). While striving to meet the requests and expectations of all of Mazda’s stakeholders, all employees pursue CSR (Corporate Social Responsibility) initiatives in the course of their daily business activities, thereby striving to the sustainable development of both society and the Company itself. In cooperation with their development, production and sales sites and suppliers, the Company has established a CSR initiative promotion system throughout the entire value chain*, to ensure that its CSR initiatives not only comply with international rules as well as the laws and regulations of each country/region, but also respect local history, culture, and customs.

* Corporate activities throughout the entire value chain from research and development-purchasing-manufacturing-logistics-sales and services-to recycling end-of life vehicles.(see p.28)

**Dialogue with Stakeholders**

Mazda clarifies key responsibilities and issues that the Mazda Group should accomplish, through dialogue with stakeholders which are the parties who are related to the business of the Mazda Group, and carries out daily business activities while making efforts for improvement. The results obtained through the dialogue are reported to the relevant departments or committees and used for planning and improving Mazda’s daily business activities.
Internal Controls
Mazda has established the Mazda Corporate Ethics Code of Conduct, which states action guidelines for employees, the guidelines for global financial control, and other guidelines. Based on these guidelines, each department develops rules, procedures, and manuals.

In cooperation among Group companies, Mazda is promoting to establish the system of internal control which is optimum for the entire Mazda Group.

Responding to Various Risks
Mazda makes efforts to identify and reduce various internal and external risks in accordance with the basic policies and related internal guidelines, so as to ensure continuous and stable progress of business activities.

The company tries to manage potential risks appropriately, preparing specific activities include response to accidents and other emergencies, ensuring of information security, and protection of personal information and intellectual property.

Mazda is presently upgrading and expanding its business continuity plan (BCP) to avoid suspension of business that would extensively impact society.

Promoting 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 societal norms and expectations. Business operations are conducted in accordance with the Mazda Corporate Ethics Code of Conduct to ensure fair and honest practice.

Achieving Mutual Growth and Prosperity with Suppliers along with the Overarching Goal of Building High-Quality Vehicles
In line with its basic purchasing policy, Mazda is taking its efforts to build open business relationships and ensure fair and even-handed dealings with its suppliers both in Japan and overseas. In addition, Mazda is promoting CSR activities aimed at building a sustainable society in full partnership with its suppliers. The Company bases its assessments of business dealings with its suppliers on a comprehensive evaluation that covers not only quality, technical strengths, pricing, delivery time and management approach, but also corporate compliance structure and initiatives for environmental protection.

The Company has also issued the Mazda Supplier CSR Guidelines and is promoting compliance throughout the entire supply chain. Mazda takes steps to promptly brief suppliers on medium to long-term business strategies and on matters related to sales and production, and arranges opportunities for the exchange of information on a regular basis.

Employee’s Voice

Discussing various issues with our business units and offering the customized solutions
I am responsible for European Audit and Control. European organizations have their special characteristics and therefore require customized solutions. Our team is often in regular contact with people in each European organization and discusses various issues we face. Every day, we learn something new through communicating with the European teams. Hopefully, this contributes to our business skills.

Dr. Frank Theis
Head of European Audit and Control
Mazda Motor Europe

Enhancing Cooperation with Local Suppliers
Mazda is promoting activities to improve quality and productivity jointly with local suppliers. While paying respect to the differences in national characters and cultures, the Company continues to promote continuous improvement activities at worksites overseas.

Activity in Mexico

Employee’s Voice

Aiming to build up “Special Bonds” with suppliers and relationships that enable mutual growth
We are in charge of procurement at Mazda de Mexico Vehicle Operation (MMVO). To establish relationships with suppliers that enable co-creation, MMVO organizes the Supplier Conference once a year. The program of this year’s event, held on the theme “Tackling the Challenge of Manufacturing Vehicles that Offer Customers Excitement”, included presentations on Mazda’s approach and ideal to be pursued, commendation of outstanding suppliers, and a dialogue session to hear opinions of suppliers. MMVO aims to build up “special bonds” with suppliers and relationships that enable mutual growth with them.

(Left) Giovanna Fernandez Monroy, Assistant Manager
(Right) Cynthia Angeles Duran, Analyst
Purchasing Administration,
Mazda de Mexico Vehicle Operation
Striving to improve customer satisfaction through providing a Mazda brand experience that exceeds customer expectations

■ Efforts to be Relied on by Customers
The Mazda Group promotes brand value management. By enhancing its brand value, the Group aims to increase the number of enthusiastic Mazda fans and attain its business growth, thereby consequently enhancing its corporate value. In the Structural Reform Stage 2, a medium-term business plan, the Group sets forth global sales and network enhancement as one of its main initiatives to improve brand value. With a view to building special bonds with customers in more than 130 countries and regions where Mazda vehicles are sold, Mazda pushes forward with various initiatives in cooperation with local distributors/dealerships to provide customers with a Mazda brand experience in all stages of their car ownership.

■ Supporting Customers’ Car Ownership Assuredly
Aiming to realize “safer, secure and comfortable ownership experiences” and “customer services that will be relied on by customers”, Mazda strives to provide the best possible customer services. The Company offers training for both service trainers and service staff to help them acquire advanced knowledge/maintenance skills and to provide customers with honest, faithful advice for their car ownership.

The Company also hosts Service Skills Competitions with the aim of boosting the service skills and motivation of service staff. In 2017, the 4th Mazda Customer Service Skills World Competition was held with participation by 26 excellent service engineers in 13 teams from 11 countries.

■ Design Theme, Kodo – Soul of Motion
Since 2010, Mazda has striven to create cars that embody the dynamic beauty of life through application of its Kodo—Soul of Motion design philosophy. To maintain and further deepen value, the Company has been pursuing the expression of a new elegance based on Japanese aesthetics characterized by a beauty that is subtle and restrained yet rich and abundant. The next-generation designs will focus on a “less is more” aesthetic that cherishes space and eliminates non-essential elements to create simplicity of form. The challenge then is to bring the car to life via carefully honed reflections on the body surface.

Creating the Ultimate Mazda Experience through a collaborative approach in the Mazda Group
I am the Chief Marketing Officer at Mazda North American Operations (MNAO). Mazda is at a very exciting inflection point in the United States and are changing our approach in how we engage with our fans and provide them with the Ultimate Mazda Experience. That means connecting with fans to make them feel appreciated and inspired and creating a unique customer experience at every touch point.

We have learned that many of the challenges we face in the United States are similar to the challenges faced by different regions around the world. I am really focused on bringing a more collaborative approach to how we work. When all the Mazda teams are working together we will all have the best results.

(Left) Dino Bernacchi
Chief Marketing Officer, Mazda North American Operations
Quality

Enriching the lives of our customers by providing products and services that reflect steady and uncompromising work

Approach to Quality Improvement

To deliver customers safety, trust and excitement through automotive lifestyles, Mazda makes Group-wide efforts to “establish quality for new products”, “achieve quality that exceeds customer expectations”, and “cultivate human resources capable of thinking and acting for the happiness of customers”.

Vision for Quality Assurance

Vehicle production based on the “100-1=0” belief
1. Establishing consistent quality from planning to production
   “100-1=0” expresses Mazda’s strong desire to provide good quality to all customers, under the belief that for an individual customer, his/her vehicle is not one out of 100 vehicles but the only one. Mazda pursues a kind of vehicle production that respects each vehicle as a certain customer’s “one-and-only”.
   All related departments make consistent efforts to establish quality in all processes, from planning to production.
2. Early detection and early solution of market problems
   Mazda promotes quality assurance activities for the early detection and early solution of any trouble pointed out by customers.
3. Building special bonds with customers
   Mazda aims to build special bonds of ever-lasting trust with its customers by keeping contact with customers in good faith and with a sense of commitment to them (“100-1” ⇒ “100+1”).

Pursuing the High Quality on a Global Scale

Mazda sells vehicles in more than 130 countries and regions, and has production sites in seven countries around the world. To ensure the high quality in products on a global scale and maintain the quality until delivery to customers, Mazda has established a global framework among production sites and distributors/dealerships both in Japan and overseas.

Mazda has held global forums in the area of quality, manufacturing, and logistics respectively, to work in close cooperation, and share the vision, as well as successful examples globally.

EMPLOYEE’S VOICE

Conducting quality assurance activities in unity with suppliers

I am in charge of quality assurance of China-produced parts for shipment to Japan. In line with the dramatic development of the Chinese auto industry in recent years, the types and number of parts shipped from China have been increasing, and the number of suppliers doing business with Mazda for the first time has been increasing. As a result of our efforts to hold careful dialogue with new suppliers, they have come to understand the vision and approach of Mazda’s quality management, enabling us to promote quality assurance activities in unity with the suppliers. We will continue to work together with our suppliers, taking advantage of our location and language ability, so as to be able to continue shipment of high-quality parts from China.

Liu Dengjie
Supplier Quality Department, China Engineering Support Center, Mazda Motor (China) Co., Ltd.
Aiming to achieve a safe and accident-free automotive society from the three viewpoints of vehicles, people, and roads and infrastructure

Mazda’s Basic Approach to Safety

In August 2017, Mazda announced “Sustainable Zoom-Zoom 2030.” This new vision for technology development sets out how Mazda will use driving pleasure, the fundamental appeal of the automobile, to help solve issues facing people, the earth and society (see pp. 5-6). In the realm of society, which encompasses safety, “Sustainable Zoom-Zoom 2030” demonstrates Mazda’s determination to leverage cars and a society that provide safety and peace of mind, to create a system that enriches people’s lives by offering unrestricted mobility to people everywhere.

Initiatives in Vehicles

Mazda Proactive Safety

Mazda’s safety philosophy, which guides the research and development of safety technologies, is based on understanding, respecting and trusting the driver.

To drive safely it is essential to recognize potential hazards, exercise good judgment and operate the vehicle in an appropriate fashion. Mazda aims to support these essential functions so that drivers can drive safely and with peace of mind, despite changing driving conditions.

Since drivers are human beings, and human beings are fallible, Mazda offers a range of technologies which help to prevent or reduce the damage resulting from an accident.

Continuously Evolving Basic Safety Technologies as Standard for All Vehicles

Aiming to achieve a safe and accident-free automotive society, Mazda promotes continuous evolution of basic safety technologies, such as the ideal driving position and pedal layout, excellent visibility, and active driving display, and will install these in all vehicles as standard.

i-Activsense Advanced Safety Technologies

Mazda’s i-Activsense is an umbrella term covering a series of advanced safety technologies, developed in line with Mazda Proactive Safety. They include active safety technologies that support safer driving by helping the driver to recognize potential hazards, and pre-crash safety technologies which help to avert collisions or reduce their severity in situations where they cannot be avoided.

* i-Activsense technologies are designed to reduce damage and/or injuries resulting from accidents. However each system has its limitations, and no safety system or combination of such systems can prevent all accidents. These systems are not a replacement for safe and attentive driving. Please drive carefully at all times and do not rely on technology to prevent an accident.


Vehicle on display at the result announcement session of the Japan New Car Assessment Program (j-NCAP) in FY March 2018

The CX-8 earned the highest ranking in Collision Safety Performance Tests, and Advanced Safety Vehicle (ASV) Technology Assessment among all the vehicles that had undergone the evaluations.
The Mazda Co-Pilot Concept: Human-Centered Autonomous Driving

The Mazda Co-Pilot Concept is Mazda’s development concept for human-centered self-driving technology. Based on this concept, people enjoy driving and are revitalized mentally and physically through the process. Meanwhile, the car knows all the movements of the driver and the car is driving "virtually" in the background at all times. If the unexpected occurs, such as the driver suddenly losing consciousness, the car takes control to help prevent endangering vehicle occupants and passersby. It also automatically contacts emergency services and drives safely to an appropriate location.

Autonomous Driving Technologies as Standard Equipment
Mazda Co-Pilot Concept, employing autonomous driving technologies
2020: Start demonstration test
By 2025: Apply as standard equipment

Initiatives with People
Mazda endeavors to enhance safety awareness among adults and children through various means of communications, including the events raising traffic safety awareness, and safety driving demonstration with the lessons for a safer and comfortable driving position.

Examples of Initiatives
- Conducted various activities to raise safety awareness in cooperation with local municipalities and organizations.
- Organized various events in Sustainable "Zoom-Zoom" Forum 2018 to promote understanding of Mazda’s safety technologies, such as about collision damage reduction brake.
- Held the Mazda Driving Academy, an experience and training program to help customers in Japan learn the theories and techniques to control their cars easily, comfortably and safely.

*The forum is to invite opinions and requests from participants, while promoting their understanding about Mazda.

Initiatives with Roads and Infrastructure
Mazda works in collaboration with governments, local communities, and related companies to realize a society where road traffic is safe and accident-free. As part of such efforts, Mazda has been proactively supporting the ITS* project, as an automotive manufacturer.

*ITS: Intelligent transport system uses telecommunications technology to bring together vehicles, people, and the traffic environment, with the aim of easing traffic congestion and reducing the number of accidents throughout Japan.

Forging ahead with research to offer safer and more reliable vehicles that make customers feel driving pleasure

I have been working on research into technologies for the early detection of drivers’ abnormal conditions, including a sudden change in their physical condition during driving. I attempt to develop technologies that can be applied to all vehicles, for example, ones for detecting drivers’ abnormal conditions without using a special sensor, but based on their driving behaviors. Through collaborative research with doctors, we have developed models of drivers’ behaviors in both normal and abnormal conditions, and so we are in the process of embodying these technologies. I remain committed to research activities to realize the Mazda Co-Pilot Concept for human-centered autonomous driving technologies, thereby providing customers with safer and more reliable cars that make them feel driving pleasure.

Junichiro Kuwahara
Technical Research Center
Making efforts to reduce environmental impact throughout the entire product life cycle, viewing environmental protection as the highest priority issue facing automakers

Approach to the Environment
Mazda actively adopts initiatives to promote a low-carbon, recycling-oriented society in harmony with nature, in cooperation with local governments, industrial organizations, and non-profit organizations. These efforts are reflected in all of Mazda’s corporate activities with the aim of achieving a sustainable society. The Company established the Mazda Global Environmental Charter as the basic policy for environmental matters in the Mazda Group. Specific target-setting and actions for each target are being executed in accordance with the Mazda Green Plan 2020.

Mazda has established three committees under the CSR Management Strategy Committee: the Product Environment Committee, Business Site Environment Committee, and Social Contribution Committee. Through these committees, Mazda promotes establishment of environmental management systems across its entire supply chain and in all its Group companies, based on ISO 14001 and other standards.

Promoting Green Purchasing
Mazda is promoting environmental initiatives in cooperation with its suppliers. With the aim of reducing the environmental burden throughout its entire supply chain, Mazda engages in operation activities in compliance with the “Mazda Green Purchasing Guidelines.” These guidelines require all of its suppliers worldwide to undertake measures to reduce their burden on the environment, at all stages from product development to manufacturing and delivery. The guidelines also make it clear that Mazda will give preference in purchasing to suppliers who implement such environmental measures.

TOPICS
Initiatives for Mutual Learning in Business Site Environment Committee
The Business Site Environment Committee sets work groups for energy saving, waste and other themes, where good practices are gathered and shared, and promotes environmental initiatives through mutual learning within the entire Mazda Group.

<Shared best practices>
Plant in Mexico
- Each department identified items for energy saving and conducted activities to reduce energy loss.
Plant in Thailand
- Sets targets for each year based on the medium-term energy saving plan formulated every five years.
Powertrain plant in Thailand
- Concluded a contract with an electricity company with low CO₂ emissions so as to reduce total CO₂ emissions in view of the future.

Reducing impact on global environment through concerted efforts by the entire Mazda Group
I am in charge of activities to reduce energy consumption and CO₂ emissions in business activities of the entire Mazda Group. Since the activities must be promoted in close cooperation with overseas production sites, we focus on the enhancement of ties with each site. During FY March 2018, we visited each overseas site and held face-to-face discussions between members in charge to talk about Mazda’s ideal to be pursued and the status of activities at the site. This helped deepen our mutual understanding and enhance cooperative relationships. Practices of initiatives at Mazda began to be implemented at some overseas sites. Although there are difficulties due to differences in laws of different countries, the entire Mazda Group will make concerted efforts to keep the Earth rich for subsequent generations.

Akihito Todani
Production Planning Department, Production Engineering Division
Mazda Motor Corporation

Addressing Global Warming in Product and Technology Development

Mazda sees reducing emissions of CO₂ and other greenhouse gases over the vehicle’s entire lifecycle — including manufacturing, use and disposal — as one of its top priorities and a duty of automotive industry. The Company wants to maximize its contribution by considering not only “tank-to-wheel” emissions that occur while driving but also “well-to-wheel” emissions, including fuel extraction, refining and power generation (well-to-tank). Offering a number of powertrain options in consideration of each region’s energy sources and power generation methods will allow Mazda to make the optimum contribution to CO₂ emissions reductions by region. In August 2017, Mazda set a goal of reducing corporate average “well-to-wheel” CO₂ emissions to 50% of 2010 levels by 2030, with a view to achieving a 90% cut by 2050.

The Building-Block Strategy

Mazda adopts the Building-Block Strategy to realize its goal of reducing CO₂ emissions and raising the average fuel economy of Mazda vehicles sold worldwide. Given the internal combustion engine is forecast to remain a principle propulsion technology in cars worldwide for many years to come, the Company thinks it important to continue efforts to perfect the technology. At the same time, the Building Block Strategy also calls for the commercial introduction of electric, plug-in and other electrified vehicles in consideration of each country or region’s energy resources, regulations, power generation methods, infrastructure and so on.

Improvements of Base Technologies by Skyactiv Technology

The term Skyactiv Technology covers all Mazda’s innovative base technologies. Mazda redesigned these technologies from scratch, enhancing the efficiency of powertrain components, such as the engine and transmission, reducing vehicle body weight, and improving aerodynamics. In 2019, the Company will introduce cars equipped with the Skyactiv-X, which is set to become the world’s first* commercial next-generation gasoline engine to use compression ignition.

*As of August 2017, according to an in-house investigation.

Next-Generation Skyactiv-X Gasoline Engine

Thanks to Mazda’s unique Spark Controlled Compression Ignition (SPCCI), Skyactiv-X is set to become the world’s first commercial gasoline engine to use compression ignition*. The engine realizes a sharp response and exhilarating torque-rich acceleration combined with better fuel economy and cleaner emissions than ever before.

*As of August 2017, according to an in-house investigation.

Spark Controlled Compression Ignition (SPCCI)

Spark Controlled Compression Ignition (SPCCI) is Mazda’s proprietary combustion method that offers complete control of compression ignition combustion by way of spark ignition. Once ignited by the spark plug, the expanding fireball serves as a second piston (air piston), further compressing the air-fuel mixture in the combustion chamber and providing the necessary conditions for compression ignition. By controlling the timing of spark plug ignition, SPCCI expands the range of conditions under which compression ignition can take place.
Respect for People

Aiming to be a company staffed by people who enjoy their work, promoting personal development centered on the Mazda Way and actively protecting human rights

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 resource training based on the Mazda Way principles that are shared throughout the entire Mazda Group worldwide. Also, the Company has actively been implementing a wide variety of measures and initiatives to support individuals to realize their potential for growth and success.

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. 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.

Realizing Diversity and Promoting Work-Life Balance
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 implements various initiatives to realize diversity, such as by drawing up individual development plans for female candidates for middle and above management positions, and by establishing counseling desks for employees with special needs. The Company 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 and find a healthy balance between their work and personal lives.

Creating a Friendly, Productive Workplace
Under its Safety and Health Creed, Mazda is working to develop people, workplaces, and mechanisms that ensure the safety and health of the people who work at Mazda. Mazda is also promoting Company-wide health improvement activities with an emphasis on reduction of health risks as priority issues. 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.

Basic Approach to Respect for Human Rights
Mazda adopted the Human Rights Declaration in November 2000. The declaration states that Mazda must never tolerate human rights violations of any kind, including discrimination and bullying on the basis of race, nationality, faith, gender, social status, family origin, age, physical disability, sexual orientation, or gender identity, and also states that Mazda is determined to eliminate human rights violations from business activities both inside and outside the Company. The scope of human rights activities has been expanded to include domestic and overseas Group companies as well as suppliers. Furthermore, to comply with the common sense and sound practice in international society, Mazda has clarified Company policies and standards of behavior among employees regarding human rights, in the light of the basic principles of the United Nations and the International Labor Organization.
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.

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”.

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, with the results being used to make further improvements. To more accurately grasp the status of human resources and organizations that contribute toward realizing its corporate vision, Mazda revised the survey items 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
2. Employee Motivation (Enablement, Job Role & Connection with Mazda, Personal Growth & Development)
4. Effective Leadership & Management (Setting up for Success, Building Positive Relationships, Recognition)
5. Brand Engagement

On the phone and/or missing on the picture:
Jacinta Spedding (Mazda Australia) , Theresa Barrera (Mazda North American Operations), Takeshi Fujiga, Kazuhiwa Yoshida, Yuzu Toyoda, Masahiko Takamura, Yuko Yamade, Kiyotaka Ishii, Toshio Suhara, and Chris Clark (Mazda Head Office)
Fulfilling its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities

Basic Policy on Initiatives

Basic Principles
As a company engaged in global business, Mazda is fulfilling its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities tailored to the needs of local communities, in order to ensure that its business activities contribute to the building of a sustainable society.

Plans for Future Activities

- Proactive, ongoing responses to social needs through the core business activities of the Mazda Group in Japan and overseas
- In collaboration with local communities, contribute to the development of a sustainable society through activities tailored to the needs of communities
- Emphasize and provide support for self-motivated volunteer activities by employees, and incorporate diverse values to foster a flexible and vibrant corporate climate
- Proactively disclose the details of activities and engage in a dialogue with society

FY March 2018 Results

Mazda conducts various social contribution initiatives, based on the three pillars in the basic policy.

- Mazda selected prizewinning activities for the 4th Annual Mazda Social Contribution Prize as a commendation system to recognize outstanding social contribution activities.
- In case of natural disasters, the Mazda Head Office coordinates with its production/business sites in affected areas to provide various types of support, such as making donations.

EMPLOYEE’S VOICE

To promote interaction with the community, the Hiroshima Plant, Hofu Plant, and Mexico Plant* have hosted the Mazda Ekiden Road Relay Race on their plant grounds. Although it was commenced at the Hiroshima Plant in 1966 as an event only for employees, since 1981 Mazda has invited participants from outside the Company as well. Subsequently the Hofu Plant and the Mexico Plant began to host the Ekiden Relay Race. These activities won the Grand Prize of the 4th Annual Mazda Social Contribution Prize. *

Striving to Enhance Bonds with Race Participants

We are in charge of organizing the Mazda Ekiden Road Relay Race at our production sites. Employees of respective plants have devised various methods of pleasing participants of the event and making them feel closer to Mazda. We will continue striving to enhance bonds with participants of the Ekiden Road Relay Race.

(Left) Person in charge of Ekiden race at the Hiroshima Plant: 
Fukumi Izumi, General Affairs Department, Corporate Services Division
“To live up to participants’ trust and expectations, I made constant efforts to provide them with accurate information in a timely manner.”

(Center) Person in charge of Ekiden race at the Hofu Plant: 
Takashi Takekani, General Affairs Department (Hofu)
“I worked out measures to ensure the safety of the race course and carefully laid out major facilities for the event, in order to make it more comfortable for participants.”

(Right) Person in charge of Ekiden race at the Mexico Plant: 
Sandra García Pardo, Public Relations and Business Relations Group
“I planned the event not only to provide an opportunity for participants to interact with each other, but also to promote Japanese culture in Mexico.”

The 4th Annual Mazda Social Contribution Prize

<table>
<thead>
<tr>
<th>Activity Name</th>
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<tbody>
<tr>
<td>Grand Prize</td>
</tr>
<tr>
<td>Mazda Ekiden Road Relay Race</td>
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<tr>
<td>(Mazda Motor Corporation [Hiroshima Plant, Hofu Plant])</td>
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<tr>
<td>(Mazda de Mexico Vehicle Operation)</td>
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<tr>
<td>Special Prize</td>
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<tr>
<td>Public Service at the Mine Proving Ground</td>
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<tr>
<td>(Mazda Motor Corporation [Mine Proving Ground])</td>
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<tr>
<td>Special Prize</td>
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<tr>
<td>Donating Computers</td>
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<tr>
<td>(Mazda Engineering &amp; Technology)</td>
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<tr>
<td>Special Prize</td>
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<tr>
<td>Raising Traffic Safety Awareness - Activities to raise awareness of traffic safety –</td>
</tr>
<tr>
<td>(Hokkaido Mazda and Hakodate Mazda)</td>
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<tr>
<td>Special Prize</td>
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<tr>
<td>Sponsorship for Arts and Culture</td>
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<tr>
<td>(Mazda Australia)</td>
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<tr>
<td>Prize for Encouragement</td>
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<tr>
<td>Installation of Community-Support Vending Machines</td>
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<tr>
<td>(Mazda Parts)</td>
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</tbody>
</table>

* Official name is Mazda de Mexico Vehicle Operation
Examples of Social Contribution Activities

Environment

- Raising Environmental Awareness among Children
  Environmental events and on-site lectures are held to raise environmental awareness among elementary and junior high school students. In these programs, Mazda introduces its attempts to contribute to global warming prevention, on the theme of reducing CO₂ emissions. The Company also holds a quiz through which participating children could learn ways that vehicle users can easily cooperate in addressing this theme.

Safety

- Support for Project Yellow Light, a Safe Driving Education Program
  Since 2012, Mazda North American Operations (MNAO) has been supporting the Project Yellow Light safe driving education program targeted at young people. In addition to cooperating in the scholarship contest for public announcement videos regarding the dangers of texting while driving, MNAO organizes events at which professional racers of Mazda Motorsports deliver lectures to students about the dangers of distracted driving.

Human Resource Development

- Support for Children in the Mazda Wheat Seedlings Class
  In China, Mazda Motor (China) has been assisting children in the Mazda Wheat Seedlings Class, established in 2012 through the Wheat Field Project Education Foundation, a non-governmental NPO providing educational support. Specifically, the company has provided funds for library establishment, and supported trainings for teachers. Also, financial and mental supports are offered through letter exchanges between company employees and the children, and donations of daily necessaries to them.

Community Contributions

- Working with SOS Children’s Villages
  Mazda Motor Europe (MME) and many national sales companies in Europe have been working with SOS Children’s Villages in their respective countries. As Mazda’s unique approach, these companies also support vehicle transportation and volunteering by their employees.

  *A worldwide organization that cares for children who are unable to live with parents or caregivers.

Mazda Museum

The Mazda Museum at the Hiroshima Head Office (Hiroshima Prefecture) has welcomed around 1.62 million visitors through its doors since its opening in 1994. The Museum offers exhibitions of Mazda’s history, technology, and the tour of Mazda’s assembly line.

For Mazda Museum information, visit http://www.mazda.com/en/about/museum/

Mazda Foundation

The Mazda Foundation in four countries—Japan, the U.S., Australia, and New Zealand—supports activities in each region in fields such as the environment, safety, human resources development, and community contributions.
1920

1920.1 Toyo Cork Kogyo Co., Ltd is founded
1921.3 Jujiro Matsuda becomes president
1927.9 Company becomes Toyo Kogyo Co., Ltd
1930.9 New plant is constructed in Hiroshima (Aki-gun, Fuchu-cho)
1932. Export of 3-wheel trucks begins
1934. Caravan of 3-wheel trucks from Kagoshima to Tokyo (advertising campaign)
1934. New logo is introduced

1931.10 Production of 3-wheel truck “Mazda-go DA model,” Mazda’s first automobile, begins

1945.8 Mazda leases part of Head Office building to Hiroshima prefectural government, court, news media, etc.
Regarding the Hiroshima prefectural government all functions are temporarily transferred there (until July 1946)
1945.12 Production of 3-wheel trucks suspended since August 1945 resumes
1949.9 3-wheel truck exports restart

1951. New logo is introduced
1951.12 Tsuneji Matsuda becomes president
1959.7 New logo is introduced
1960

1960.7 Mazda enters into technical cooperation with NSU/Wankel on rotary engines
1963.3 Cumulative domestic production reaches 1 million vehicles
1965.5 Miyoshi Proving Ground is completed
1966.1 Operations at new passenger car plant (Ujina) in Hiroshima begin
1967.3 Full-scale exports to the European market begin

1970

1970.4 Exports to the U.S. begin
1970.11 Kouhei Matsuda becomes president
1975.1 New logo is introduced
1977.12 Yoshiki Yamasaki becomes president
1979.6 Cumulative domestic production reaches 10 million vehicles
1979.11 Ford Motor Company and Mazda enter into a capital tie-up

1980

1980.6 "Familia (GLC/123)" is fully redesigned (Receives the “1980-1981 Car of the Year Japan”)
1989.9 The first “Roadster (MX-5)” is launched

1990

1990.1 Hokkaido Kenbuchi Proving Ground for cold-weather testing is completed
1992.3 Yoshio Wada becomes president
1994.4 Cumulative domestic production reaches 30 million vehicles
1995.11 Mazda and Ford jointly establish Auto Alliance (Thailand) Company Limited (MAT), a joint venture production company
1996.3 Mazda website is opened
1996.6 Henry D.G. Wallace becomes president
1997.6 New logo is introduced
1997.11 James E. Miller becomes president
1999.12 Mark Fields becomes president

* Launching date is based on Japanese market
### Corporate

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>2000</td>
<td>Mid-term plan &quot;Millennium Plan&quot; is announced</td>
</tr>
<tr>
<td>2002.1</td>
<td>Nakatsushiri Proving Ground is completed</td>
</tr>
<tr>
<td>2002.4</td>
<td>New brand statement &quot;Zoom-Zoom&quot; is introduced</td>
</tr>
<tr>
<td>2002.6</td>
<td>Lewis Booth becomes president and CEO</td>
</tr>
<tr>
<td>2003.1</td>
<td>Production of &quot;Mazda6&quot; commences at FAW Car Company in China</td>
</tr>
<tr>
<td>2003.8</td>
<td>Hisakazu Imaki becomes president and CEO</td>
</tr>
<tr>
<td>2004.11</td>
<td>Mid-term plan &quot;Mazda Momentum&quot; is announced</td>
</tr>
<tr>
<td>2005.8</td>
<td>China Engineering Support Center is opened</td>
</tr>
<tr>
<td>2006.5</td>
<td>Mine Proving Ground is completed</td>
</tr>
<tr>
<td>2007.3</td>
<td>Mid-term plan &quot;Mazda Advancement Plan&quot; is announced</td>
</tr>
<tr>
<td>2007.4</td>
<td>Long-term vision for technology development: &quot;Sustainable Zoom-Zoom&quot; is announced</td>
</tr>
<tr>
<td>2007.7</td>
<td>Cumulative domestic production reaches 40 million vehicles</td>
</tr>
<tr>
<td>2007.10</td>
<td>Changan Ford Mazda Automobile Nanjin Co., Ltd. (CFMA, new CMA) commences operation</td>
</tr>
<tr>
<td>2008.11</td>
<td>Takashi Yamanouchi becomes president and CEO</td>
</tr>
</tbody>
</table>

### Product

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000.7</td>
<td>Roadster (MX-5) is recognized by the Guinness Book of Records as the world's largest production of lightweight open two-seater sports car</td>
</tr>
<tr>
<td>2003.4</td>
<td>&quot;RX-8&quot; is launched (Receives the &quot;2004 RJC Car of the Year&quot;)</td>
</tr>
<tr>
<td>2005.8</td>
<td>Roadster (MX-5) is fully redesigned (Receives the &quot;2005-2006 Car of the Year Japan&quot;)</td>
</tr>
<tr>
<td>2006.3</td>
<td>Global presentation of the first &quot;BT-50&quot; at Bangkok International Motor Show</td>
</tr>
<tr>
<td>2006.12</td>
<td>&quot;CX-7&quot; is launched</td>
</tr>
<tr>
<td>2009.3</td>
<td>Leasing of hydrogen vehicle, &quot;Premacy Hydrogen RE Hybrid&quot;, is started</td>
</tr>
<tr>
<td>2010.10</td>
<td>Next-generation Skyactiv Technology is announced</td>
</tr>
<tr>
<td>2012.2</td>
<td>Atenza (Mazda6) featuring a series of the advanced safety technologies i-Activsense is fully redesigned (Receives the &quot;2014 RJC Car of the Year&quot;)</td>
</tr>
<tr>
<td>2013.6</td>
<td>Commenced public road test of leased hydrogen vehicles, &quot;Premacy Hydrogen RE Extender EV&quot;</td>
</tr>
<tr>
<td>2013.11</td>
<td>Atenza (Mazda6)&quot; featuring a series of the advanced safety technologies i-Activsense is fully redesigned (Receives the &quot;2014 RJC Car of the Year&quot;)</td>
</tr>
<tr>
<td>2015.2</td>
<td>&quot;CX-3&quot; is launched</td>
</tr>
<tr>
<td>2015.5</td>
<td>&quot;Roadster (MX-5)&quot; is fully redesigned (Receives the &quot;2015-2016 Car of the Year Japan,&quot; the &quot;2016 World Car of the Year,&quot; and the &quot;2016 World Car Design of the Year&quot;)</td>
</tr>
<tr>
<td>2015.7</td>
<td>&quot;Mazda BT-50&quot; is fully redesigned and production commences in Thailand</td>
</tr>
<tr>
<td>2016.2</td>
<td>&quot;CX-5&quot; is fully redesigned and production commences</td>
</tr>
<tr>
<td>2016.4</td>
<td>&quot;CX-4&quot; makes its world debut</td>
</tr>
<tr>
<td>2016.11</td>
<td>Retractable hardtop model &quot;Roadster (MX-5) RF&quot; is unveiled</td>
</tr>
<tr>
<td>2017.8</td>
<td>Next-generation engine &quot;Skyactiv-X&quot; is announced</td>
</tr>
</tbody>
</table>

* Launching date is based on Japanese market
Mazda’s Value Chain* (FY March 2018)

*Corporate activities throughout the entire value chain from research and development- purchasing- manufacturing- logistics - sales and services- to recycling end-of-life vehicles.

Research and Development

Implementation of a broad range of initiatives, in tandem with 1,081 major suppliers in Japan and overseas, aiming for harmonious coexistence and co-prosperity

Manufacturing

Pursuit of high-level manufacturing in a total of 7 countries, including Japan, Thailand, China and Mexico (Japan: 987 thousand units Overseas: 633 thousand units)

Logistics

Pursuit of high-quality, safe and environmentally conscious transportation on a global basis

Sales and services

Provision of vehicles and services to customers in more than 130 countries and regions

Recycling end-of-life vehicles

Pursuit of end-of-life vehicle recycling and waste reduction

Major Product Lineup

CX-5
Sales
North America
Europe
China
Other
Purchased
Japan
Europe
China
Other
Global sales volume
445,042

CX-3
Sales
North America
Europe
China
Other
Purchased
Japan
Europe
China
Other
Global sales volume
159,716

CX-9
Sales
North America
Europe
Other
Purchased
Japan
Europe
Global sales volume
53,157

BP-50
Sales
North America
Europe
Other
Purchased
Japan
Europe
Global sales volume
36,311

MX-5
Sales
North America
Europe
Other
Purchased
Japan
Europe
Global sales volume
30,018

BONGO
Sales
North America
Europe
Other
Purchased
Japan
Europe
Global sales volume
10,528

* Presented models are those produced by Mazda as of the end of March 2018. * Includes old and new models. Not all body types are shown. * Global sales volume / Sales markets / Production sites for FY March 2018.

* Includes sites with knockdown production only (Production volume unannounced). * OEM vehicles sold in Japan are as follows: Carol, Flair, Flair Wagon, Flair Crossover, Scrum, Familia (van), Titan

28 | Mazda Motor Corporation
Global sales volume
Up 4.6% YoY
1,631 thousand units

Financial Information

Breakdown of Shareholders by Type
(as of March 31, 2018)

Japanese corporations 12.9%
81,296 thousand shares

Japanese individuals and others 18.3%
115,432 thousand shares

Japanese securities companies 3.4%
21,722 thousand shares

Foreign institutions and others 36.1%
228,319 thousand shares

Japanese financial institutions 29.3%
185,035 thousand shares

Other 24%

* Treasury stock is included in “Japanese individuals and others”

Net Sales
(Billions of yen)

Operating Income/
Operating Income Ratio
(Billions of yen/%)

Net Income Attributable to Owners of the Parent Company
(Billions of yen)

R&D Costs/Ratio of Net Sales
(Billions of yen/%)

Capital Expenditures/Ratio of Net Sales
(Billions of yen/%)

Equity/Equity Ratio
(Billions of yen/%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Operating Income</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,406.6</td>
<td>226.8</td>
<td>134.4</td>
</tr>
<tr>
<td>2017</td>
<td>3,214.4</td>
<td>125.7</td>
<td>93.8</td>
</tr>
<tr>
<td>2018</td>
<td>3,474.0</td>
<td>146.4</td>
<td>112.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D Costs</th>
<th>Capital Expenditures</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>116.6</td>
<td>89.2</td>
<td>954.0</td>
</tr>
<tr>
<td>2017</td>
<td>126.9</td>
<td>94.4</td>
<td>1,039.4</td>
</tr>
<tr>
<td>2018</td>
<td>136.0</td>
<td>104.1</td>
<td>1,192.9</td>
</tr>
</tbody>
</table>

Top 10 Markets in Global Sales for FY March 2018

- China 322,420
- United States 304,394
- Japan 210,385
- Australia 115,636
- Canada 74,647
- Germany 68,167
- Thailand 56,379
- Mexico 54,744
- United Kingdom 38,091
- Vietnam 28,170

China 20%
Europe 16%
North America 27%
Japan 13%
Other 24%

R&D Costs include 1 Including Mexico
**Corporate Profile (as of March 31, 2018)**

**Company name:** Mazda Motor Corporation  
**Founded:** January 30, 1920  
**Head Office:** 3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan  
**Main business lines:** Manufacture and sales of passenger cars and commercial vehicles  
**Stock information:** Total: 631,803,979 outstanding shares  
**Capital:** ¥283,957,112,62  
**Employees:** 21,927 (excluding Mazda employees dispatched to other companies and includes employees dispatched to Mazda from other companies)  
**Principal products:** Four-wheeled vehicles, gasoline reciprocating engines, diesel engines, automatic and manual transmissions for vehicles

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**Global Network (as of March 31, 2018)**

- **Research and development sites:** Head Office, Mazda R&D Center (Yokohama), Mazda North American Operations (USA), Mazda Motor Europe (Germany), China Engineering Support Center (China)  
- **Production sites:** Japan: Hiroshima Plant (Head Office, Ujina), Hofu Plant (Nishinoura, Nakanoseki), Miyoshi Plant (Nakanoseki), Mine Proving Ground Overseas: China, Thailand, Mexico, Vietnam*1, Malaysia*2, Russia*2  
- **Sales companies:** Japan: 220, Overseas: 140  
- **For more details about major facilities, see the Annual Report 2018 (see pp. 4-5).**  
  
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**Other Information**

**Official websites**

<table>
<thead>
<tr>
<th><strong>URL</strong></th>
<th><strong>Content</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales/Customer services</strong></td>
<td><a href="http://www.mazda.com/en/about/d-list/*">http://www.mazda.com/en/about/d-list/*</a></td>
</tr>
</tbody>
</table>

* Choose the country/area to be searched.

**Other Information**

About Mazda

The Origin and Meaning of “Mazda”
The Company’s name, “Mazda,” derives from Ahura Mazda, a god of the earliest civilizations in western Asia. The Company has interpreted Ahura Mazda, the god of wisdom, intelligence, and harmony, as a symbol of the origin of both Eastern and Western civilizations, and also as a symbol of automotive culture. It incorporates a desire to achieve world peace and the development of the automobile manufacturing industry. It also derives from the name of the Company’s founder, Jujiro Matsuda.

Mazda Corporate Mark
Mazda developed its corporate mark as a symbol for Mazda’s communications in 1975. It was later positioned as an easy-to-read corporate mark, in line with the establishment of the brand symbol in 1997.

Mazda Brand Symbol
The brand symbol expresses Mazda’s dedication to continuous growth and improvement. It is a symbolic development of the Mazda “M,” and shows the Company stretching its wings as it soars into the future (Established in June 1997).

Mazda Brand Slogan, “Zoom-Zoom”
Mazda’s creativity and innovation continuously delivers fun and exhilarating driving experiences to customers who remember the emotion of motion first felt as a child (Announced in April 2002).

External Evaluations of CSR (as of September 13, 2018)
Mazda identifies key external ratings and evaluations both from within Japan and overseas. By analyzing the results, Mazda evaluates its own initiatives. Mazda continuously makes active efforts to disclose information by responding to both domestic and global surveys and evaluations, such as those by socially responsible investment (SRI) and environmental, social and governance (ESG) rating organizations.

Third-Party Opinion
You can view Third-Party Opinion about the Mazda Sustainability Report 2018 [In-Depth Version] on Mazda Global Website at:

Editorial Information

Editorial Policy
To satisfy the needs of reader of both the Mazda Corporate Profile and the Mazda Sustainability Report, this booklet presents Mazda’s corporate overview and basic version while featuring its unique initiatives in FY March 2018. The Mazda Sustainability Report 2018 [In-Depth Version] (146 pages) is available on Mazda’s official website.

Period Covered
The report primarily covers the period from April 2017 through March 2018, although some activities after April 2018 are included.
Environmental and Human Rights Considerations

- **FSC® certified paper**
  The paper used for this publication is certified by the Forest Stewardship Council® (FSC) as being made from “timber from responsibly managed forests.”

- **Waterless printing**
  The waterless printing technique, which was used for this publication, prevents the release of liquid waste during the printing process.

- **Carbon offset**
  CO₂ emissions from this publication’s printing and binding processes were offset with carbon credits purchased from the Hiroshima Prefecture forestry thinning project (J-Credit), through Carbon Free Consulting Corporation. Certificate number: 18101851111818

- **Vegetable oil ink**
  This publication was printed using vegetable oil ink, which does not contain volatile organic compound (VOC).

Mazda Motor Corporation
CSR & Environment Department, Corporate Services Division
Head office: 3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670 Japan
Issued: November 2018

Disclaimer: This report includes future projections for Mazda Motor Corporation and its Group companies’ performance based on plans, forecasts, management plans, and strategies at the time of publication, in addition to actual past and present facts. Such forward-looking statements are predictions based on information or assumptions available at the time of edit, and may differ from future operational results due to changes in circumstances.