



ANNUAL REPORT 2019

YEAR ENDED MARCH 31, 2019





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.



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PROFILE

Since its establishment in 1920, Mazda has continued to be an automobile manufacturer that embodies the spirit of “never stop challenging.” We are now approaching the major landmark of our 100th anniversary in 2020.

In 2012, Mazda began introducing products, which extensively employ Skyactiv Technology and Kodo—Soul of Motion design. Leveraging Skyactiv Technology, we have promoted efforts to achieve structural reforms, and qualitative business growth and further enhancement of brand value. We recently announced our Medium-Term Management Policy, which sets out our management policy and direction of initiatives over the six years from fiscal year March 2020 to achieve the ideal we envisioned for the Mazda brand in the decade from 2030 to 2040. We remain dedicated to the pursuit of sustainable growth and the enhancement of corporate value over the medium and long term.

In August 2017, we announced “Sustainable Zoom-Zoom 2030,” a new long-term vision for technology development. Based on our Corporate Vision, this new long-term vision aims to resolve issues facing the earth, society, and people through the utilization of driving pleasure, which represents the fundamental appeal of the automobile. Going forward, we hope to create a future in which the earth, society, and people can coexist with cars, to enrich people’s lives through a car ownership experience that celebrates driving, and to become a brand with which customers feel a strong emotional connection.

AT A GLANCE (Fiscal Year March 2019)

Number of Sales Countries / Regions

More than **130** countries / regions

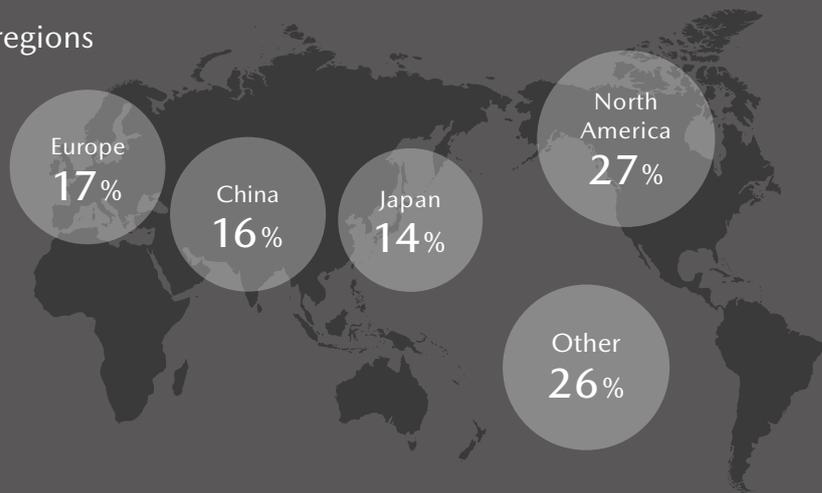
Sales Ratio by Region

Global Sales Volume

1,561 thousand units

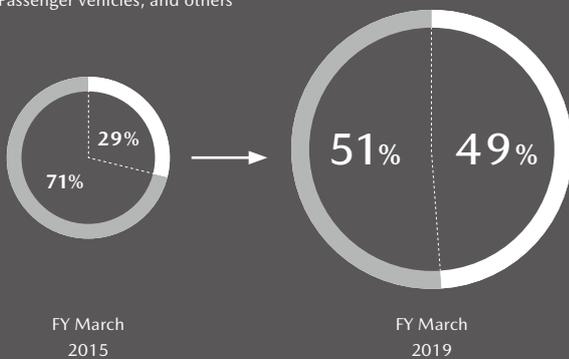
Production Volume

1,570 thousand units



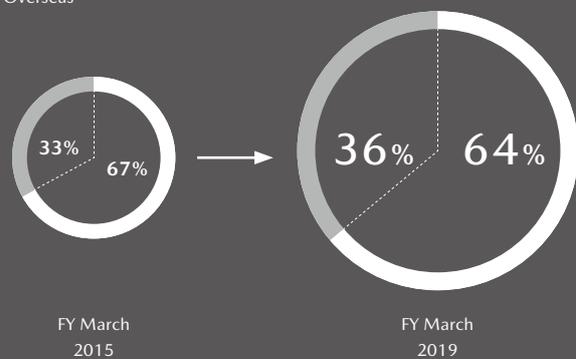
Sales Ratio by Model Type

- Crossover SUVs
- Passenger vehicles, and others



Domestic / Overseas Production Ratio

- Domestic
- Overseas



Consolidated Subsidiaries

69

Equity Method Applied Companies

18

Number of Employees

49,998 people



Net Sales

¥3,564.7 billion

Operating Income

¥83.0 billion

Operating Income Ratio

2.3%

Net Income Attributable to Owners of the Parent

¥63.5 billion

Return on Equity

5.3%

Equity

¥1,218.7 billion

Equity Ratio

42.4%

Interest-Bearing Debt

¥607.1 billion

Capital Expenditures

¥119.7 billion

Research and Development Costs

¥134.7 billion

Depreciation and Amortization

¥88.4 billion

Full-Year Dividend

¥35 per share

Dividend Payout Ratio

34.7%

2019 HIGHLIGHTS

 Corporate  Car and Technology  CSR

Oct. 2018



Announcement of Electrification and Connectivity Strategies for Cars

Mazda, through electrification and connectivity strategies that build on the Company's human-centered development philosophy, aims to further advance the joy of driving and provide both drivers and passengers with peace of mind through an enhanced sense of connection with the car in everyday driving situations, and offer an emotionally enriching joy of life through car ownership.

Oct. 2018



Updated Mazda CX-5 Launched in Japan

Becomes the first model in Japan available with the Skyactiv-G 2.5T engine; special edition model features a premium-feeling interior. Begin accepting pre-orders.



MAZDA CX-5 XD Exclusive Mode

Nov. 2018



World Premiere of All-New Mazda3

The all-new Mazda3, a model that greatly enhances the value of the car-ownership experience, was on display at the Los Angeles Auto Show. It is being rolled out to global markets starting with North America in early 2019. In April 2019, the new Mazda3 won the Germany 2019 Red Dot "Best of the Best" Award under the Red Dot Award program, which is one of the world's most authoritative design award initiatives.



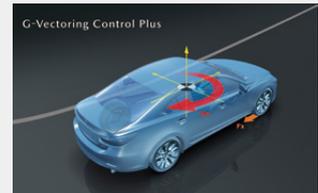
2018 Los Angeles Auto Show: Mazda Pre-show Event
(Victor Decolongon / Getty Images for Mazda Motor Co.)

Oct. 2018



Launch of G-Vectoring Control Plus (GVC Plus), new-generation vehicle dynamics control technology

GVC Plus enhances handling stability on slippery road surfaces and when changing lanes on the highway. This updated version of G-Vectoring Control now regulates vehicle motion when returning the steering wheel to center as well as when beginning a steering action. We plan to introduce GVC Plus into all products beginning with the updated CX-5.



GVC Plus in operation

Oct. 2018



Mazda Included in Dow Jones Sustainability Indices for Second Year Running

The Dow Jones Sustainability Indices assess sustainability by examining a company's environmental initiatives, social contribution, human resources development, corporate governance, and compliance. Global and regional indices are published annually and comprise outstanding companies from each industry. Mazda was selected on the basis of a survey questionnaire and a comprehensive review of the Company's periodically published reports and official website that highly evaluated Mazda's initiatives in CSR and information disclosure.



Dec. 2018



Start of trials with mobility services in Miyoshi City, Hiroshima Prefecture, utilizing connectivity technologies in cooperation with local residents and the Hiroshima Prefectural and Miyoshi City authorities

We aim to build a social contribution model that will support regional revitalization and enrich lives in the region by offering safe, secure, and unrestricted mobility to people everywhere through mobility service trials with an eye on future shared mobility.

Jan. 2019



Mazda CX-8 Best-Selling Three-Row SUV in Japan in 2018

We launched the updated CX-8 in November 2018, offering an engine lineup to meet diverse customer needs. The CX-8 was the best-selling model in Japan's three-row SUV*¹ market in 2018, with sales of 30,679*² vehicles.



MAZDA CX-8 XD L Package

*1 Three-row SUV refers to vehicles among domestically produced off-road 4WD (including some 2WD) vehicles with seating for at least six passengers.

*2 Based on our in-house research.

Jan. 2019



China Joint Venture Engine Plant Name Changed to Changan Mazda Engine Co., Ltd.

The change reflected Mazda's purchase in full of Ford Motor Company's stake in Changan Ford Mazda Engine Co., Ltd.

Feb. 2019



Mazda MX-5 Miata 30th Anniversary Edition Premieres at Chicago Auto Show

Mazda displayed the MX-5 Miata 30th Anniversary Edition in "racing orange." Launched in 1989, the MX-5 has won strong customer support over 30 years. Aggregate production now stands at more than one million units.



MAZDA MX-5 Miata 30th Anniversary Edition

Mar. 2019



World Premieres of Mazda CX-30 at Geneva International Motor Show

The CX-30 is a new compact crossover that combines the bold proportions of an SUV with elegant styling that embodies Mazda's Kodo design language. The CX-30 is being rolled out to global markets, with sales starting in Europe in summer 2019.



MAZDA CX-30

Jun. 2019



Transition to a Company with an Audit and Supervisory Committee

We transitioned from a Company with Audit and Supervisory Board structure to a Company with an Audit and Supervisory Committee structure in order to enable faster business decision making and to further enhance discussion of management strategy and strengthen the supervisory functions of the Board of Directors.

Jun. 2019



MONET Technologies Inc. Forms Capital and Business Partnerships with Agreements with Isuzu Motors Limited, Suzuki Motor Corporation, Subaru Corporation, Daihatsu Motor Co., Ltd., and Mazda, with each acquiring approximately 2% of its shares

Hino Motors, Ltd. and Honda Motor Co., Ltd. also plan to make additional investments in MONET and maintain their respective ownership stakes of approximately 10%. By co-creating together with other MONET participants, Mazda aims to pursue the possibilities of mobility services that "invigorate the mind and body" to resolve social mobility issues in cities and regions.

Jul. 2019



Pre-Orders Start for Mazda6 in Japan

Mazda's flagship model Mazda Atenza has been renamed the Mazda6 in order to emphasize the Mazda brand, and is offered with the Skyactiv-G 2.5T, a new 2.5L gasoline turbo engine.



MAZDA6 Sedan 25T S Package

Pre-Orders Start for Mazda2 in Japan

Mazda has given its five-door subcompact hatchback a new design and new technology based on the concept of "a high-quality driver's car that enriches your daily life." The Mazda Demio has been renamed the Mazda2. Pre-orders have begun for the new model.



MAZDA2 XD Proactive S Package

MESSAGE FROM THE PRESIDENT AND CEO



2018 Los Angeles Auto Show: Mazda Press Conference
(Victor Decolongon / Getty Images for Mazda Motor Co.)

In 2020, we will celebrate the 100th anniversary of Mazda's founding. As we head toward this key milestone, we dedicate ourselves to prizing Mazda's uniqueness in co-creating with others as we seek to enhance corporate value over the medium to long term to sustain and develop the Company for the next 100 years.

Fiscal Year March 2019 Initiatives

In the fiscal year under review, the final year of Structural Reform Stage 2, the Mazda Group continued to make efforts to offer attractive products that provide driving pleasure and outstanding environmental and safety performance, and worked to further raise its brand value with the aim of realizing qualitative growth in all areas of its business.

■ Beginning a New-Generation of Products

We launched the all-new Mazda3 as the first of our new products incorporating new-generation technologies. Mazda has dramatically enhanced the car's fundamental attributes based on its philosophy of designing the car around the human being. Mazda3 is a global strategic model that has led the Company from both a brand and business growth perspective. It has sold more than six million units*¹ since its debut in 2003, delivering driving pleasure to more customers than any other model in our current product lineup, and has been a mainstay of production at key plants in Japan and overseas.

In August 2017, we announced "Sustainable Zoom-Zoom 2030"^{*2}, a long-term vision for technology development. This takes a long-term perspective and sets out how Mazda will make use of driving pleasure—the fundamental appeal of the automobile—to help resolve issues facing the earth, society, and people. The all-new Mazda3 is the first model to feature the technologies that will realize this vision, namely the revolutionary new Skyactiv-X gasoline engine and a set of structural technologies called Skyactiv-Vehicle Architecture. It is also the first to adopt a more mature interpretation of the Kodo design language. Sales of the all-new Mazda3 began in North America in early 2019, and the model has since been launched in Europe, Japan and other markets.

Mazda's second new-generation model, the Mazda CX-30 compact crossover SUV, made its world premiere at the Geneva International Motor Show in March 2019.

Positioned as a new core product, the CX-30 has been designed as an essential partner in customers' daily lives. The CX-30 is being rolled out to global markets, with sales starting from Europe in summer 2019.

With the introduction of these new-generation products, we are aiming for sustainable growth in sales and profits by improving brand value while maintaining a sales focus on communicating the value of our products.

■ Electrification and Connectivity Strategies^{*3}

In October 2018, we announced our technology strategy for electrification and connectivity as a concrete initiative to realize our "Sustainable Zoom-Zoom 2030" long-term vision for technology development.

With electrification technology, we will further refine the internal combustion engine, which is expected to power most cars well into the future, while developing small and light electrification technologies. In this way, we will continue to pursue the reduction of CO₂ emissions from a well-to-wheel perspective while promoting the evolution of driving pleasure. We are pursuing development that enables us to offer multiple solutions approaches, recognizing that in regions that generate a high ratio of electricity from clean energy sources or restrict certain vehicle types to reduce air pollution, electric vehicles (EVs) can be an optimal solution. With a view to reducing corporate average "well-to-wheel" CO₂ emissions by 90% from 2010 levels by 2050, we will introduce electrification technologies to all Mazda cars by 2030.

With regard to connectivity technology, Mazda, consistent with its human-centered development philosophy, is developing and testing connectivity technologies that offer an enriching experience of the joy of life, connecting people by facilitating the sharing of experiences and feelings through cars. By offering this new value together with the joy of driving, Mazda aims to inspire people and enrich society while working to resolve mobility-related issues.

*1 Based on our in-house research as of August 2019

*2 Long-Term Vision for Technology Development <https://www2.mazda.com/en/publicity/release/2017/201708/170808a.html>

*3 Electrification and Connectivity Strategies <https://www2.mazda.com/en/publicity/release/2018/201810/181002a.html>

■ U.S. Market Initiatives

We have been making good progress with sales network reforms in the United States. We have launched a car dealer support program that rewards compatibility with high brand standards, and we have been making headway in expanding the network of next-generation brand dealers. In addition, we have been accelerating improvements in operational quality by strengthening marketing, services, and training, centered on 35 key markets.

In November 2018, we held a ground-breaking ceremony to mark the start of construction of a joint venture facility being built by Mazda Toyota Manufacturing, U.S.A., Inc. This plant is scheduled to begin operations in 2021. In April 2019, a ceremony was held commemorating the placement of the first steel column. Preparations are going smoothly, with major construction work of the plant buildings and related infrastructure already under way.

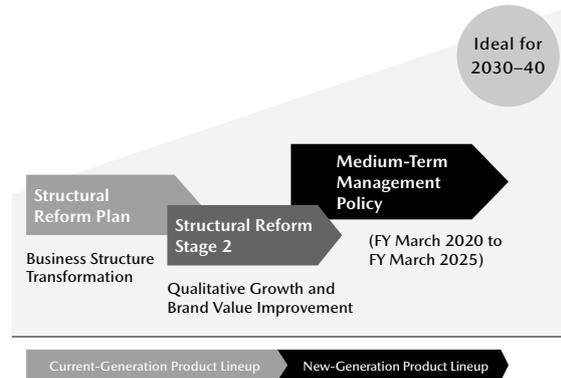
We are continuing to put in place the foundations for growth in our most important market, the United States.

Medium-Term Management Policy

Mazda will celebrate the 100th anniversary of its founding in 2020. I see it as my responsibility to lay the foundation for Mazda's sustained development over the next 100 years. To ensure that Mazda continues to thrive and develop, we must prize our uniqueness and co-create that uniqueness with others. I believe co-creating with others will sustain Mazda's uniqueness.

Co-Creating with Others Mazda's Uniqueness

With this in mind and as a milestone to mark the beginning of our next 100 years, we envisioned our ideal for the Mazda brand in the decade from 2030 to 2040. To realize that ideal, we prepared a Medium-Term Management Policy covering the next six years, during which time we will fully introduce the new-generation product lineup that has begun with the all-new Mazda3.



In formulating the Medium-Term Management Policy, we first reviewed the Structural Reform Plan and Structural Reform Stage 2, took a fresh look at our strengths and weaknesses as a company, and took into account the external environmental factors affecting the automotive industry as a whole.

We then defined three priority areas in which we need to focus our business resources and efforts as well as the direction of initiative in each area.

Three priority areas in which we need to focus our business resources

- 1 Investment in unique products and customer experience
- 2 Curb expenses that depreciate our brand value
- 3 Investment in the areas in which we need to catch up

First, in order to further enhance brand value, we will maintain and strengthen investment in unique products and technologies, one of our key strengths, and in enhancing the customer experience. We will also strive to increase the number of customers who understand the value Mazda offers to support sales growth. Second, we will drastically curb spending on incentives, quality-related issues and other outgoings that can depreciate brand value. Third, we will invest in areas in which we have so far not made sufficient headway and where we need to catch up. These include (1) optimal production systems that support local production for local consumption (as with our new joint venture plant in the United States), (2) infrastructures for

connectivity and sharing services, (3) strengthening alliances with other OEMs to adapt to CASE*4 trends in the future, and (4) our employees and their working environments.

Moving forward, we will implement concrete measures guided by this policy. We will make continuous efforts to take up challenges to attain our targets for fiscal year March 2025 and our longer-term "ideal" for the brand, seeking sustained growth and enhancement of corporate value over the medium and long term.

Fiscal Year March 2025 Targets

Net sales	About ¥4.5 trillion
Profitability	Stable earnings ROS*5: 5% or higher / ROE*6: 10% or higher
Investment for the future	Capital investment + R&D investment: 7%–8% of net sales (on average) Sales network, customer experience, infrastructure, employees & work environment, etc.
Financial structure	Maintain net cash position
Shareholder returns	Sustainable payout ratio at 30% or higher
Sales volume	About 1.8 million units

Shareholder Returns

We regard shareholder returns as an important management priority. Our policy is to determine the dividend amount in consideration of our financial results for the fiscal year, the business environment, our financial conditions, and other factors.

For fiscal year March 2019, we paid dividends of ¥35 per share. For fiscal year March 2020, we plan to once again pay dividends of ¥35 per share.

We will continue to strive to pay a stable dividend with steady increases, under a basic policy of determining the dividend amount in consideration of the need to strengthen the Company's financial base in order to maximize shareholder value and secure funds for reinvestment in sustainable growth.

Targeting Sustainable Growth

The business environment surrounding the Company is undergoing rapid changes. In order to enable faster business decision-making, further enhance discussion of management strategies, and strengthen supervisory functions of the Board of Directors, the Company transitioned to a Company with an Audit and Supervisory Committee structure from a Company with Audit and Supervisory Board structure. We will continue seeking to improve corporate governance.

By introducing products with outstanding environmental and safety performance, we aim to help address social issues, such as environmental conservation and the realization of a safe and secure society, while enhancing our corporate value over the medium to long term. To sustain and develop the Company over the next 100 years, we will prize Mazda's uniqueness in co-creating with others as we seek to enhance corporate value over the medium to long term.

In addition, we will strive to enhance timely and appropriate information disclosure to and engage in constructive dialogue with shareholders and investors, while at the same time continuing to strengthen corporate governance. The Mazda Group will make every effort to grow into a company truly trusted by shareholders, investors, and all other stakeholders.

I would like to ask our shareholders and other investors for their continued support.

August 2019



Akira Marumoto
Representative Director, President and CEO

*4 An acronym signifying the new technologies of Connected technology, Autonomous driving technology, Shared services, and Electrification technology

*5 Operating income ratio

*6 Return on equity

INTERVIEW WITH THE EXECUTIVE VICE PRESIDENT: MEDIUM-TERM MANAGEMENT POLICY



Kiyoshi Fujiwara
Representative Director and
Executive Vice President

The new Medium-Term Management Policy covers six years and sets out three priority areas in which we need to focus our business resources and the measures we intend to take in each area.

We are committed to reinforcing Mazda's presence as a unique and vigorous company eager to take up challenges.

Q

What points did you consider in forming the Medium-Term Management Policy?

In formulating the Medium-Term Management Policy, we reviewed the Structural Reform Plan and Structural Reform Stage 2, took a fresh look at our strengths and weaknesses as a company, and took into account the external environmental factors affecting the automotive industry as a whole.

In formulating the new Medium-Term Management Policy, we first reviewed the Structural Reform Plan and Structural Reform Stage 2, which we had been working on for the past seven years to transform the business structure, and achieve qualitative business growth and further enhance brand value. To clarify the issues, we looked back to see for what purposes the funds we had

earned over the seven-year period had been used. First of all, we have gained in terms of brand value. Key indicators of brand value—net sales, per-unit revenue, and residual value ratios—all improved. On the other hand, issues remained with disparities in different markets. From a “usage” perspective, we steadily improved brand value by investing in products equipped with

Skyactiv Technology and Kodo—Soul of Motion design, and in reinforcing the sales network. However, sales incentives and quality-related costs that relatively erode our brand value have increased. I also believe we did not invest enough in such areas as infrastructure and building partnerships or in our employees and their working environments. Next, we took a fresh look at Mazda's strengths and weaknesses. We considered unique products and technologies, and alliances with various partners, as strengths. Set against that, we identified weaknesses in procurement scale merit and other areas that depend on enterprise size. We also considered external environmental factors affecting the automotive industry as a whole, such as further diversification of

customer and market needs, uncertainties regarding global social and economic conditions, climate change, and environmental regulations. Based on these points, we defined three priority areas in which we need to focus our business resources, and the direction of initiatives we intend to take in each area.

Three priority areas in which we need to focus our business resources

- 1** Investment in unique products and customer experience
- 2** Curb expenses that depreciate our brand value
- 3** Investment in the areas in which we need to catch up

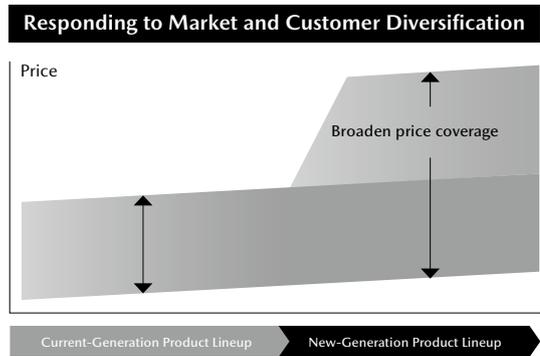


Please explain the “three priority areas” and the measures being taken in each.

With “investment in unique products and customer experience,” we will continue and strengthen investment aimed at raising our brand value and work to increase the number of customers who understand the value Mazda offers, thereby achieving revenue growth.

Over the past seven years, net sales, per-unit revenue, and the residual value ratios all improved, but results differed by market. In markets where results have been a little disappointing, I believe that one factor has been a lack of adequate response to diversifying customer demand and market changes. In order to respond to diversifying demand, we will maintain and strengthen investment in unique products and technologies, one of our key strengths; offer a wider range of powertrains, including electrification; and improve leading-edge technologies. Essentially, we are aiming to offer customers greater choice by expanding our coverage of the price spectrum while maintaining our established entry pricing.

In terms of products, we are taking our Kodo—Soul of Motion design, a key Mazda strength, to a deeper level, adopting it for new-generation models including the all-new Mazda3 and the Mazda CX-30. In addition, we are moving ahead with the optimal deployment of Skyactiv-Vehicle Architecture with both small architecture and large architecture to maximize the appeal and distinctive features of our products. In addition to the latest Skyactiv engines, including Skyactiv-X, our small architecture will span mild hybrids, battery EVs, and a range of electrified vehicles with rotary engine range extenders. With large architecture, in addition to a longitudinal straight-four engine, we are moving ahead with preparations to introduce a straight-six Skyactiv-D (diesel) engine and a straight-six Skyactiv-X engine, as well as electrified vehicles such as mild hybrids and plug-in hybrids. We plan to ensure efficient investment in products by further honing the Monotsukuri Innovation we have been promoting.



Products
<p>Maturing Kodo—Soul of Motion design</p> <hr/> <p>Small Architecture</p> <ul style="list-style-type: none"> ■ Skyactiv-G / D upgrade, Skyactiv-X ■ Mild hybrid ■ Independently developed battery EV (xEVs) <hr/> <p>Large Architecture</p> <ul style="list-style-type: none"> ■ Straight-six Skyactiv-X engine ■ Straight-six Skyactiv-D (2nd generation diesel engine) ■ Longitudinal engine layout (incl. i-Activ AWD) ■ 48V mild hybrid / Plug-in hybrid

New Technologies and Infrastructure	
Connected	<ul style="list-style-type: none"> ■ Introduce Mazda Connect 2 with on-board communication device ■ Start connected services
Autonomous	<ul style="list-style-type: none"> ■ Evolve and offer advanced safety technologies ■ Deliver Mazda Co-Pilot Concept
Shared	<ul style="list-style-type: none"> ■ Study participation in sharing business ■ Jointly pilot shared mobility in rural area
Electric	<ul style="list-style-type: none"> ■ Introduce EVs ■ Introduce multi xEVs ■ Introduce plug-in hybrids

We will also invest in new CASE technologies and infrastructure. In addition to further reinforcing Mazda's strengths in control systems and computer modeling-based development, we will make use of alliances including those with existing partners. Although we will use alliances, we still take Mazda's unique human-centric approach to value creation by reinvigorating car culture and offering a new experience of car ownership so that users of Mazda vehicles feel the richness of life.

We will continue to invest in strengthening our sales network to expand sales and improve customer experience. Along with reorganizing our dealer network, we

will enhance the sales network by working together with those on the frontline to improve operational quality through enhanced sales, marketing, services, and training. To improve customer experience, we will use new technologies such as connectivity to strengthen communication that satisfies the requirements of individual customers. We also aim to enhance the customer experience by improving the supply chain to deliver products promptly at a time that suits the customer. We believe this will lead to a reduction in excess inventory, thus helping to achieve business improvements such as higher cash flows and lower incentives.



How do you plan to “curb expenses that depreciate brand value?”

By continuing and reinforcing sales based on communicating product values and improving product quality, thereby tightly controlling expenses that could reduce brand value.

We aim to maintain and strengthen our policy of sales based on communicating product values leveraging our new-generation product lineup. We plan to steadily expand this approach to all markets. In this way, we intend to curb incentives while improving residual values. We also intend to strengthen trade cycle management* to put high residual values and sales finance to work to encourage more customers to choose Mazda cars when they purchase their next car.

With regard to quality-related costs, we aim to enhance quality assurance through to mass production by utilizing computer modeling-based development, another one

of Mazda's strengths. In addition, we aim to use the on-board communication device in Mazda Connect 2 to quickly solve quality issues that arise after mass production begins and prevent them from spreading. Through these efforts, we will tightly control spending that erodes brand value.

* Trade cycle management is a business model that achieves high residual value and offers customers the latest Mazda vehicles thanks to our bundled product planning with a focus on accessible finance services. These include credit services that guarantee residual value so that our customers can replace their Mazda with a new Mazda equipped with the latest technologies.



In which fields will you invest the resources generated by sales growth and curbed spending in the areas you have noted?

In addition to further improving brand value, we will invest in areas where we believe we have not yet been able to make sufficient headway and need to catch up.

Specifically, we will invest in optimal production systems that support local production for local consumption such as the joint venture plant in the United States, and in infrastructures for connectivity and sharing services, including alliances with other OEMs and other industries.

We will also invest in building partnerships. We have long promoted stronger alliances, but looking ahead we think a more proactive and wider-ranging approach to collaboration is needed to respond to CASE trends and other developments. This includes cooperation in autonomous driving technology and participation in joint car-sharing enterprises. Based on our mutual trust with Toyota Motor Corporation and others, we plan to promote such active collaboration.

Mazda cannot co-create value with others without the support of all employees. We will invest in diversifying work approaches and human resource systems, reforming and continually improving work processes, and improving our working environment to ensure employees are highly motivated.

We will also enhance shareholder returns, contribute to society, promote activities that directly enrich people's lives, and strengthen investment in safety and the environment.

We will implement further concrete measures in the future based on the Medium-Term Management Policy. We are committed to reinforcing Mazda's presence as a unique and vigorous company eager to take up challenges.

August 2019

Kiyoshi Fujiwara
Representative Director and
Executive Vice President

Direction of Initiatives

Effect of brand value improvement	<ul style="list-style-type: none"> ■ Improve per-unit revenue by responding to customer and market diversification
1 Investment for brand value improvement	<ul style="list-style-type: none"> ■ Invest in new-generation products, sales networks, and customer experience
2 Curb expenses that depreciate brand value	<ul style="list-style-type: none"> ■ Trade cycle management and reduce incentives ■ Quality improvement to enhance customer satisfaction
3 Investment in infrastructure	<ul style="list-style-type: none"> ■ Build an optimum production structure that supports local production for local consumption ■ Invest in infrastructure for connectivity/sharing business, etc.
Investment in partnerships	<ul style="list-style-type: none"> ■ Based on mutual trust, enhance alliances with partners to work together
Investment in employees / work environment	<ul style="list-style-type: none"> ■ Improve work environment to enhance employee motivation
Shareholder returns	<ul style="list-style-type: none"> ■ Continue stable shareholder returns
SDGs & CSR-related investment	<ul style="list-style-type: none"> ■ Co-exist with society and focus on our raison d'être ■ Increase investment in environment and safety technologies

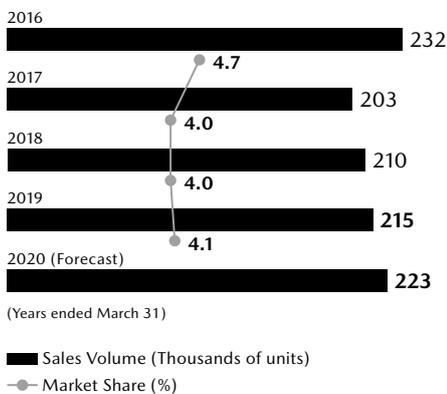
REVIEW BY MARKET

JAPAN

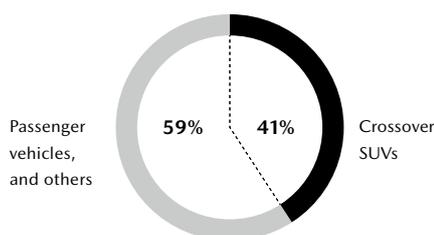


MAZDA CX-5

Sales Volume



Sales Ratio by Model Type (Fiscal Year March 2019)



Overview of Fiscal Year March 2019 Results

- Total demand in the Japanese market rose 1% year on year, to 5.26 million units. Demand for registered vehicles declined, while demand for light vehicles increased 3% due to the introduction of new models by multiple automakers.
- Mazda's sales volume increased at a rate that surpassed growth in total demand, rising 2% from the previous fiscal year, to 215,000 units. This marked the second consecutive year-on-year increase. The Mazda CX-8, which was introduced at the end of 2017, contributed to sales throughout the year. In addition, we introduced updated models of the Mazda Atenza*, Mazda CX-5, and Mazda CX-3, which recorded favorable sales and contributed to the increase in sales volume.

* Name of Mazda Atenza changed to Mazda6.

Fiscal Year March 2020 Forecast

- Mazda's sale volume is expected to increase 4% year on year, to 223,000 units. We aim to increase sales volume by expanding sales of the Mazda3, the first new-generation product that was launched in May 2019, and of crossover SUVs, for which demand is strong, including the Mazda CX-30, the second new-generation product.
- We are advancing the roll-out of new-generation dealerships in Japan as bases for learning about and experiencing the Mazda brand. By the end of March 2019, this upgrade had been completed at 165 dealerships. Moving forward, we will continue working to offer a distinctively Mazda customer experience that serves to foster customer satisfaction. We are working together with sales companies to promote activities that further enhance customer service so that customers continue to choose Mazda after they make a purchase. To that end we are working to see that dealership staff can perform their duties with pride and emotional attachment to the Mazda brand.

TOPIC

Mazda CX-8 Receives the JAHFA 2018-2019 Car of the Year*¹ Award

The CX-8 is the top-tier SUV in Mazda's domestic lineup. Upon the judgment, the CX-8 was highly evaluated as a stylish three-row SUV with excellent performance and efficient interior space as well as a reduced driving burden and advanced preventative safety technology.

The CX-8 has also received high evaluations from customers, and in the domestic three-row SUV*² market it was No. 1 sales volume (30,679 units)*³ in 2018.

*¹ Japan Automotive Hall of Fame (JAHFA) (Takahiro Fujimoto, President)—An NPO that implements activities mainly to recognize the achievements of people who contributed to the development of Japan's automotive industry, science, and motoring culture and to the establishment of Japan's rich and colorful automotive society. JAHFA aims to publicly honor these individuals through their entry into the hall of fame and to pass on their legacy to future generations.

*² Among the JADA off-road 4WD classification (including certain 2WD) for domestically produced vehicles, "three-row SUV" refers to models with capacities of six or more passengers.

*³ Based on our in-house research.



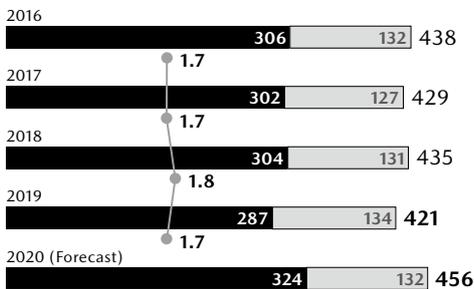
MAZDA CX-8

NORTH AMERICA



ALL-NEW MAZDA3

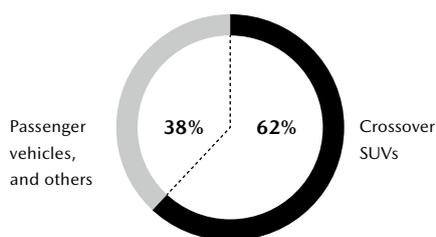
Sales Volume



(Years ended March 31)

- Sales Volume in the United States (Thousands of units)
- Sales Volume in Canada and Other Markets (Thousands of units)
- Market Share in the United States (%)

Sales Ratio by Model Type (Fiscal Year March 2019)



Overview of Fiscal Year March 2019 Results

- Total demand in the United States declined 1% compared with the previous fiscal year, to 17.16 million units. In Canada, total demand was down 4%, to 1.97 million units, while total demand in Mexico fell 5%, to 1.42 million units.
- Mazda's sales volume in the North American market was down 3%, to 421,000 units, with a decline in the United States and Canada partially offset by growth in Mexico.
- Mazda's sales volume in the United States was down 6%, to 287,000 units. Demand for passenger vehicles continued to decline, and sales of the Mazda3 were down 19% due to its model switchover during the period. In addition, though demand for crossover SUVs was firm, sales of the Mazda CX-5 and the Mazda CX-9 were on a par with the previous fiscal year because of the supply shortage due to heavy rains in July 2018.
- In Canada, the competitive environment for passenger vehicles became increasingly challenging, and Mazda's sales volume was down 4%, to 72,000 units. In Mexico, amid a trend of declining overall demand, Mazda's sales volume rose 12%, to 61,000 units, thanks to contributions of the updated Mazda2, CX-5, and Mazda6.

Fiscal Year March 2020 Forecast

- Mazda's sales volume is expected to increase 8% year on year, to 456,000 units.
- In the United States, sales volume is projected to rise 13%, to 324,000 units, due to new-generation products, the all-new Mazda3 and CX-30, and to updates of mainstay models. In Canada, sales volume is expected to increase 3%, to 74,000 units. In Mexico, where overall demand is expected to decline, Mazda is anticipating a 7% decrease in sales volume, to 57,000 units.
- We will continue to control fleet sales and emphasize retail sales. In addition, we will work to reform our sales network and strive to improve business quality.

TOPIC

U.S. Sales Network Reform

Mazda is advancing measures to rebuild its sales network in the United States, and we are taking steps to support the implementation of dealership management based on "appropriate dealership owners" in "appropriate locations" with "appropriate facilities." Specifically, we have worked to promote investment in next-generation branded dealers. In July 2018, we introduced an incentive system that pays sales incentives to dealers based on the extent to which they meet high brand standards and on the level of customer satisfaction.

Since the introduction of this system, we have seen an increase in the number of dealers that have signed up to invest in becoming next-generation branded dealers, with the total reaching 265 dealers at the end of March 2019. We are making steady progress with plans aiming for expansion to 300 of these dealers in 2021. At the 65 dealers that have already completed the transition to next-generation branded dealerships, the average annual sales volume has been steadily rising. In addition, this initiative has led to improvements in business quality, such as improved repurchase rates and increases in dealer profitability.



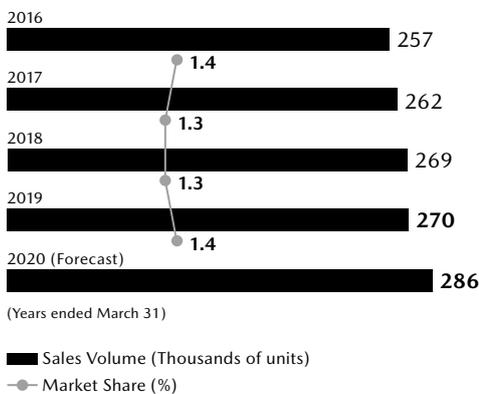
U.S. next-generation branded dealer

EUROPE

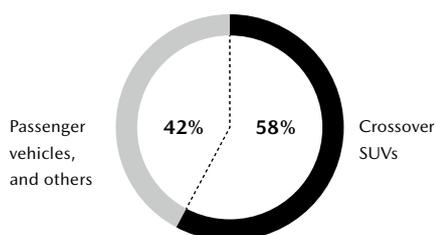


MAZDA CX-30

Sales Volume



Sales Ratio by Model Type (Fiscal Year March 2019)



Overview of Fiscal Year March 2019 Results

- Total demand in Europe was down 2% from the previous fiscal year, to 19.85 million units. Demand for passenger vehicles declined, and the shift in demand toward crossover SUVs continued.
- Mazda's sales volume was about the same year on year, at 270,000 units. Sales were favorable in Russia and Spain, while sales in Germany, France, and other countries declined.
- By vehicle, sales of the Mazda2, CX-3, and CX-5 were favorable, while sales of the Mazda3, Mazda6, and Mazda MX-5 were down year on year.

Fiscal Year March 2020 Forecast

- Mazda is projecting an increase of 6% year on year in sales volume, to 286,000 units. The favorable sales trend for the Mazda2 is expected to continue, and the Company will work to increase sales volume, centered on the new-generation Mazda3 and CX-30.
- Mazda is advancing measures to promote the spread of brand value management. We are rolling out sustained initiatives to foster the further adoption of The Mazda Blueprint, a code of conduct based on brand value throughout the employees at our bases in Europe as well as the employees of dealers. In addition, all dealerships in Europe are being renovated so that they better represent the Mazda brand.

TOPIC

The All-New Mazda3 Receives Germany 2019 Red Dot "Best of the Best" Award

Under the Red Dot Award program, which is one of the world's most authoritative design award initiatives, the all-new Mazda3 won the Red Dot Design Award "Best of the Best 2019." This award, which is the highest honor in the product design category, recognizes especially superior commercial products.



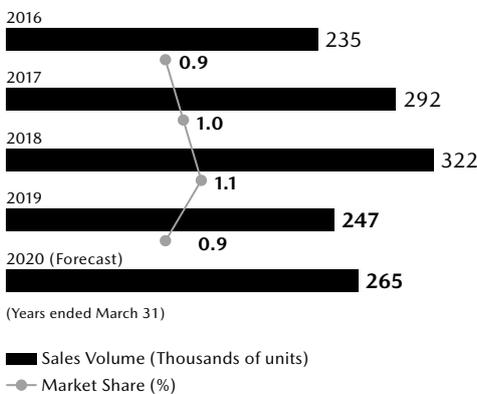
ALL-NEW MAZDA3

CHINA

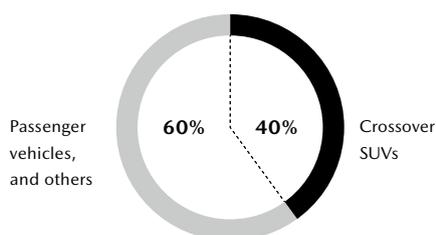


MAZDA 6

Sales Volume



Sales Ratio by Model Type (Fiscal Year March 2019)



Overview of Fiscal Year March 2019 Results

- Total demand decreased 6% year on year, to 27.27 million units. As the economy showed a bearish trend, due largely to concerns about the future resulting from the U.S.–China trade dispute, automotive demand was down year on year. Demand for crossover SUVs, which had been the growth driver, also declined.
- Mazda’s sales volume was down 23%, to 247,000 units. The decline in demand led automakers to increase sales incentives, and the competitive environment became increasingly severe. Mazda made a clear break from price competition and continued to emphasize “right price” sales with a focus on product value. Consequently, sales volume declined year on year. Several years have passed since the introduction of key models, such as the Mazda3, Mazda6, and Mazda CX-4, and this was one of the factors in the decline in sales volume.

Fiscal Year March 2020 Forecast

- Mazda’s sale volume is expected to increase 7% year on year, to 265,000 units. While carefully watching demand trends resulting from the VAT rate reduction, which commenced in April 2019, we will work to expand sales by continuing sales initiatives focusing on product value. In addition, we plan to introduce new and updated models, and expect these models to contribute to higher sales volume.
- We are implementing Mazda brand reinforcement measures in China. We want customers to have a deep understanding of the value provided by Mazda driving pleasure and to identify with the Mazda brand. To that end, we are taking steps to advance sales with a focus on product value, such as offering thorough product explanations and test-drive experiences.

TOPIC

2019 Shanghai Motor Show: Measures to Reinforce the Mazda Brand—Strengthening Connections with Customers

Since the 2015 Guangzhou Motor Show, our measures to reinforce the Mazda brand in China have included initiatives to strengthen owner engagement at the big three motor shows in Beijing, Shanghai, and Guangzhou.

At the 2019 Shanghai Motor Show, the *Jinba-ittai* “horse and rider as one” Academy helped to foster a better understanding of Mazda’s development concept, and instruments were used to enable customers to experience the balance function of the human body, centered on human engineering.



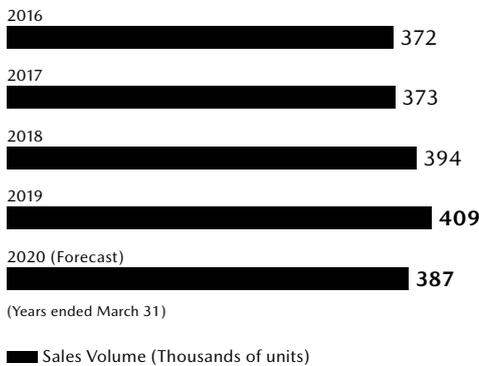
Mazda’s stand at the 2019 Shanghai Motor Show

OTHER MARKETS

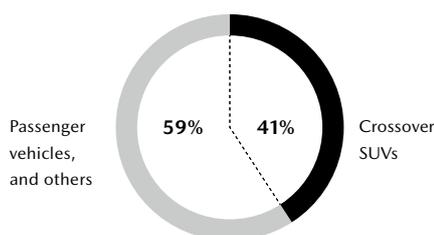


MAZDA 2

Sales Volume



Sales Ratio by Model Type (Fiscal Year March 2019)



Overview of Fiscal Year March 2019 Results

- Mazda's sales volume in other markets, which include Australia and ASEAN, rose 4% year on year, to 409,000 units.
- Mazda's sales volume in Australia fell 5%, to 110,000 units, in a challenging market environment where total demand was down 6%.
 - Due to continued decline in demand for passenger vehicles and to an intensified competitive environment, lower sales volumes were recorded by the Mazda2, Mazda3, CX-3, and CX-9. However, a contribution was made by the CX-8, which was launched in June 2018.
 - Mazda also continued to achieve the second-highest sales in Australia by manufacturer. The Mazda3 maintained solid sales in a contracting segment, recording sales in the top ranks of its segment for the year. In addition, since its introduction in 2012, the CX-5 has been No.1 in sales volume in its segment.
- Sales volume in the ASEAN market climbed 18%, to 137,000 units.
 - In Thailand, where total demand rose 19%, Mazda's sales volume was up 25%, to 70,000 units. Success was recorded with measures to achieve qualitative brand enhancement, such as continued implementation of marketing forums, transitioning dealerships to next-generation branded dealers, and strengthening service systems.
 - In Vietnam, the competitive environment intensified due to the abolishment of import duties on finished cars within the ASEAN region in January 2018. Nonetheless, the start of operations at a new plant in March 2018 led to increases in product quality and reinforcement of the sales foundation, and consequently sales volume rose 14%, to 32,000 units.

Fiscal Year March 2020 Forecast

- Mazda's overall sales volume in other markets is expected to decline 5% year on year, to 387,000 units.
- Australia: Mazda's sales volume is expected to decline 9%, to 100,000 units.
 - In addition to the forecast for lower total demand, the fact that several years have passed since the introduction of existing models will also affect sales. We will work to improve sales quality by introducing new products and leveraging the superior customer base that we have established.
- ASEAN market: Mazda's sales volume is expected to decline 2%, to 133,000 units.
 - In Malaysia, we forecast steady sales, reflecting the return to a typical year following a temporary increase in the previous year due to a tax reduction.
 - We will aim to exceed the sales forecast by introducing new-generation product lines and implementing further qualitative enhancement of our brand.

LONG-TERM VISION FOR TECHNOLOGY DEVELOPMENT

In 2007, Mazda announced the “Sustainable Zoom-Zoom” long-term vision for technology development. Based on that vision, Mazda has worked to provide both driving pleasure and outstanding environmental and safety performance.

In August 2017, Mazda announced “Sustainable Zoom-Zoom 2030,” its long-term vision for technology development that looks ahead to the year 2030. In light of the significant changes in the global automobile industry, the new vision takes a longer-term perspective and sets out how Mazda will make use of driving pleasure—the fundamental appeal of the automobile—to help resolve issues facing the earth, society, and people.

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.



Earth

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

Issues and the External Environment

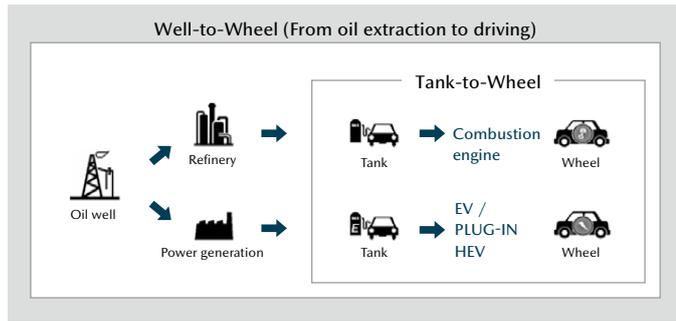
- Need for substantial reductions in CO₂ emissions in order to reduce greenhouse gases, which are a primary cause of global warming
- Increasingly serious air pollution in major cities around the world

To address these issues and truly reduce greenhouse gases, we must work to reduce CO₂ emissions throughout a vehicle’s life cycle. Accordingly, we are promoting the reduction of CO₂ emissions not just from the previous perspective, which evaluates CO₂ emissions while driving, but also from a well-to-wheel perspective, which evaluates CO₂ emissions from oil extraction to product manufacture and shipping as well. As specific objectives, in comparison with 2010 levels, we aim to achieve reductions in corporate average well-to-wheel CO₂ emissions by 50% by 2030 and by 90% by 2050.

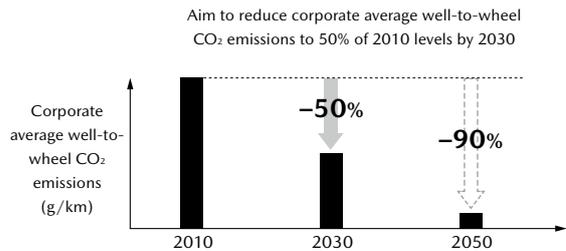
LONG-TERM VISION FOR TECHNOLOGY DEVELOPMENT

This approach and its goals are in alignment with the Paris Agreement, an international agreement to combat climate change and reduce greenhouse gas emissions, and the Strategic Commission for the New Era of Automobiles, under Japan's Ministry of Economy, Trade and Industry (METI).

CO₂ Emissions Reduction from Well-to-Wheel Perspective

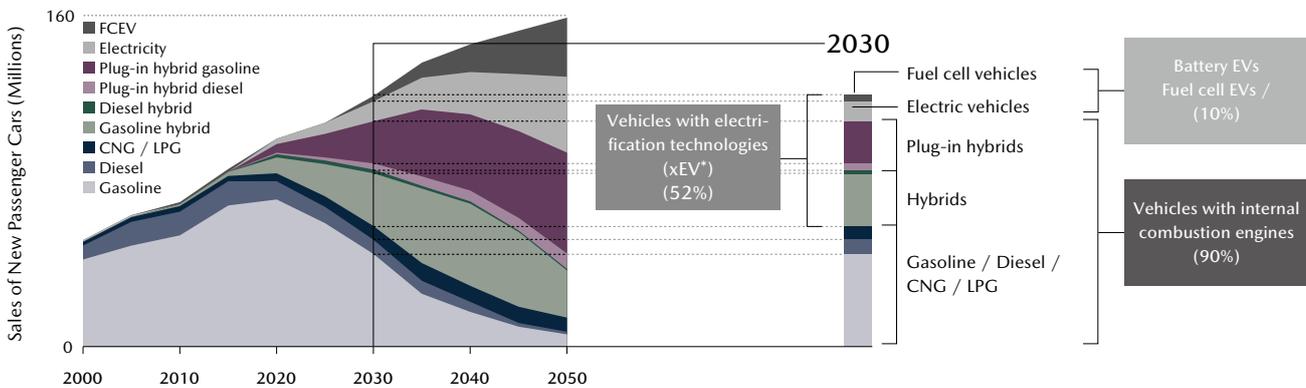


Targets



To achieve these objectives, we are developing multiple solutions that enable us to offer appropriate powertrains that take into consideration each region's energy situation and power generation mix. We will continue to pursue advances in the internal combustion engine, which is widely expected to help power the majority of cars worldwide well into the future (see illustration below). Meanwhile, we plan to equip all combustion engine-powered cars with some form of electrification technology by 2030.

In addition, aiming to make fuels themselves as carbon neutral as possible, we will step up collaborative efforts with other companies and between industry, academia, and government to encourage the spread of renewable liquid fuels such as microalgae biofuels.



IEA / ETP-Energy Technology Perspective 2015

* xEV = Electrified vehicles (Battery EVs, plug-in hybrid EVs, hybrid EVs, and fuel cell EVs), based on the Interim Report by the Strategic Commission for the New Era of Automobiles under METI

Means to Achieve Our Targets

To protect the earth, we will implement the following initiatives in order to maximize the effect of reduced greenhouse gas emissions under real-world conditions.

1. Aspire to make the best internal combustion engine in the world
2. Combine the ideal internal combustion engine with efficient electrification technologies
3. Introduce electric vehicles (EVs) and other electric-powered technologies in regions that use clean energy to curb global warming and in regions that implement government policies to reduce air pollution

Mazda's Approach to Issue Resolution

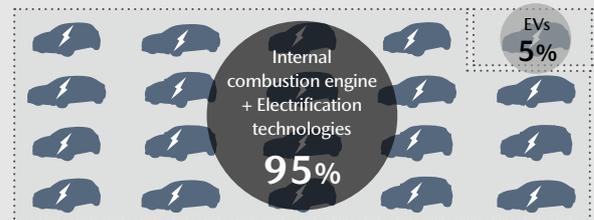
Electrification Technologies

- Mazda will strive to reduce CO₂ emissions and enhance the joy of driving by deploying compact, lightweight electrification technologies while further refining the internal combustion engine.
- We will introduce EVs as the optimal solution in regions that generate a high ratio of electricity from clean energy sources or restrict certain vehicle types to reduce air pollution.

Mazda plans to deploy some form of electrification technology in all production vehicles by 2030. We expect that by 2030, internal combustion engines combined with some form of electrification technology will account for 95% of the vehicles we produce and that battery EVs will account for 5%.

In our in-house development of EVs, we aim to leverage the advantages of electric drive systems and be guided by our unique human-centered development philosophy that focuses on human traits and sensibilities. We aim to bring these EVs to market from 2020.

Composition of Mazda Vehicles with Electrification Technology in 2030



EVs True to the Mazda Spirit: Three Concepts

1 Driving Pleasure

We aim to offer true driving pleasure with EVs by offering an enhanced sense of connection with the car through the use of G-Vectoring Control and other technologies.

2 Earth- and People-Friendly Technologies: Electrification Technologies Using Small, Lightweight Rotary Engines

■ Rotary engine range extender

Mazda will develop two battery EVs, one powered solely by battery and another that pairs a battery with a newly developed range extender powered by Mazda's small, lightweight, and exceptionally quiet rotary engine. The range extender will recharge the battery when necessary to effectively increase the vehicle's driving range.

■ Multi-xEV technology

The concept behind the rotary engine range extender was to leverage the rotary engine's small size and high power output to make multiple electrification technology solutions including plug-in hybrids and series hybrids possible via a shared packaging layout with different combinations of generators, batteries, and fuel tanks.

Resolving the issue of driving range



3 Technologies That Can Contribute to Society: A Life in Which Your Car Can Act as a Power Source

Taking advantage of the rotary engine's compatibility with gaseous fuels, the rotary engine range extender is designed to also burn liquefied petroleum gas (LPG) and provide a source of electricity in times of emergency.

A power source in times of emergency



SKYACTIV-X



SKYACTIV-X

Skyactiv-X is an innovative internal combustion engine that combines the distinctive high-revving performance of a gasoline engine with the fuel efficiency, torque, and response of a diesel. Using Mazda's proprietary combustion method called Spark Controlled Compression Ignition (SPCCI), Skyactiv-X is a new generation of engine. Achieving outstanding environmental performance, power, and acceleration performance, Skyactiv-X is an engine that stands by the earth and people while supporting the *Jinba-ittai* "horse and rider as one" enjoyment that we strive to offer our customers. We are installing the engine in our new-generation products, starting with the all-new Mazda3. We will continuously evolve Skyactiv-G and Skyactiv-D engines to meet diverse customer needs across a broad engine lineup.

Skyactiv-X is an innovative internal combustion engine that combines the distinctive high-revving performance of a gasoline engine with the fuel efficiency, torque, and response of a diesel. Using Mazda's proprietary combustion method called Spark Controlled Compression Ignition (SPCCI), Skyactiv-X is a new generation of engine. Achieving outstanding environmental performance, power, and acceleration performance, Skyactiv-X is an engine that stands by the earth and people while supporting the *Jinba-ittai* "horse and rider as one" enjoyment that we strive to offer our customers. We are installing the engine in our new-generation products, starting with the all-new Mazda3. We will continuously evolve Skyactiv-G and Skyactiv-D engines to meet diverse customer needs across a broad engine lineup.



	Gasoline Engine	New-Gen Engine	Diesel Engine
Fuel economy	Fair	Good	Good
Torque	Fair	Good	Good
Response	Fair	Good	Good
Output (expansion)	Good	Good	Fair
Heating	Good	Good	Fair
Exhaust purification	Good	Good	Fair

Society

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

Issues and the External Environment

- Emergence of new causes of traffic accidents, especially in developed nations
 - Accidents caused by young and inexperienced drivers
 - Distracted driving due to increase in the volume of information from smartphones, etc.
 - Driving errors by elderly drivers
 - Dangerous driving under the effects of overwork and illness
- Emergence of issues accompanying changes in the structure of society
 - Weakening / disappearance of public transport in areas of depopulation
 - Increase in numbers of elderly or disabled who have difficulty getting around

With the goal of realizing a motorized society without traffic accidents, we are striving to develop more advanced safety technologies under the Mazda Proactive Safety philosophy.

Means to Achieve Our Targets

1. Continuously evolve fundamental safety technologies and standardize them across all models

- Driving position
- Pedal layout
- Visibility
- Active Driving Display

2. Promote standardization of i-Activsense advanced safety technology, which helps drivers recognize and assess potential hazards

Technologies to reduce accidents involving rear-end collisions, pedestrians, pedal mix-ups, and lane changes

- Fiscal year March 2018: Standardize in Japan
- 2018 and onward: Standardize globally

The Mazda Co-Pilot Concept centers on people and leverages automated driving technologies

- 2020: Commence testing
- By 2025: Aim for standardization

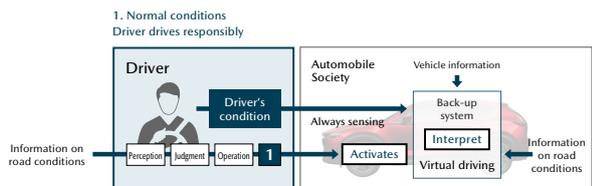
3. Utilize connectivity technologies

Using an advanced version of Mazda Connect, we will create a new business model that enables car owners to support the mobility needs of people in depopulated areas and those who have difficulty getting around

Mazda Co-Pilot Concept

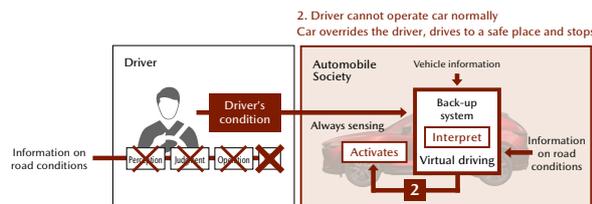
When the driver's condition is normal

Under normal conditions, drivers can enjoy driving themselves while the car constantly monitors their condition and conducts "virtual driving," meaning it is ready to drive itself at any time.



When the driver cannot operate the vehicle in a normal manner

When it is determined that the driver cannot operate the vehicle normally, the car overrides the driver to avoid collisions and moves to a safe location to stop the vehicle.



Mazda's Approach to Issue Resolution

Connectivity Technologies

In line with its human-centered development philosophy, Mazda is developing connectivity technologies that offer an enriching experience of the joy of life, connecting people by facilitating the sharing of experiences and feelings through cars. We are contributing to the resolution of social issues, such as the weakening of interpersonal connections that has accompanied changes in society, by connecting people and society through connectivity technologies.



As a concrete example of such initiatives, in 2018, in Miyoshi City, Hiroshima Prefecture, we started trials with mobility services utilizing connectivity technologies in cooperation with local residents and the Hiroshima Prefectural and Miyoshi City authorities. We aim to build a social contribution model that will support regional revitalization through mobility service trials with an eye on future shared mobility.

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 will use connectivity technologies to drive business innovation.

Mazda Proposes Two Value Concepts

- Offer the ability to enjoy digital convenience, safely, while in your car
- Based on our human-centered development philosophy, provide an enriching lifestyle and experience of car ownership that energizes people physically and mentally

People

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

Issues and the External Environment

- People today enjoy a more affluent lifestyle thanks to mechanization and automation. However, stress levels have also been rising due to a lack of exercise and opportunities for direct social contact.

Through our vehicles, we aim to offer driving pleasure and an enriched life to an even greater number of customers. Based on the Company's major strength, the pursuit of *Jinba-ittai*—or “horse and rider as one”—enjoyment, which unlocks people's potential and revitalizes them mentally and physically, and based on the philosophy of “breathing life into the car,” we will further develop Kodo design to raise vehicle design to the level of art that enriches the emotional lives of all who see it.

Mazda's Approach to Issue Resolution

New-Generation Skyactiv-Vehicle Architecture Platform

Mazda's Skyactiv-Vehicle Architecture was developed with an intensified focus on its human-centered design philosophy to maximize the human body's inherent ability to balance itself. In this way, it offers all occupants a more comfortable and less tiring ride and enables them to respond quickly to environmental changes. As the human body is easily able to balance itself in response to driving inputs, the new vehicle architecture provides responsive driving and the ultimate *Jinba-ittai* driving feel.

Kodo—Soul of Motion Design Philosophy: A Step Further

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. Going deeper, matured Kodo design pursues the expression of a “new elegance” based on Japanese aesthetic sensibilities.

Unveiling Mazda's New-Generation Products

All-New Mazda3



We started to launch the all-new Mazda3 as the first of our new-generation products incorporating new technologies targeting the realization of “Sustainable Zoom-Zoom 2030,” our long-term vision for technology development. Based on its human-centered philosophy, Mazda has dramatically improved every area: design, driving performance, NVH, environmental performance and quality feel, trying to create a new, hitherto unknown value.

The all-new Mazda3 adopts a matured Kodo design language that attempts to embody the essence of Japanese aesthetics. While the overall form presents a simple, single motion, subtle undulations bring the design to life through shifting light and reflections that glide over the body surface. The result is a richer and more powerful expression of vitality

than previous Kodo models. Despite sharing the Mazda3 moniker, the hatchback and sedan models have distinct personalities—the design of the hatchback is emotive, the sedan elegant.

The all-new Mazda3 adopts Mazda’s new Skyactiv-Vehicle Architecture, designed to enable people to make the most of their natural sense of balance. The powertrain lineup comprises the latest Skyactiv-X, Skyactiv-G, and Skyactiv-D engines, each of which provides responsive speed control in any driving situation. Based on its philosophy of designing the car around the human being, Mazda has dramatically enhanced the car’s fundamental driving attributes such that accelerating, turning, and braking feel completely natural.

Mazda CX-30 Compact Crossover SUV, the Second New-Generation Model

The CX-30 is a new compact crossover that combines the bold proportions of an SUV with elegant styling that embodies Mazda’s Kodo design language.

As a new core model, the CX-30 will be rolled out to global markets, with sales starting in Europe in summer 2019.



MONOTSUKURI INNOVATION

We are realizing high levels of diversity, which enhances the competitive edge of our products, and commonality, which boosts the efficiency of mass production, through efforts in Monotsukuri Innovation.

Looking five to 10 years into the future, we have implemented Monotsukuri Innovation for efficiently developing and manufacturing products. Common development methods and manufacturing processes are made possible by using bundled product planning for models to be introduced in the future, spanning market segments and model classes.

Optimized structures of each function are shared across all car lines and laterally spread to each car line based on bundled product planning. A flexible production system is used to produce products engineered based on a common architecture concept in a highly efficient and flexible way. We are aiming to raise operational efficiency through building a flexible production process that can handle changes in volumes and can quickly introduce new models with a minimum of investment.

Through Monotsukuri Innovation, our products since the Mazda CX-5, launched in 2012, and Skyactiv Technology have achieved improved efficiency in terms of both product development and manufacturing facility investment as well as significant improvements in vehicle costs. Through design based on common architecture under Monotsukuri Innovation, Mazda is able to promptly apply the latest technologies and designs to all of its products. In new-generation technology development, we are working to enhance the efficiency of development processes through bundled planning and computer modeling-based development.

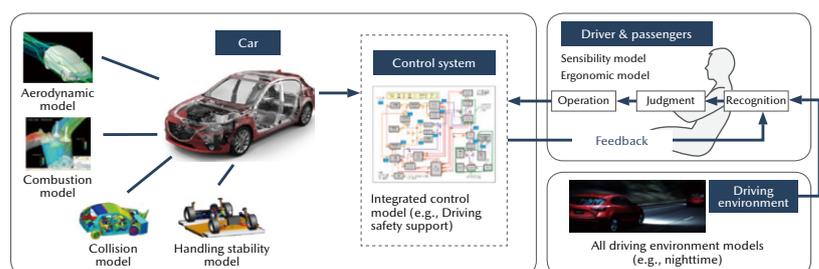
Computer Modeling-Based Development

Cars are being called on to provide increasingly advanced and diverse functions, while at the same time vehicle architecture and control systems are becoming more complex. To continue to rapidly develop complex systems with limited resources, the use of computer modeling-based development, which realizes efficient development, is extremely important.

Computer modeling-based development involves creating computer models of the vehicle, control systems, drivers, passengers, driving environments, and other development elements, and conducting development via thorough computer simulation to efficiently optimize the development elements. By carrying out modeling-based powertrain and vehicle development through simulations from design to vehicle evaluation, we are able to reduce the number of prototype parts and actual unit verification, thereby enabling us to develop complex, highly sophisticated new products with minimum resources while also ensuring quality.

In the development of Skyactiv Technology, which started in 2006, we pursued development that fully leveraged computer modeling with the aim of realizing the world's best fuel economy and driving performance. We completely revised our control systems from square one and have developed combustion systems that achieve similar combustion characteristics regardless of engine displacement. With Skyactiv Technology, we have been able to realize engines, transmissions, and vehicle bodies with outstanding driving and fuel economy performance, including Skyactiv-G, which boasts the world's best high compression ratio*.

Computer modeling-based development will play a vital role in realizing our vehicle development across multifaceted areas with limited resources. These include our multiple solutions strategy for powertrains, including the further evolution of Skyactiv Technology, autonomous driving technology, and the development of common architecture for small and large architecture products.



* As of November 2012, based on our in-house research

EV C.A. Spirit Co., Ltd.

In September 2017, Mazda, Denso Corporation, and Toyota Motor Corporation signed a contract to jointly develop basic structural technologies for electric vehicles (EVs), and established a new company EV C.A. Spirit as a joint development center. Other automakers who share same vision have participated and have been jointly developing fundamental EV technologies. To ensure flexible and rapid response to market trends, research of optimum performance and functions of EVs capable of covering a wide variety of vehicle segments and types is undertaken through bundled planning and common architecture at EV C.A. Spirit. At the same time, computer modeling-based development is used to realize efficient product development at each company.



<https://www.ev-cas.co.jp/>

MAZDA CSR

For specific Mazda CSR activities, please see the *Mazda Sustainability Report*.

<https://www.mazda.com/en/csr/report/download/>

Basic Approach

Mazda aims to achieve its Corporate Vision through the actions of each individual, based on the Mazda Way. While striving to meet the requests and expectations of all of Mazda's stakeholders, each employee pursues corporate social responsibility (CSR) initiatives in the course of their daily business activities, in order to achieve the sustainable development of both society and the Company itself.

Areas of CSR Initiatives

Referencing the Charter of Corporate Behavior issued by the Japan Business Federation (Nippon Keidanren), etc., Mazda classifies and evaluates its CSR initiatives. The areas of CSR initiatives are periodically reviewed and revised in the light of issues in the business activities of the automotive industry and Mazda, as well as social issues to which stakeholders attach particular importance. The most recent review was made in July 2016, by which the Company defined the following as the key areas of its CSR initiatives: Customer Satisfaction, Quality, Safety, Environment, Respect for People, and Social Contributions.

Customer Satisfaction	<p>Providing a Mazda brand experience that exceeds customer expectations</p> <ul style="list-style-type: none"> • Commitment to customers • Sales and customer service, etc.
Quality	<p>Offering products and services that please our customers</p> <ul style="list-style-type: none"> • Establishing stable product quality • Achieving quality that exceeds customer expectations • Cultivating human resources capable of thinking and acting for the happiness of customers
Safety	<p>Promoting safety initiatives to achieve a safe and accident-free automotive society</p> <ul style="list-style-type: none"> • Safety initiatives based on three viewpoints; vehicles, people, and roads and infrastructure
Environment	<p>Reducing environmental impact throughout the entire vehicle life cycle</p> <ul style="list-style-type: none"> • Environmental management, efforts regarding product and technology development, efforts regarding manufacturing and logistics, recycling, biodiversity, communication, etc.
Respect for People	<p>Developing human resources, who are the foundations of the Company and society, and respecting for human rights</p> <ul style="list-style-type: none"> • Initiatives with employees (including occupational safety and health) • Respect for human rights, etc.
Social Contributions	<p>Contributing to local communities as a good corporate citizen</p> <ul style="list-style-type: none"> • Activities based on the three pillars (environment and safety performance, human resources development, and community contributions), etc.

Promoting Initiatives Based on the SDGs

The Mazda Group pushes forward various initiatives to contribute to the achievement of the Sustainable Development Goals (SDGs), adopted by the United Nations. In fiscal year March 2019, the CSR Management Strategy Committee enhanced SDG-related information available to the Company's management, and employees' awareness of the SDGs was raised through the Company's intranet. Mazda's activities that are instrumental in realizing the 17 goals of the SDGs are presented in the *Mazda Sustainability Report* detailed version.



CHECK

External Evaluations of CSR (As of Aug. 2019)

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 environment, social, and governance (ESG) rating organizations.

- ▶ Inclusion in the Dow Jones Sustainability Index (DJSI) World Index and Asia Pacific Index (Selected since September 2017)
- ▶ Inclusion in the FTSE4Good Index series (Selected since March 2011)
- ▶ Inclusion in the FTSE Blossom Japan Index (Selected since the index was established in July 2017)
- ▶ Inclusion in the Ethibel EXCELLENCE Investment Register (Selected since October 2013)
- ▶ In the CDP (formerly Carbon Disclosure Project) 2018 Climate Change Report, Mazda's score was B
- ▶ Inclusion in the S&P/JPX Carbon Efficient Index (Selected since the index was established in September 2018)
- ▶ Winning a Bronze Class award in the SAM Sustainability Award 2019 as an outstanding company in the automotive industry

CULTIVATING HUMAN RESOURCES

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 fiscal year March 2009, Mazda summarized seven basic principles and values handed down within the Company over time and defined these as the Mazda Way. Mazda continues to promote measures to ensure that the Mazda Way can easily be put into practice by employees.

Realization of Diversity / Promotion of 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 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.

Specific efforts include increasing the employment and range of opportunities for female employees, employing people with special needs, and promoting the re-employment of the elderly as well as the passing on of their expertise, skills, and know-how.

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."

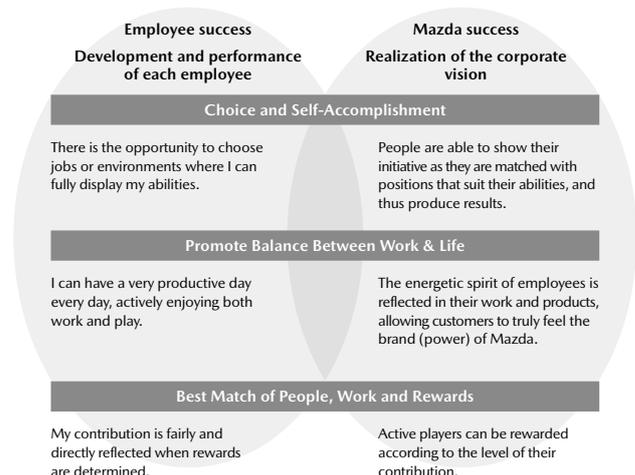
Major Measures to Promote Work-Life Balance and Diversity in the Workplace

Child-rearing paid leave	This system allows employees to take up to five consecutive working days off, following childbirth or for child-rearing.
Child-rearing leave	This system supports unpaid leave for child-rearing for children up to 3 years old.
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).
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.
Onsite daycare center	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.
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.

Human Resources System to Provide Appropriate Jobs and Environments

Mazda uses the *Tobiuo* 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 resources 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*



BUSINESS MANAGEMENT SYSTEM

Please refer to the Corporate Governance Report for basic philosophy, policies and details on Mazda's initiatives regarding the Corporate Governance Code.

<https://www.mazda.com/en/investors/library/governance/>

Corporate Governance

Mazda is enhancing its corporate governance by working to increase management transparency and expedite decision making. The Company respects the intent of the Corporate Governance Code set by the Tokyo Stock Exchange and shall implement all of its principles.

While working to build a good relationship with its stakeholders, including shareholders, customers, suppliers, the local community, and its employees, the Company shall strive to sustain growth and enhance its corporate value over the medium and long terms through transparent, fair, prompt, and decisive decision making and to continue to enhance its corporate governance.

The business environment surrounding the Company is undergoing rapid changes. In order to enable faster business decision making, further enhance discussion of management strategies, and strengthen supervisory functions of Board of Directors' meetings, the Company transitioned to a Company with an Audit and Supervisory Committee structure through a resolution at the 153rd Ordinary General Meeting of Shareholders held on June 26, 2019.

Overview of the Corporate Governance Structure

Directors (Excluding Directors who are Audit & Supervisory Committee Members)	Number of Directors	Nine (seven inside directors, two outside directors), of whom one is a woman
	Term of Office	1 year
	Incentives	Short-term: Performance-based remuneration Medium-to-long term: Remuneration in the form of stock options
Directors who are Audit & Supervisory Committee Members	Number of Directors	Six (two inside directors, four outside directors), of whom one is a woman
	Term of Office	2 years
Number of Directors on the Board	Number of Directors	15 (nine inside directors, six outside directors), of whom two are woman
	Ratio of Outside Directors	40%
	Ratio of Female Directors	13.3%
Independent Directors (filed with Tokyo Stock Exchange)		Six outside directors
Procedures in nominating, appointing, and dismissing officers, and determining their remuneration		Officer Lineup & Remuneration Advisory Committee
Accounting Auditor		KPMG AZSA LLC
Adoption of executive officer system		Yes

CHECK

Efforts to Improve Corporate Governance: Transition to a Company with an Audit and Supervisory Committee

Q. Why has the Company made the transition at this time?

With the automotive industry and the business environment surrounding the Company rapidly changing, we judged that we would be able to respond to changes more quickly and appropriately by transitioning to a Company with an Audit and Supervisory Committee structure, and that this would enhance corporate governance.

Q. What was the purpose of transitioning to a Company with an Audit and Supervisory Committee structure?

The aim was to enable faster business decision making and to further enhance discussion of management strategies and strengthen the supervisory functions of Board of Directors' meetings.

Q. Specifically, how will the change enable faster decision making and strengthen the supervisory functions of the Board of Directors?

As a Company with an Audit and Supervisory Committee, the Board of Directors may delegate all or part of decision making for the execution of important business to directors, except where laws and ordinances require decisions to be made by the Board of Directors. This delegation enables faster and more flexible decision making and also allows the Board of Directors to focus discussion to a greater degree on management strategy and other important matters. Also, unlike the position of Audit & Supervisory Board members, members of the Audit & Supervisory Committee responsible for audits are directors. Accordingly, they have voting rights at Board of Directors' meetings and directly participate in management decision making. We believe this strengthens the supervisory function of the Board of Directors.

Procedures in Nominating, Appointing, and Dismissing Officers, and Determining Their Remuneration

In order to enhance the transparency, fairness, and objectivity of the process for nominating and appointing executive officers and candidates for director and the remuneration of directors and executive officers, in 2015 the Company established an Officer Lineup Advisory Committee and Officer Remuneration Advisory Committee. In accordance with the transition to a Company with an Audit and Supervisory Committee, both committees were reorganized, and a new Officer Lineup & Remuneration Advisory Committee, chaired by a representative director, was established as an advisory body to the Board of Directors. The committee reports to the Board of Directors the results of its deliberation on matters such as officer lineup and policies regarding the selection and training of directors, as well as remuneration payment policies and the remuneration system and process based on those policies, which contribute to the Company's sustainable growth and raising of corporate value in the medium and long term.

Policies on the Nomination, Appointment, and Dismissal of Officers

When nominating and appointing officers, under the basic premise that they are healthy both physically and mentally, the Company shall consider whether they have the proper attitude to fulfill the mandate of shareholders, customers, and other stakeholders, high ethical standards, the ability to take action, leadership qualities, and the experience and ability to carry out their duties as well as their professional and personal achievements. Candidates for director must have exceptional character, insight, ability, and a wealth of experience. The overall structure and balance of the Board must also be considered. The Company shall confirm that, in addition to the above, candidates for outside director meet the Company's requirements for independence and have the time and energy necessary to properly fulfill their roles and responsibilities. Based on the advice of the Officer Lineup & Remuneration Advisory Committee, proposals on the nomination and appointment of officers shall be submitted to the Board.

Regarding the dismissal or other measures taken against an officer, in cases where an officer was found to have violated the rules, regulations, or Company statutes regarding their duties; in cases where an officer took an inappropriate action, thereby making them unqualified to serve as an officer; or in cases where circumstances emerged that made the appropriate execution of their duties difficult, a proposal to dismiss the officer in question shall be introduced to the Board of Directors based on the advice of the Officer Lineup & Remuneration Advisory Committee.

Policy on Remuneration of Officers

The remuneration of internal directors (excluding directors who are Audit & Supervisory Committee members) and executive officers consists of 1) a fixed amount of basic remuneration commensurate with their responsibilities, 2) performance-based remuneration determined at the end of the fiscal year in accordance with a designated standard and process after evaluating how much has been achieved toward goals set based on the business plan, and 3) compensation in the form of stock options under a system introduced to incentivize contributions toward enhancing corporate value over the medium and long term and to share the benefits with shareholders. Considering their status independent from the execution of operations, outside directors and directors who are Audit & Supervisory Committee members shall receive a fixed amount of basic remuneration only.

Fiscal Year March 2019

(before transition to a Company with an Audit and Supervisory Committee)

Category	People	Amount (Millions of yen)
Directors	11	702
Audit & Supervisory Board members	6	109
Total (of which, outside auditors)	17 (6)	811 (65)

* The above number of persons includes one outside Audit & Supervisory Board member who retired on June 14, 2018 and one director who retired at the conclusion of the 152nd Ordinary General Meeting of Shareholders held on June 26, 2018.

Appointments of Outside Directors

Outside Directors	Reasons for Appointment
	Appointed as outside directors in anticipation of advice and supervision from an independent perspective on the management of the Company based on experience and insight as described below.
Kiyoshi Sato	Mr. Sato has rich expertise in the areas of sales and marketing at an electronics manufacturer. He has served in senior roles, such as representative director, president and CEO, and director and vice chairman of the board, and has rich experience and insight in corporate management.
Michiko Ogawa	Ms. Ogawa has detailed knowledge as an audio technology researcher at an electronics manufacturer. As an officer in charge of premium audio equipment, she engaged in brand re-establishment efforts, and possesses rich experience and insight into corporate management.
Outside Directors (Audit & Supervisory Committee Members)	Reasons for Appointment
	Appointed as outside directors who are Audit & Supervisory Committee members in anticipation of contribution to strengthening audit and supervisory functions of the Company's management from an independent perspective based on the experience and insight as described below.
Ichiro Sakai	Mr. Sakai served as a prosecutor and attorney for many years, and has extensive experience in and knowledge of the legal profession.
Kunihiko Tamano	Mr. Tamano served as managing executive officer and assistant to the chief financial officer with a trading company. He has great knowledge of finance and accounting as well as extensive experience and insight into corporate management.
Akira Kitamura	Mr. Kitamura has held key posts at a financial institution, including representative director & senior managing executive officer as well as chairman of the board and chief executive officer (representative director). He has great knowledge of finance and accounting and rich experience and knowledge of corporate management.
Hiroko Shibasaki	Ms. Shibasaki has many years of experience in the field of sales at a damage insurance company. In roles such as managing executive officer, she oversaw sales in Kyushu and Okinawa and gained rich experience and insight into corporate management.

* Based on its criteria for independence, the Company has determined that the Company's outside directors have sufficient independence such that no risk of conflict of interest with general shareholders will result and has notified the Tokyo Stock Exchange that all six individuals are designated as independent directors. Please refer to the Corporate Governance Report for the Company's criteria for the independence of an outside officer.

Analysis and Evaluation of the Board's Effectiveness

In order to steadily advance measures for the further enhancement of its efficiency, the Company's Board of Directors analyzed and evaluated the meetings conducted in fiscal year March 2019. The analysis and evaluation were conducted in May 2019, before the transition to a Company with an Audit and Supervisory Committee.

■ Method of analysis and evaluation

Based on a survey prepared by the Board's secretariat, all of the directors and members of the Audit & Supervisory Board evaluated the Board's effectiveness. After the results were compiled by the secretariat, an analysis of the current situation was shared at a Board meeting, and the ideal to be pursued and improvements were discussed.

The survey primarily covered debate on the business strategy, debate on compliance and internal control, and the provision of information (the amount of information, materials, explanations, and support for outside directors) and involvement in the debate.

■ Overview of the results

It was found that members of the Board of Directors are properly involved in determining the Company's business strategy and share an understanding of its content, that the outside directors express their opinions from an independent perspective after gaining an understanding of the Company's situation by receiving explanations of resolutions in advance and other forms of support, and that the oversight function of the execution of operations has been ensured.

Based on the previous survey (fiscal year March 2018), efforts were made to further enhance monitoring of important aspects of management strategy and other matters and to deepen debate on risks and returns. It was found that, as a result, there was some improvement, but it was also confirmed that there was a need to aim for further improvement.

Basic Strategy for Capital Policy

In order to enhance corporate value over the medium and long terms and build a solid financial foundation for stable, continued growth, the Company shall endeavor to reduce its interest-bearing debt and increase its equity capital.

The Company shall also endeavor to use its management resources effectively and enhance its capital efficiency.

With regard to shareholder returns, the Company shall endeavor to strengthen its financial foundation for a higher dividend payout ratio, with the payment of dividends based on performance as its basis.

Policy on Cross-Shareholdings

Taking into overall consideration the business strategy, the necessity to business activities such as maintaining and strengthening business dealings, and the economic rationality of cross-shareholdings, the Company shall have cross-shareholdings when it will lead to the enhancement of corporate value over the medium and long terms. If the purpose of cross-shareholdings is judged to have diminished, the Company shall aim to reduce cross-shareholdings, including the selling of shares based on the relevant company's circumstances, etc.

Dialogue with Shareholders and Investors

For continued growth and enhancement of corporate value over the medium and long terms, the Company shall promote investor relations through the timely and appropriate disclosure of information to

shareholders and investors and through constructive dialogue.

The officer who oversees finance shall have overall responsibility for dialogue with shareholders, and the officer in charge of finance and the financial planning department (investor relations department) shall be in charge. In order to enhance dialogue, they shall cooperate with departments in charge, including the Corporate Planning & Development Division and the Corporate Services Division, and create a framework for the proper provision of information.

In addition to general meetings of shareholders, the Company holds meetings with shareholders and investors to explain its quarterly business results, management, and other business activities. Mazda is working to increase opportunities for dialogue in such ways as holding business briefings for institutional investors, individual investors, and domestic and overseas securities analysts.

Mazda's website provides information including the schedule for general meetings of shareholders and financial results announcements, performance / financial data, notice of the general meeting of shareholders (business report), shareholders' reports (in Japanese only), summary of financial results, briefing materials for the financial results, asset securities reports (in Japanese only), annual reports, and the Corporate Governance Report as the Company shall endeavor to disclose information impartially and with a high degree of transparency.

Opinions from shareholders will be relayed to the Board of Directors or the management team as necessary by the officer in charge of finances. In dialogues with shareholders, insider information (undisclosed material facts) shall be handled appropriately in accordance with laws and regulations and internal regulations.

Initiatives to Invigorate General Meetings of Shareholders and Ensure the Smooth Exercise of Voting Rights

Date for general Meetings of Shareholders

General meetings of shareholders are held on dates that avoid concentrations of other companies' general meetings.

Exercise of voting rights

To improve convenience, voting by electromagnetic methods was introduced from the general meeting of shareholders held in June 2004.

Environment for exercise of voting rights for institutional investors

Mazda has participated in the electronic voting platform operated by ICJ Co., Ltd., for the exercise of voting rights by institutional investors from the general meeting of shareholders held in June 2008.

English convocation notice

An English version of the convocation notice is prepared as a reference for the exercise of voting rights.

Others

The convocation notice is mailed early and disclosed on Mazda's corporate website prior to mailing.

From the general meeting of shareholders held in June 2018, we introduced a service that enables shareholders to view convocation notices and related information, etc., and to access a website to exercise their voting rights on smartphones.



English <https://www.mazda.com/en/investors/stockinfo/meeting/>
Japanese <https://www.mazda.com/ja/investors/stockinfo/meeting/>

Internal Controls

Mazda has established the Mazda Corporate Ethics Code of Conduct, which states action guidelines for employees, the Finance Control Guideline for global financial control, and other guidelines. Based on these guidelines, each department develops rules, procedures, manuals, etc., to promote establishment of internal control.

For Group companies, cooperative systems have been established in accordance with the affiliate administration rules set by Mazda. The responsible department at Mazda supports training and system improvement for each Group company.

Risk Management

Mazda makes continuous efforts to identify and reduce various internal and external risks in accordance with the Basic Policy on Risk Management, Risk Management Regulations, and other related internal regulations, so as to ensure continuous and stable progress of business activities. Among the risks identified, considering the level of importance, individual business risks are managed by the department in charge of that business area, while Company-wide risks are handled by departments that carry out business on a Company-wide basis. These departments manage the risks appropriately, following the PDCA(plan-do-check-act) cycle. In the event of an emergency, such as a natural disaster or situation that creates serious managerial consequences, Mazda takes appropriate measures in reference to its internal regulations, including establishing an emergency response taskforce when necessary.

In line with the medium-term action plan established in fiscal year March 2017, the Risk Compliance Committee has worked to further clarify the risks in the Company and its Group companies and to

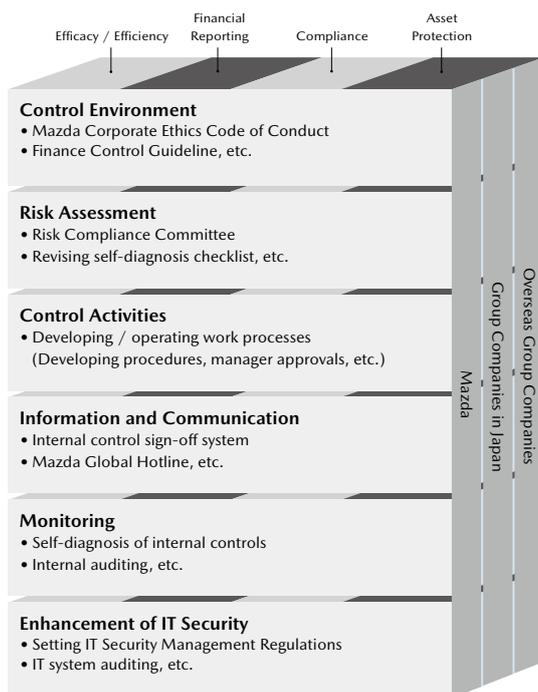
strengthen risk management. The committee has also ascertained the progress of these activities on a half-yearly basis. Its initiatives are periodically reported to the Board of Directors. In fiscal year March 2019, as in the previous year, the committee selected the common key issues to be addressed across the Mazda Group, from among the risks identified by each division, based on the confirmed results of the said risk management. Then, measures were put in place to deal with these key issues. Moreover, the committee enhanced education programs for division general managers as well as managers of Group companies. Mazda is presently upgrading and expanding its business continuity plan (BCP) to avoid suspension of business that would extensively impact society.

Response to Accidents and Other Emergencies

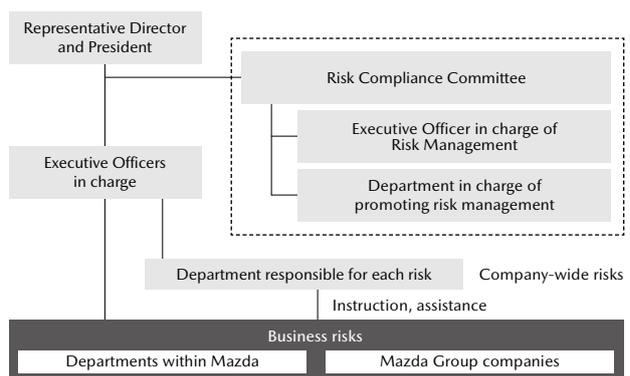
Mazda has been systematically working to enhance both the “hardware” and “software” aspects of emergency readiness, in preparation for major earthquakes such as the expected Nankai Trough Earthquake and tsunami associated with them. Examples of such “hardware” and “software” measures include quake-proofing buildings and facilities, and raising embankments, as well as maintaining emergency-contact networks and organizing self-disaster-defense teams. Meanwhile, disaster drills are held annually both jointly with fire authorities and solely by Mazda’s self-disaster-defense teams, based on lessons learned from the Great East Japan Earthquake and other earthquakes that occurred in various parts of Japan. Mazda also introduced a system to confirm employees’ safety in the event of a large-scale disaster.

In fiscal year March 2019, the Company established a system for faster initial response in an emergency, with the aims of protecting human life and minimizing disaster damage, based on the experience

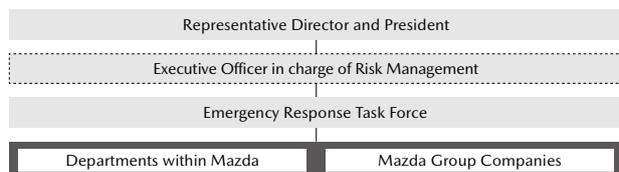
Mazda Internal Controls



Risk Management Structure in Normal Times



Emergency Risk Management Structure



For incidents that fall outside the scope of existing risk management organizations and require a coordinated interdepartmental response, the executive officer in charge of risk management will consult with the president, establish an emergency response task force, and appoint a general manager for this task force.

in the record rainfalls in July 2018. Mazda also further strengthened its collaboration system with local communities for disaster control, through the dispatching of fire engines in case of fire in the surrounding region and provision of drinking water, work gloves, and other relief supplies to the affected areas.

Information Security

Personal information and other important information are appropriately managed and protected based on the established information management policies and internal regulations, so as to ensure information security. To raise employees' awareness about information security, Mazda requires its employees to execute training on the management of confidential information, protection of personal information, and IT security. When newly joining the Company, management of confidential information is covered in the introduction program, while e-learning is used for personal information protection and IT security training. Other continuous education efforts are also available, including an intranet site dedicated to information and knowledge on information security.

For companies in the Mazda Group, Mazda provides guidelines and educational tools regarding information security, realizing a Group-wide effort to ensure information security.

IT Security Management Rules

The IT security policy based on the BS 7799* framework has been established as IT security management rules, under which the mechanisms for security control and monitoring that should be incorporated into IT systems are determined. Whether such mechanisms are properly installed and operated is confirmed on both a regular and random basis.

* Standards on information security management established by the British Standards Institution (BSI), on which ISO/IEC 27001 & 27002, the current international standards for information security management, are based.

Risk Management in Collaboration with Suppliers: Upgrading and Expanding the Business Continuity Plan (BCP)

In the light of risk management, Mazda is presently upgrading and expanding its business continuity plan (BCP) to avoid suspension of business that would extensively impact society. The Company has introduced the "SCR Keeper,"* a supply chain risk management system, to accelerate its initial response in the event of a disaster by promptly and thoroughly grasping information on the situation of operation sites. Also, initiatives are underway to promote disaster prevention and mitigation activities. Mazda had already completed risk inspections and made provisions against the expected Nankai Trough Earthquake and other large earthquakes. However, based on the experience in the torrential rains that hit western Japan in 2018, the Company started to further advance its disaster preparedness, including the inspection of supply chain risks with its scope of application broadened to cover heavy rain-related risks, and reinforcement of disaster prevention and mitigation measures in operation sites at high risk. Mazda will continue to enhance its BCP in cooperation with its suppliers.

* Supply Chain Resiliency system

This is a system combining map data with earthquake information by the Japan Meteorological Agency, with which the seismic intensity of the registered production sites can be found quickly in the event of an earthquake.

Basic Policy on Intellectual Property

Mazda's overall vision for intellectual property is to use intellectual property as a management resource in support of its business management and enterprise activities, based on respect for its own and others' intellectual property.

Based on this vision, Mazda has established an Intellectual Property Committee to discuss and decide key items regarding intellectual property. The committee is comprised of division general managers from related divisions and chaired by an executive officer responsible for intellectual property issues.

Also, the invention incentive system increases motivation for inventions among employees working at the forefront of research and development.

For its Group companies in Japan and overseas, Mazda supports them in developing / implementing policies and establishing systems for handling intellectual property, with the aim of enhancing the intellectual property management functions of the entire Mazda Group.

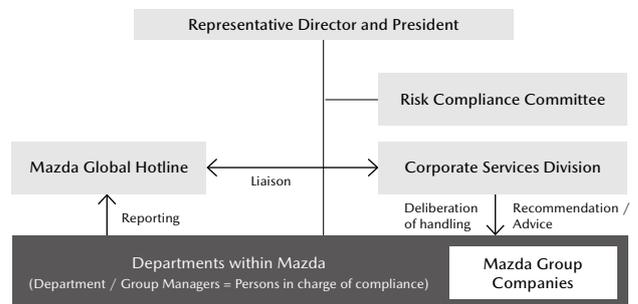
Compliance

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. To promote highly transparent and fair transactions with all partner companies, Mazda established the Guidelines on Entertainment and Gifts, which prohibit giving / receiving bribes, receiving unjust benefits, etc.

These guidelines are revised as needed to cope with changes in the social environment, social needs, etc. Overseas as well, Mazda not only complies with international regulations and the laws of each country and region but also respects local history, culture, and customs.

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

Compliance Promotion System



Directors and Officers (As of July 31, 2019)

Directors



Number of shares held: 10,100

Masamichi Kogai Representative Director and Chairman of the Board

Apr. 1977 Joined the Company
Jun. 2004 Executive Officer and General Manager, Hofu Plant
Apr. 2008 Managing Executive Officer
Apr. 2010 Senior Managing Executive Officer
Jun. 2010 Director and Senior Managing Executive Officer
Jun. 2013 Representative Director, President and CEO
Jun. 2018 Representative Director and Chairman of the Board



Number of shares held: 10,200

Akira Marumoto Representative Director

Apr. 1980 Joined the Company
Jun. 1997 Program Manager, Program Managers Div.
Jun. 1999 Director
Jun. 2002 Executive Officer
Apr. 2006 Managing Executive Officer
Apr. 2010 Senior Managing Executive Officer
Jun. 2010 Director and Senior Managing Executive Officer
Jun. 2013 Representative Director, Executive Vice President
Jun. 2018 Representative Director, President and CEO



Number of shares held: 6,600

Kiyoshi Fujiwara Representative Director

Mar. 1982 Joined the Company
Mar. 2003 Vice President, Mazda Motor Europe GmbH
Jun. 2005 General Manager, Product Planning & Business Strategy Div.
Nov. 2008 Executive Officer
Jun. 2013 Managing Executive Officer
Apr. 2015 Managing Executive Officer; President, Mazda Engineering & Technology Co., Ltd.
Apr. 2016 Senior Managing Executive Officer
Jun. 2016 Director and Senior Managing Executive Officer
Jun. 2018 Representative Director, Executive Vice President



Number of shares held: 7,300

Kiyotaka Shobuda Director

Mar. 1982 Joined the Company
Apr. 2006 Deputy General Manager, Hofu Plant
Nov. 2008 Executive Officer; President, AutoAlliance (Thailand) Co., Ltd.
Jun. 2013 Managing Executive Officer
Apr. 2016 Senior Managing Executive Officer
Jun. 2016 Director and Senior Managing Executive Officer



Number of shares held: 700

Mitsuru Ono Director

Apr. 1981 Joined Sumitomo Bank, Ltd. (now Sumitomo Mitsui Banking Corp.)
Apr. 2011 Executive Officer, General Manager of International Credit Management Dept.
Jun. 2015 Standing Auditor
May 2017 Adviser, Mazda Motor Corporation
Jun. 2017 Director and Senior Managing Executive Officer



Number of shares held: 2,400

Akira Koga Director

Mar. 1984 Joined the Company
Feb. 2002 General Manager, Corporate Planning Dept.
Mar. 2004 General Manager, Corporate Planning Div.
Nov. 2008 Executive Officer
Apr. 2011 Executive Officer; Executive Vice President, Mazda Motor of America, Inc. (Mazda North American Operations)
Jun. 2013 Managing Executive Officer
Apr. 2016 Senior Managing Executive Officer
Jun. 2018 Director and Senior Managing Executive Officer



Number of shares held: 1,300

Masahiro Moro Director

Mar. 1983 Joined the Company
Aug. 2002 General Manager, Global Marketing Div.
Mar. 2004 Vice President, Mazda Motor Europe GmbH
Nov. 2008 Executive Officer
Jun. 2013 Managing Executive Officer
Jan. 2016 Managing Executive Officer, President and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
Apr. 2016 Senior Managing Executive Officer
Apr. 2019 Senior Managing Executive Officer, Chairman and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
Jun. 2019 Director and Senior Managing Executive Officer



Number of shares held: 0

Kiyoshi Sato Director

Apr. 1979 Joined Tokyo Electron Ltd.
Dec. 2001 General Manager of Clean Track Business Unit, Tokyo Electron Ltd.
Jun. 2003 Representative Director, President and CEO, Tokyo Electron Ltd.
Apr. 2009 Director and Vice Chairman of the Board, Tokyo Electron Ltd.
Jun. 2011 Director, Tokyo Electron Ltd.
Jul. 2014 Advisor, Tokyo Electron Ltd. (to Jun. 2016)
Jun. 2016 Audit & Supervisory Board Member, Tokyo Electron Yamanashi Ltd.
Jun. 2017 Outside Director, TOSHIBA MACHINE CO., LTD.
Jul. 2017 Advisor, Tokyo Electron Ltd.
Jun. 2019 Outside Director, Inabata & Co., Ltd.
Jun. 2019 Director, Mazda Motor Corporation



Number of shares held: 0

Michiko Ogawa Director

Apr. 1986 Joined Matsushita Electric Industrial Co., Ltd. (now Panasonic Corporation)
May 2014 Senior Councilor, In charge of Growth Strategy of Audio Business
Home Entertainment Business Division, Panasonic Corporation
Apr. 2015 Executive Officer, In charge of Technics Brand
Managing Officer, Appliances Company
General Manager, Technics Business Promotion
Home Entertainment Business Division, Panasonic Corporation

Nov. 2015 Executive Officer, In charge of Technics Brand
Managing Officer, Appliances Company
In charge of Home Entertainment Business
Director, Home Entertainment Business Division
General Manager, Technics Business Promotion, Panasonic Corporation
Jun. 2017 Executive Officer, In charge of Technics Brand
Vice President, Appliances Company
In charge of Home Entertainment Business and Communication Business
Director, Home Entertainment Business Division
General Manager, Technics Business Promotion, Panasonic Corporation
Jan. 2018 Executive Officer, In charge of Technics Brand
Vice President, Appliances Company
In charge of Technology
Director, Corporate Engineering Division
General Manager, Technics Business Promotion, Panasonic Corporation
Feb. 2018 Director, PERSOL AVC TECHNOLOGY CO., LTD.
Jun. 2018 Chairman, JAPAN AUDIO SOCIETY
Jun. 2019 Director, Mazda Motor Corporation



Number of shares held: 4,100

Masatoshi Maruyama Director who is Audit & Supervisory Committee Member (Full-time)

Apr. 1980 Joined the Company
May 2010 General Manager, Quality Div.
Apr. 2011 Executive Officer; General Manager, Quality Div.
Apr. 2015 Managing Executive Officer
Jun. 2019 Director who is Audit & Supervisory Committee Member



Number of shares held: 1,257

Masahiro Yasuda Director who is Audit & Supervisory Committee Member (Full-time)

Apr. 1980 Joined the Company
Nov. 2002 Manager of Advanced Product Planning Office
Apr. 2006 Manager of Global Communications Planning Dept.
Jun. 2010 General Manager of Global Communications Planning Dept.
Jul. 2012 Deputy General Manager of Corporate Communications Division
Jun. 2017 Audit & Supervisory Board Member (Full-time)
Jun. 2019 Director who is Audit & Supervisory Committee Member



Number of
shares held:
10,200

Ichiro Sakai

Director who is Audit & Supervisory
Committee Member

Apr. 1968 Appointed Prosecutor
Dec.1999 Chief Public Prosecutor of the Yokohama
District Public Prosecutors Office
May.2001 Chief of the Research and Training Institute
of the Ministry of Justice
Oct.2002 Superintendent Public Prosecutor of the
Hiroshima High Public Prosecutors Office
Jun. 2004 Superintendent Public Prosecutor of the
Fukuoka High Public Prosecutors Office
Apr. 2005 Registered as Lawyer (Daiichi Tokyo Bar
Association)
Jun. 2005 Outside Audit & Supervisory Board
Member, Toray Industries, Inc.
Feb. 2006 Outside Audit & Supervisory Board
Member, Kewpie Corporation
Jun. 2007 Outside Audit & Supervisory Board
Member, Mazda Motor Corporation
Jun. 2011 Outside Director, Mazda Motor
Corporation
Feb. 2014 Outside Director, Kewpie Corporation
Jun. 2019 Director who is Audit & Supervisory
Committee Member, Mazda Motor
Corporation



Number of
shares held:
700

Kunihiko Tamano

Director who is Audit & Supervisory
Committee Member

Apr. 1974 Joined Itochu Corporation
Jan. 1999 General Manager of Tax Affairs Office,
General Accounting Control Division
Executive Officer
Jun. 2006 Managing Executive Officer
Apr. 2009 Director and Senior Managing Executive
Jun. 2010 Officer of Nippon Access, Inc.
Apr. 2011 Managing Executive Officer, Assistant to
the Chief Financial Officer of Itochu
Corporation; General Manager, Global
Risk Management Division of Itochu
Corporation
Apr. 2014 Advisory Member
Jun. 2014 Representative Director and Vice
President of Nippon Access, Inc.
Jun. 2016 Senior Adviser
Jun. 2017 Advisory Member
Jun. 2017 Outside Audit & Supervisory Board
Member, Mazda Motor Corporation
Jun. 2019 Director who is Audit & Supervisory
Committee Member



Number of
shares held:
100

Akira Kitamura

Director who is Audit & Supervisory
Committee Member

Apr. 1974 Joined Sumitomo Bank, Ltd. (now
Sumitomo Mitsui Banking Corp.)
Jun. 2003 Executive Officer
Apr. 2006 Managing Executive Officer
Apr. 2007 Director & Senior Managing Executive
Officer
Apr. 2008 Representative Director & Senior
Managing Executive Officer
Apr. 2009 Advisor, Kansai Urban Banking
Corporation
Jun. 2009 Vice Chairman (Representative Director)
Mar.2010 Chairman of the Board & CEO
(Representative Director)
Jun. 2016 Advisor
Apr. 2018 Outside Director, ARK Real Estate Co.,
Ltd.
Jun. 2018 Outside Audit & Supervisory Board
Member, Mazda Motor Corporation
Jun. 2019 Director who is Audit & Supervisory
Committee Member



Number of
shares held:
0

Hiroko Shibasaki

Director who is Audit & Supervisory Committee
Member

Apr. 1974 Joined Tokio Marine and Fire Insurance Company,
Limited (now Tokio Marine & Nichido Fire
Insurance Co., Ltd.)
Jul. 2008 Senior General Manager
General Manager, Voice of Customers Dept.,
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Jul. 2010 Senior General Manager
General Manager, Fukuoka Chuo Branch,
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Apr. 2012 Director
General Manager, Fukuoka Chuo Branch,
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Apr. 2015 Managing Executive Officer
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Apr. 2018 Advisor,
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Jun. 2019 Director who is Audit & Supervisory Committee
Member, Mazda Motor Corporation

Executive Officers

President and CEO

Akira Marumoto*

Executive Vice President

Kiyoshi Fujiwara*

Assistant to President; Oversight of Global Marketing,
Sales and Customer Service

Senior Managing Executive Officers

Kiyotaka Shobuda*

Oversight of Quality, Brand Enhancement, Purchasing,
Production and Business Logistics

Mitsuru Ono*

Oversight of Financial Services and Administrative
Domain

Akira Koga*

Oversight of Corporate Planning Domain, Corporate
Liaison and MDI & IT

Masahiro Moro*

Oversight of Operations in North America; Chairman and
CEO, Mazda Motor of America, Inc. (Mazda North
American Operations)

Ichiro Hirose

Oversight of R&D and Cost Innovation;
In charge of Powertrain Development and Integrated
Control System Development

Jeffrey H. Guyton

Assistant to the Officer overseeing Operations in North
America and Brand Enhancement; President, Mazda
Motor of America, Inc. (Mazda North American
Operations)

Managing Executive Officers

Kazuhiisa Fujikawa

In charge of Global Purchasing and Cost Innovation

Kazuyuki Fukuhara

President, SMM Auto Finance, Inc.;
President, Mazda Chuhan Co., Ltd.

Ikuo Maeda

In charge of Design and Brand Style

Tetsuya Fujimoto

Assistant to the Officer overseeing Corporate Planning
Domain; In charge of Financial Services

Nobuhiko Watabe

In charge of Operations in China;
Chairman, Mazda Motor (China) Co., Ltd.

Hiroshi Inoue

In charge of Asia & Oceania and New Emerging Markets;
President, Mazda South East Asia Ltd.

Yasuhiro Aoyama

In charge of Operations in Europe; Assistant to the Officer
overseeing Brand Enhancement; President and CEO,
Mazda Motor Europe GmbH

Makoto Yoshihara

Assistant to the Officer overseeing Administrative
Domain; In charge of Global Auditing, CSR, Environment,
Secretariat, General & Legal Affairs, Compliance and Risk
Management

Takeshi Mukai

In charge of Global Production, Global Business Logistics
and Cost Innovation

Hidegori Kawakami

In charge of Global Quality; Assistant to the Officer in
charge of Cost Innovation

Executive Officers

Chiharu Mizutani

President and CEO, Mazda Motor Manufacturing de
Mexico, S.A. de C.V. (Mazda de Mexico Vehicle
Operation)

Masashi Aihara

General Manager, US Production Preparation Office;
President, Mazda Toyota Manufacturing U.S.A., Inc.

Ryuichi Umeshita

In charge of Brand Enhancement, Global Marketing, Sales
and Customer Service

Kazuhiisa Yoshida

In charge of Global Human Resources, Safety, Health &
Disaster Prevention and Mazda Hospital

Hidetoshi Kudo

In charge of R&D Administration, Product Strategy and
Technical Research Center

Hiroyuki Matsumoto

In charge of Vehicle Development and Product Planning

Takeji Kojima

In charge of Corporate Communications and Corporate
Liaison

Akihiro Kidani

General Manager, MDI & IT Div.

Eiji Nakai

General Manager, Powertrain Development Div.

Ikuo Sugiyama

Deputy General Manager, US Production Preparation
Office; Senior Vice President, Mazda Toyota
Manufacturing U.S.A., Inc.

Hironori Tanaka

In charge of Domestic Sales

Fellow

Senior Innovation Fellow

Mitsuo Hitomi

Note: Mark of "*" stands for the Executive Officers who also hold the post of Director.

ELEVEN-YEAR SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Mazda Motor Corporation and Consolidated Subsidiaries
Years ended March 31

	2009	2010	2011	2012	2013
Business results*² (Millions of yen):					
Net sales* ³	¥2,535,902	¥2,163,949	¥2,325,689	¥2,033,058	¥2,205,270
Domestic	620,336	574,982	541,490	560,216	588,042
Overseas	1,915,566	1,588,967	1,784,199	1,472,842	1,617,228
Cost of sales	2,021,851	1,710,699	1,863,678	1,662,592	1,729,296
Selling, general and administrative expenses	542,432	443,792	438,176	409,184	422,038
Operating income/(loss)	(28,381)	9,458	23,835	(38,718)	53,936
Income/(loss) before income taxes	(51,339)	(7,265)	16,081	(55,262)	39,101
Net income/(loss) attributable to owners of the parent	(71,489)	(6,478)	(60,042)	(107,733)	34,304
Capital expenditures* ⁴	81,838	29,837	44,722	78,040	77,190
Depreciation and amortization	84,043	76,428	71,576	68,791	59,954
Research and development costs	95,967	85,206	90,961	91,716	89,930
Cash flows:					
Operating cash flows	(67,418)	111,646	15,344	(9,098)	49,033
Investing cash flows	(61,826)	(44,252)	(13,717)	(70,317)	(40,287)
Free cash flow* ⁵	(129,244)	67,394	1,627	(79,415)	8,746
Financing cash flows	137,008	60,951	(14,360)	236,462	(57,181)
Financial position (Millions of yen):					
Total assets	¥1,800,981	¥1,947,769	¥1,771,767	¥1,915,943	¥1,978,567
Net assets	414,731	509,815	430,539	474,429	513,226
Interest-bearing debt	753,355	722,128	693,000	778,085	718,983
Net interest-bearing debt	532,631	375,825	370,151	300,778	274,108
Amounts per share of common stock (Yen):					
Net income/(loss)* ⁶	¥ (52.13)	¥ (4.26)	¥ (33.92)	¥ (57.80)	¥ 11.48
Cash dividends applicable to the year* ⁷	3.00	3.00	—	—	—
Net assets* ⁸	314.98	286.92	242.24	156.85	166.04
Financial indicators (%):					
Operating income ratio	(1.1)%	0.4%	1.0%	(1.9)%	2.4%
Return on equity (ROE)* ⁹	(14.8)	(1.4)	(12.8)	(24.0)	7.1
Equity ratio* ⁹	22.9	26.1	24.2	24.5	25.1
Average number of shares outstanding (in thousands)	1,371,456	1,519,652	1,770,198	1,863,949	2,989,171
Number of employees (People)	39,852	38,987	38,117	37,617	37,745

* 1 The translation of the Japanese yen amounts into U.S. dollars is presented solely for the convenience of readers outside of Japan, using the prevailing exchange rate on March 31, 2019, of ¥111 to US\$1.

2 Results information for the fiscal year March 2011 include 15-month results for certain overseas subsidiaries that changed their fiscal year-end.

3 Sales is categorized into the regions based on the customers' locations.

4 Capital expenditures are calculated on an accrual basis.

5 Free cash flow represents the sum of net cash flows from operating activities and from investing activities.

6 The computations of net income/(loss) per share of common stock are based on the average number of shares outstanding during each fiscal year.

7 Cash dividends per share represent actual amounts applicable to each fiscal year.

8 The amounts of net assets used in the calculation of net assets per share exclude non-controlling interests (and, from the fiscal year March 2009 to the fiscal year March 2013 and from the fiscal year March 2017 to the fiscal year March 2019, stock acquisition rights) from net assets.

CONTENTS

Introduction

Message from
the President
and CEOStrategy for
Increasing
Corporate ValueFoundations
Underpinning
Sustainable Growth

Financial Section

Corporate Data

2014	2015	2016	2017	2018	2019	2019
						Thousands of U.S. dollars ¹¹
¥2,692,238	¥3,033,899	¥3,406,603	¥3,214,363	¥3,474,024	¥3,564,696	\$32,114,378
655,716	617,397	660,935	587,025	631,229	693,581	6,248,477
2,036,522	2,416,502	2,745,668	2,627,338	2,842,795	2,871,115	25,865,901
1,993,643	2,247,720	2,567,465	2,448,184	2,653,600	2,771,952	24,972,541
516,474	583,291	612,363	640,492	674,003	709,731	6,393,972
182,121	202,888	226,775	125,687	146,421	83,013	747,865
97,409	209,335	166,986	128,413	157,484	108,273	975,432
135,699	158,808	134,419	93,780	112,057	63,476	571,856
133,216	131,010	89,214	94,399	104,129	119,734	1,078,685
57,656	68,872	78,972	82,416	86,954	88,443	796,784
99,363	108,378	116,610	126,915	136,009	134,660	1,213,153
136,379	204,459	262,770	161,097	207,795	146,690	1,321,532
(120,057)	(95,548)	(108,092)	(63,751)	(159,989)	(131,611)	(1,185,685)
16,322	108,911	154,678	97,346	47,806	15,079	135,847
10,483	(62,776)	(94,062)	(149,898)	30,461	83,411	751,450
¥2,246,036	¥2,473,287	¥2,548,401	¥2,524,552	¥2,724,092 ^{*10}	¥2,871,018	\$25,865,027
676,837	891,326	976,723	1,064,038	1,219,470	1,248,915	11,251,486
742,735	701,019	617,132	491,434	497,893	607,051	5,468,928
262,981	171,871	48,418	(35,430)	(106,961)	(94,573)	(852,009)
						U.S. dollars ¹¹
¥ 226.99 ^{*11}	¥ 265.64 ^{*11}	¥ 224.85	¥ 156.87	¥ 182.93	¥ 100.79	\$ 0.91
1.00	10.00	30.00	35.00	35.00	35.00	0.32
1,105.21 ^{*11}	1,454.61 ^{*11}	1,595.83	1,738.70	1,894.29	1,935.24	17.43
6.8%	6.7%	6.7%	3.9%	4.2%	2.3%	
23.5	20.8	14.7	9.4	10.0	5.3	
29.4	35.2	37.4	41.2	43.8 ^{*10}	42.4 ^{*12}	
597,829 ^{*11}	597,823 ^{*11}	597,819	597,816	612,554	629,757	
40,892	44,035	46,398	48,849	49,755	49,998	

9 The amounts of equity exclude non-controlling interests (and, from the fiscal year March 2009 to the fiscal year March 2013 and from the fiscal year March 2017 to the fiscal year March 2019, stock acquisition rights) from net assets.

10 The Company has adopted "Partial Amendments to Accounting Standard for Tax Effect Accounting" from the beginning of the fiscal year March 2019. The figures for the fiscal year March 2018 were adjusted retrospectively in accordance with this change.

11 A share consolidation was implemented on common stock with a ratio of five shares to one share on August 1, 2014. Average number of shares outstanding, net income per share and net assets per share are calculated based on the assumption that consolidation of shares had been carried out at the beginning of the fiscal year March 2014.

12 Percentage after consideration of the equity credit attributes of the subordinated loan is 43.7%.

BUSINESS RESULTS, FINANCIAL POSITION, AND CASH FLOWS

Review of Operations for Fiscal Year March 2019

Operating Environment

The operating environment for the Mazda Group in fiscal year March 2019—the year ended March 31, 2019—showed a gradual recovery trend as a whole despite factors clouding the outlook, including trade friction among leading economies and issues surrounding the United Kingdom’s departure from the European Union (“Brexit”). Overseas, the U.S. economy improved against the backdrop of favorable employment and income environments. The European economy also steadily recovered despite the disruption stemming from the Brexit issue. In contrast, China’s economy saw increasing slowdowns amid fallout from trade problems and other issues. In Japan, the economy sustained a steady recovery led by domestic demand, supported by improvement in the employment and income environments.

Against this backdrop, the Mazda Group made efforts to offer attractive products that provide driving pleasure and outstanding environmental and safety performance in the fiscal year under review, the last year of its Structural Reform Stage 2 medium-term business plan. At the same time, the Group worked to further improve its brand value with the aim of realizing qualitative growth in all areas of its business.

Global Sales Volumes

Global sales volume declined 4.2% year on year, to 1,561,000 units. By model, sales remained brisk for crossover SUVs including the Mazda CX-5 and the Mazda CX-8. By region, sales volume rose in Japan and the ASEAN region but fell in China, the United States, and Australia.

By market, sales volume in Japan rose 2.0% year on year, to 215,000 units, driven by updated versions of the CX-5, CX-8, and Mazda Ateza*¹. The CX-8 has sustained strong sales since its launch, becoming the top-selling model in Japan’s three-row SUV market in 2018*². Sales volume in North America fell 3.2%, to 421,000 units, despite growth in Mexico. In the United States, sales volume declined 5.7%, to 287,000 units, owing to an increasingly harsh sales environment for crossover SUVs amid intensifying competition and contraction in sales of sedans, a segment where demand continued to decline. In Europe, sales volume was on a par with the previous fiscal year, at 270,000 units. Sales in Germany declined, but growth in sales volume in Russia surpassed growth in demand and sales volume also increased in countries such as Spain. By model, sales of the Mazda2 and the CX-5 were buoyant. In China, sales volume declined 23.3%, to 247,000 units, as sales volume with mainstay models fell amid intensifying sales competition and waning demand amid an economic slowdown. Sales volume in other markets rose 3.7%, to 409,000 units. In the major market of Australia, sales declined 5.0%, to 110,000 units, as the sales environment was hurt by intensifying competition. In contrast,

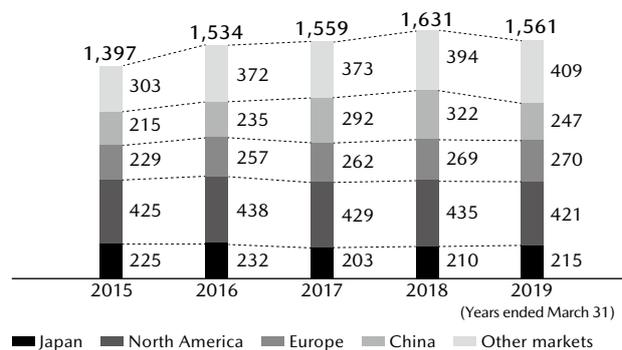
sales volume in the ASEAN region, including Thailand and Vietnam, rose sharply year on year.

Consolidated wholesales increased 2.9% from the previous fiscal year, to 1,311,000 units

*1 Name of Mazda Ateza changed to Mazda6.
*2 Based on our in-house research.

Sales Trends by Major Markets

(Thousands of units)



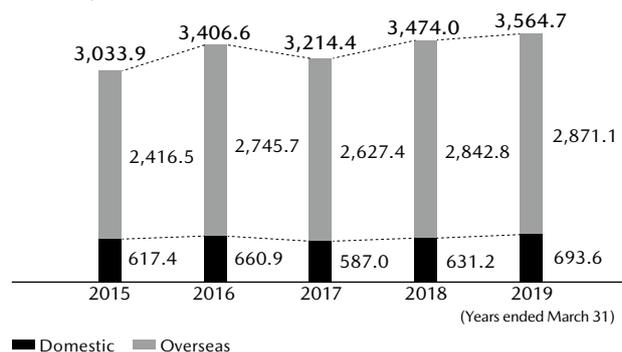
Net Sales

Net sales totaled ¥3,564.7 billion, an increase of ¥90.7 billion, or 2.6%, from the previous fiscal year, chiefly reflecting growth in wholesales. By region, domestic sales amounted to ¥693.6 billion, an increase of ¥62.4 billion, or 9.9%, year on year as the result of higher wholesales of crossover SUVs, including the CX-5 and the CX-8. Overseas sales rose ¥28.3 billion, or 1.0%, to ¥2,871.1 billion, supported by increased wholesales particularly in the ASEAN market.

By product, vehicle sales were up ¥100.5 billion, or 3.5%, to ¥2,944.4 billion, reflecting chiefly the rise in wholesales. Sales of knockdown parts for overseas production fell ¥20.6 billion, or 19.0%, to ¥88.0 billion, owing to lower sales in China as the sales environment remained difficult amid waning demand. Sales of parts expanded by ¥6.8 billion, or 2.5%, to ¥272.9 billion. Other sales rose ¥4.0 billion, or 1.6%, to ¥259.5 billion.

Net Sales

(Billions of yen)

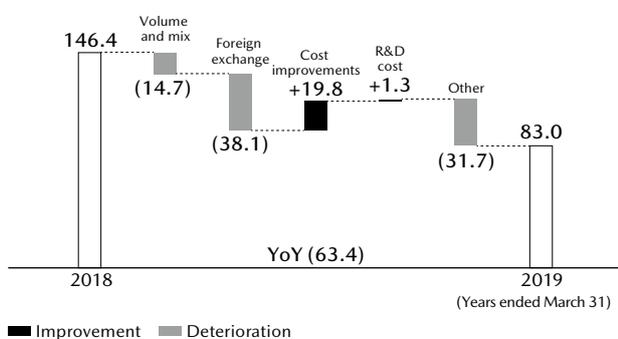


Operating Income

Operating income declined ¥63.4 billion, or 43.3%, to ¥83.0 billion. The decline reflected mainly increased marketing expenses in the United States and elsewhere, the impact of yen appreciation, and investment in sales network reform in the United States, which outweighed the benefits of increased wholesales and cost-improvement initiatives. As a result, the consolidated operating income ratio declined 1.9 percentage points, to 2.3%.

Operating Income Change

(Billions of yen)

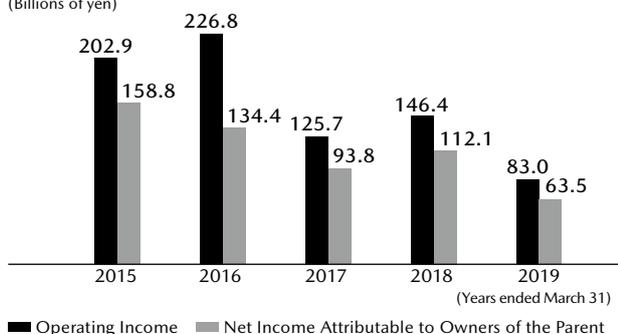


Ordinary Income and Net Income Attributable to Owners of the Parent

Ordinary income fell ¥55.3 billion, or 32.2%, to ¥116.8 billion, owing principally to the recording of a ¥30.7 billion gain from equity in net income of affiliated companies. Net income attributable to owners of the parent declined ¥48.6 billion, or 43.4%, to ¥63.5 billion. This result reflected such factors as the booking of an extraordinary loss of ¥3.7 billion relating to the heavy rainfall in July 2018, as well as tax expenses of ¥41.5 billion.

Operating Income / Net Income Attributable to Owners of the Parent

(Billions of yen)



Segment Information

Net sales in Japan increased ¥30.1 billion, or 1.1%, to ¥2,884.0 billion, while operating income declined ¥59.1 billion, or 72.5%, to ¥22.5 billion. This reflected the impact of yen appreciation and other factors, although wholesales increased. Segment assets at the end of the fiscal year stood at ¥2,258.8 billion, up ¥80.0 billion.

In North America, net sales declined ¥12.2 billion, or 0.9%, to ¥1,346.2 billion, while operating income fell ¥5.3 billion, or 19.6%, to ¥21.7 billion. These results reflected the decrease in wholesales in the United States in a harsh sales environment and increased marketing expenses. Segment assets totaled ¥426.0 billion, up ¥28.0 billion.

European net sales rose ¥10.2 billion, or 1.4%, to ¥723.1 billion, and operating income increased ¥4.1 billion, or 47.1%, to ¥12.9 billion. These increases were supported by such factors as growth in wholesales in Russia and other countries where sales were buoyant. Segment assets came to ¥238.4 billion, up ¥21.8 billion.

In other markets, net sales rose ¥16.1 billion, or 2.4%, to ¥694.1 billion, while operating income declined ¥1.2 billion, or 4.7%, to ¥24.2 billion. This reflected a good performance in ASEAN markets being offset by lower wholesales in the major market of Australia and the impact of yen appreciation. Segment assets stood at ¥313.1 billion, an increase of ¥3.7 billion.

Financial Position

Total assets as of March 31, 2019, came to ¥2,871.0 billion, up ¥146.9 billion from the end of the previous fiscal year. This increase was due mainly to increases in cash and cash equivalents and in property, plant and equipment.

Total liabilities amounted to ¥1,622.1 billion, an increase of ¥117.5 billion from the end of the previous fiscal year, owing in part to a rise in accounts payable-trade and in loans payable. Interest-bearing debt increased ¥109.2 billion, to ¥607.1 billion, owing to such factors as the procurement of long-term loans for such purposes as capital investment.

Net assets amounted to ¥1,248.9 billion, an increase of ¥29.4 billion from the end of the previous fiscal year, reflecting such factors as the payment of total annual dividends of ¥22.0 billion versus net income attributable to owners of the parent of ¥63.5 billion. The equity ratio declined 1.4 percentage points from the end of the previous fiscal year, to 42.4% (percentage after consideration of the equity credit attributes of the subordinated loan was 43.7%).

Cash Flows

As of the end of March 2019, cash and cash equivalents increased ¥96.8 billion from the end of the previous fiscal year, to ¥701.6 billion, while interest-bearing debt rose ¥109.2 billion, to ¥607.1 billion. As a result, the net cash position came to ¥94.6 billion.

Net cash provided by operating activities was ¥146.7 billion, compared with ¥207.8 billion in the previous fiscal year, reflecting income before income taxes of ¥108.3 billion as well as dividends received and other factors.

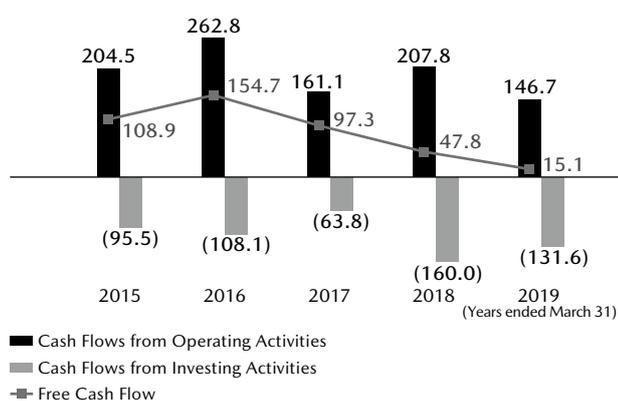
Net cash used in investing activities amounted to ¥131.6 billion, down from ¥160.0 billion in the previous fiscal year, due mainly to capital expenditure for the acquisition of property, plant and equipment of ¥110.2 billion.

As a result, consolidated free cash flow (the total of operating cash flows and investing cash flows) was the positive amount of ¥15.1 billion, compared with the previous fiscal year's positive free cash flow of ¥47.8 billion.

Net cash provided by financing activities was ¥83.4 billion, compared with net cash provided by financing activities of ¥30.5 billion in the previous fiscal year, mainly reflecting proceeds from long-term debt for capital investment and other purposes, which outweighed the repayment of long-term debt and dividends payable.

Cash Flows

(Billions of yen)



Basic Dividend Policy, Dividends for the March 2019 and March 2020 Fiscal Years

Mazda strives to pay a stable dividend with steady increases, under a basic policy of determining the dividend amount by comprehensively taking into account the Company's financial results for the fiscal year, the business environment, and the Company's financial position.

For fiscal year March 2019, a full-year dividend of ¥35 per share, consisting of a ¥15 per share interim dividend and a ¥20 per share year-end dividend, was paid.

For fiscal year March 2020, we plan to once again pay a full-year dividend of ¥35 per share, consisting of a ¥15 per share interim dividend and a ¥20 per share year-end dividend.

We intend to use internal reserves for research and development and capital investment for future growth.

Forecast for Fiscal Year March 2020

In fiscal year March 2020, we have begun the full-scale roll-out in global markets of new-generation products: the all-new Mazda3 and Mazda CX-30. Despite the challenging sales environment, we aim to achieve sustained growth in sales volume, sales, and profits through enhancing brand value by leveraging these new-generation products while maintaining sales with a focus on product value. In addition, while responding to evolution in the business environment surrounding the automobile industry, including intensifying competition and regulatory changes, we will continue to promote key initiatives for the future, including the ongoing development and introduction of new-generation products and new technologies.

Our forecasts for consolidated earnings and global sales volume are as set out below.

Consolidated Financial Forecasts

(Billions of yen)

	Fiscal Year March 2020	YoY
Net sales	3,700.0	3.8%
Operating income	110.0	32.5%
Ordinary income	125.0	7.0%
Net income attributable to owners of the parent	80.0	26.0%
Foreign exchange rates		
U.S. dollars	110	(1)
Euro	126	(2)

Global Sales Volume

(Thousands of units)

	Fiscal Year March 2020	YoY
Japan	223	4.2%
North America	456	8.3%
Europe	286	6.2%
China	265	7.1%
Other markets	387	(5.2)%
Total	1,618	3.6%

BUSINESS RISKS

Significant risks that could affect the Mazda Group's business results and financial position include those listed below. This list, however, shows the main risks anticipated at the end of fiscal year March 2019, and does not represent a comprehensive list of all the risks faced by the Group. The forward-looking statements in this section are based on the judgments of the Group as of the end of fiscal year March 2019.

1 Economic Conditions Impacting the Mazda Group

Selling its products in Japan and other parts of the world, including in North America, Europe, and Asia, the Group is greatly impacted by economic trends and fluctuations in demand in each of its markets. Therefore, the Group's business results and financial position could be adversely affected by, for example, an economic downturn, recession, changes in demand structure, declining demand, and intensifying price competition in its main markets.

2 Fluctuations in Exchange Rates

The Group is engaged in business activities on a global scale. The Group not only exports products from Japan to other parts of the world but also exports products manufactured at overseas plants to other markets in the world. These transactions are conducted in various currencies, and consequently its business results and financial position are exposed to the effects of fluctuations in exchange rates. In addition, as overseas assets and liabilities denominated in local currencies are translated into yen, there could be an adverse effect on shareholders' equity through foreign currency translation adjustments due to exchange rate fluctuations. The Group uses forward exchange contracts and other instruments to minimize the impact of short-term exchange rate risk. However, depending on the circumstances of fluctuations in exchange rates, loss of opportunity could be generated.

3 Alliances and Joint Ventures

The Group is performing or examining joint activities with other companies under technology alliances, joint ventures, and in other forms with respect to the development, production, and sales of products. These joint activities are designed to optimize resources, facilitate their prioritization, and generate synergies. However, in the event of a disagreement over management, financial, or other matters between the parties involved, or in the event that the expected results were not produced due to such factors as changes to or terminations of alliances and joint ventures, the Group's business results and financial position could be adversely affected. In addition, unintended changes to or terminations of alliances and joint ventures could have an adverse effect on the Group's business results and financial position.

4 Statutory Regulations Covering the Environment

In addition to being subject to environmental regulations pertaining to fuel consumption and exhaust emissions, automobile safety, and the pollutant emission levels from manufacturing plants, the Group's operations in each country where it does business are subject to various statutory regulations, such as labor regulations.

Going forward, the Group's business results and financial position could be adversely affected by the increased costs associated with more stringent statutory regulations.

5 Market Competitiveness

The Group competes with a large number of companies in automobile markets in all parts of the world. Maintaining and enhancing the Group's ability to compete in these markets, which includes maintaining and developing the Mazda brand value, is crucial to ensuring growth. Consequently, the Group is implementing a range of initiatives to boost its competitiveness in product development, manufacturing, sales, and other areas.

However, the Group's business results and financial position could be adversely affected in the event that it fails to launch appealing products at opportune times, due to a failure to accurately ascertain market trends or as a result of issues related to technological capabilities and manufacturing. The same holds true if the Group fails to take effective steps to respond to customer values or changes thereof, including declines in market share or product prices, through its dealership network or sales methods.

6 Procurement of Materials and Components

The Group relies on numerous suppliers outside the Group for the procurement of materials and components. For that reason, the Group may face difficulties in procuring the necessary level of materials and components for volume production, due to supply constraints or reduced logistics functions in the event of these suppliers being affected by a disaster, due to tight supply balances, or due to changes to and breaches of supply contracts. Should the Group be unable to absorb the effects of any increases in the prices of the materials being procured by the Company—for example, by making internal efforts to boost productivity or passing on price rises to customers—or should procured materials and components be of insufficient quality, the possibility exists of a deterioration in output or higher costs, which could adversely affect the Group's business results and financial position.

7 International Business Activities

In addition to Japan, the Group sells its products and carries out business activities in markets in all parts of the world, including the United States and Europe, as well as developing and emerging markets overseas. In these international markets, the Group is subject to the following potential risks, which could affect the Group's business results and financial position if manifested:

- Adverse political and economic developments
- Impediments arising from changes in laws and regulations
- Import / export regulations, such as tariffs, detrimental taxes, and other regulations
- Difficulties in attracting and securing personnel
- Undeveloped infrastructure
- Strikes and other labor disputes
- Terrorist incidents, war, disease, and other factors leading to social disorder

8 Protection of Intellectual Property

In order to maintain competitiveness, the Group is working to accumulate and protect technologies and expertise that help it to develop unique products. At the same time, the Group is taking steps to prevent the infringement of third-party intellectual property rights. Nonetheless, should differences in recognition or opinion lead to a disputed infringement of third-party intellectual property rights that results in the Group being forced to halt the production and sales of products, or needing to pay damages, this could also adversely affect the Group's business results and financial position.

The Group's intellectual property is not subject to complete protection in certain regions. In the event that third parties use the Group's intellectual property rights on an unauthorized basis to produce similar products, the Group may have to pay substantial expenses for litigation, or experience a decline in sales due to an inability to offer unique products. This could adversely affect the Group's business results and financial position.

9 Product Quality

While striving to improve the quality of its products to meet the requirements of the market, the Group also does its utmost to ensure the safety of its products. However, should a defect develop in a product due to unforeseen circumstances or a large-scale recall occur, this could adversely affect the Group's business results and financial position due to such factors as the incurring of significant costs, the Group's diminished brand image, and loss of market trust.

10 Natural Disasters and Accidents

In addition to measures to protect its manufacturing sites and other important facilities against fire and earthquakes, the Group has concluded natural disaster insurance contracts and taken other steps to minimize the financial risk of such events. However, the ability of the Group to supply products may be severely disrupted in the event of a major natural disaster, such as an earthquake, typhoon, flood, or fire or other accident, which could adversely affect the Group's business results and financial position.

11 Dependence on Information Technology

In the course of various business activities such as development, production, and sales of products, the Group utilizes information technology, networks, and systems. The Group's products are also equipped with these technologies, including driving support system, etc. Despite countermeasures implemented in information technology, networks, and systems to allow safe operations, such factors as failures in infrastructure, cyberattacks, and infection by computer viruses may result in suspension of business activities, loss of data, leakage of confidential information, and deterioration in product functions. Should these events occur, the Group's business results and financial position could be adversely affected due to the incurring of costs associated with countermeasures, loss of product credibility, and damage to the brand image, etc.

12 Financial Accounting

Including the financial accounting factors set out below, the Group's operating results and financial position could be affected by financial accounting assessment of its assets and liabilities as well as changes in or new applications of accounting standards.

(i) Deferred Tax Assets

Provided on deductible temporary differences, deferred tax assets are recorded by assessing the likelihood of recovery based on expectations of future taxable income. However, the amount of deferred tax assets could be reduced by, for example, the recording of valuation allowances against deferred tax assets in the event that they are judged to be unrecoverable due to a deterioration in business conditions or in the event of tax reforms that include changes in tax rates. This could adversely affect the Group's business results and financial position.

(ii) Impairment of Long-Lived Assets

With regard to long-lived assets, should the carrying amount be considered to be unrecoverable due, for example, to a deterioration in business conditions, an impairment loss against the carrying value of assets will be recorded. This could adversely affect the Group's business results and financial position.

(iii) Retirement Benefits

Liability for retirement benefits changes in accordance with trends in retirement benefit obligations and pension assets. However, in the event of changes being made to the actuarial prerequisites or of a deterioration in fair value of plan assets caused by lower returns, the Group's business results and financial position could be adversely affected.

13 Changes in Financing Procurement Environment and Interest Rate Fluctuations

In addition to loans from banks, the Group has been raising funds by issuing its shares and bonds. However, in the event of turmoil in financial markets, tax reforms or institutional changes being made to government-affiliated financial organizations, or the downgrading of the Group's credit rating, the Group's business results and financial position could be adversely affected due to such factors as the increased funding costs and the difficulties associated with raising money for the amount of funds required. Moreover, factoring in the effect of interest rate changes on the Group's interest-bearing debt, were the costs of financing to increase due to a rise in interest rates, the Group's business results and financial position could also be adversely affected. In the event that any deterioration in the Group's financial standing were to infringe the financial covenants of some of the loans and lead to the forfeiture of the benefit of time, the Group's business results and financial position could be adversely affected.

14 Compliance and Reputation

Commencing with information security efforts to protect personal information and confidential information, the Group has taken preventive measures regarding compliance, such as compliance with the law. In addition, in the event of a compliance-related incident being detected, the Group has a rapid response system in place to prevent any impact on the Group's social credibility and reputation. However, the Group cannot guarantee that there is no possibility of a legal violation occurring in the future. Should there be evidence of an illegal act or should the rapidity and content of the response prove insufficient, the Group's social credibility and reputation could be harmed, and the Group's business results and financial position could be adversely affected.

15 Forecasts

In May 2019, the Group announced a Medium-Term Management Policy detailing its management policy for the six fiscal years from fiscal year March 2020 (from fiscal year March 2020 through to fiscal year March 2025). This sets out the direction and measures we intend to take toward attaining our ideal for the Mazda brand for 2030–40. If the execution of the various measures does not realize the expected benefits owing to such factors as substantial changes in the operating environment and slower progress with the plan than projected, the Group's business results and financial position could be adversely affected.

CONSOLIDATED BALANCE SHEETS

Mazda Motor Corporation and Consolidated Subsidiaries
As of March 31, 2019 and 2018

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
Current assets:			
Cash and cash equivalents	¥ 701,624	¥ 604,854	\$ 6,320,937
Trade notes and accounts receivable (Note 4)	192,701	221,532	1,736,045
Inventories (Notes 7 and 9)	427,918	399,787	3,855,117
Other current assets	144,311	136,265	1,300,099
Allowance for doubtful receivables	(1,052)	(1,028)	(9,477)
Total current assets	1,465,502	1,361,410	13,202,721
Property, plant and equipment:			
Land (Note 8)	404,808	406,117	3,646,919
Buildings and structures	534,108	526,224	4,811,784
Machinery, equipment and vehicles	895,023	904,088	8,063,270
Tools, furniture and fixtures	256,543	216,710	2,311,198
Leased assets	11,704	10,905	105,441
Construction in progress	58,319	47,056	525,397
	2,160,505	2,111,100	19,464,009
Accumulated depreciation	(1,149,949)	(1,139,678)	(10,359,901)
Net property, plant and equipment (Notes 9 and 17)	1,010,556	971,422	9,104,108
Intangible assets (Note 17)	36,226	35,862	326,360
Investments and other assets:			
Investment securities (Note 4):			
Affiliated companies	151,951	139,632	1,368,928
Other	64,377	70,973	579,973
Long-term loans receivable (Note 4)	5,351	1,433	48,207
Asset for retirement benefits (Note 19)	3,945	3,798	35,541
Deferred tax assets (Note 20)	100,923	111,318	909,216
Other investments and other assets	32,718	28,914	294,757
Allowance for doubtful receivables	(531)	(670)	(4,784)
Total investments and other assets	358,734	355,398	3,231,838
Total assets	¥ 2,871,018	¥ 2,724,092	\$ 25,865,027

See accompanying notes on our official website. <https://www.mazda.com/en/investors/library/annual/>

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
Current liabilities:			
Short-term debt (Notes 4 and 9)	¥ 124,484	¥ 101,844	\$ 1,121,477
Long-term debt due within one year (Notes 4 and 9)	51,103	76,541	460,387
Trade notes and accounts payable (Note 4)	432,669	417,589	3,897,919
Income taxes payable	9,877	15,567	88,982
Accrued expenses (Note 4)	244,994	239,382	2,207,153
Reserve for warranty expenses	98,267	104,435	885,288
Other current liabilities	40,731	40,906	366,947
Total current liabilities	1,002,125	996,264	9,028,154
Non-current liabilities:			
Long-term debt due after one year (Notes 4 and 9)	431,464	319,508	3,887,063
Deferred tax liability related to land revaluation (Note 8)	64,553	64,553	581,559
Liability for retirement benefits (Note 19)	69,691	67,287	627,847
Reserve for loss on business of subsidiaries and affiliates	949	821	8,550
Other non-current liabilities (Note 20)	53,321	56,189	480,368
Total non-current liabilities	619,978	508,358	5,585,387
Total liabilities	1,622,103	1,504,622	14,613,541
Contingent liabilities (Note 10)			
Net assets:			
Capital and retained earnings (Note 12):			
Common stock	283,957	283,957	2,558,171
Authorized: 1,200,000,000 shares			
Issued: 631,803,979 shares in 2019 and 2018			
Capital surplus	264,913	264,910	2,386,604
Retained earnings	577,836	536,856	5,205,730
Treasury stock (2,043,857 shares in 2019 and 2,057,633 shares in 2018)	(2,215)	(2,230)	(19,955)
Total capital and retained earnings	1,124,491	1,083,493	10,130,550
Accumulated other comprehensive income/(loss):			
Net unrealized gain/(loss) on available-for-sale securities	4,008	8,786	36,108
Deferred gains/(losses) on hedges	804	305	7,243
Land revaluation (Note 8)	145,574	145,574	1,311,477
Foreign currency translation adjustment	(34,220)	(28,576)	(308,288)
Accumulated adjustments for retirement benefits	(21,921)	(16,657)	(197,486)
Total accumulated other comprehensive income	94,245	109,432	849,054
Stock acquisition rights (Note 13)	255	183	2,297
Non-controlling interests	29,924	26,362	269,585
Total net assets	1,248,915	1,219,470	11,251,486
Total liabilities and net assets	¥2,871,018	¥2,724,092	\$25,865,027

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Mazda Motor Corporation and Consolidated Subsidiaries
Years ended March 31, 2019 and 2018

Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
Net sales	¥3,564,696	¥3,474,024	\$32,114,378
Cost and expenses:			
Cost of sales	2,771,952	2,653,600	24,972,541
Selling, general and administrative expenses (Note 14)	709,731	674,003	6,393,972
	3,481,683	3,327,603	31,366,513
Operating income	83,013	146,421	747,865
Other income/(expenses):			
Interest and dividend income	7,127	5,076	64,207
Interest expense	(5,945)	(7,442)	(53,559)
Equity in net income of affiliated companies	30,688	32,366	276,468
Other, net (Note 16)	(6,610)	(18,937)	(59,549)
	25,260	11,063	227,567
Income before income taxes	108,273	157,484	975,432
Income taxes (Note 20):			
Current	30,325	35,842	273,198
Deferred	11,174	7,074	100,666
	41,499	42,916	373,864
Net income	66,774	114,568	601,568
Net income attributable to non-controlling interests	3,298	2,511	29,712
Net income attributable to owners of the parent	¥ 63,476	¥ 112,057	\$ 571,856

	Yen		U.S. dollars (Note 1)
Amounts per share of common stock:			
Net income:			
Basic	¥100.79	¥182.93	\$0.91
Diluted	100.77	182.90	0.91
Cash dividends applicable to the year	35.00	35.00	0.32

See accompanying notes on our official website. <https://www.mazda.com/en/investors/library/annual/>

Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
Net income	¥ 66,774	¥114,568	\$601,568
Other comprehensive income/(loss):			
Net unrealized gain/(loss) on available-for-sale securities	(4,766)	4,870	(42,937)
Deferred gains/(losses) on hedges	567	(950)	5,108
Foreign currency translation adjustment	(1,123)	(248)	(10,118)
Adjustments for retirement benefits	(5,271)	3,053	(47,486)
Share of other comprehensive income/(loss) of affiliates accounted for using equity method	(4,152)	5,207	(37,405)
Total other comprehensive income/(loss)	(14,745)	11,932	(132,838)
Comprehensive income	¥ 52,029	¥126,500	\$468,730
Comprehensive income/(loss) attributable to:			
Owners of the parent	48,289	124,426	435,036
Non-controlling interests	3,740	2,074	33,694

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Mazda Motor Corporation and Consolidated Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen				
	Capital and retained earnings				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
April 1, 2017	¥258,957	¥239,909	¥445,353	¥(2,231)	¥ 941,988
Cumulative effects of changes in accounting policies	—	—	—	—	—
Restated balance	258,957	239,909	445,353	(2,231)	941,988
Increase/(decrease)					
Issuance of new common stock	25,000	25,000	—	—	50,000
Dividends paid	—	—	(20,924)	—	(20,924)
Net income attributable to owners of the parent	—	—	112,057	—	112,057
Purchase of treasury stock	—	—	—	(3)	(3)
Sale of treasury stock	—	1	—	4	5
Reversal for land revaluation	—	—	370	—	370
Changes in items other than capital and retained earnings, net	—	—	—	—	—
Total changes during the fiscal year	25,000	25,001	91,503	1	141,505
April 1, 2018	¥283,957	¥264,910	¥536,856	¥(2,230)	¥1,083,493
Cumulative effects of changes in accounting policies	—	—	(454)	—	(454)
Restated balance	283,957	264,910	536,402	(2,230)	1,083,039
Increase/(decrease)					
Issuance of new common stock	—	—	—	—	—
Dividends paid	—	—	(22,041)	—	(22,041)
Net income attributable to owners of the parent	—	—	63,476	—	63,476
Purchase of treasury stock	—	—	—	(2)	(2)
Sale of treasury stock	—	3	—	16	20
Reversal for land revaluation	—	—	—	—	—
Changes in items other than capital and retained earnings, net	—	—	—	—	—
Total changes during the fiscal year	—	3	41,434	15	41,452
March 31, 2019	¥283,957	¥264,913	¥577,836	¥(2,215)	¥1,124,491

	Millions of yen								
	Accumulated other comprehensive income/(loss)								
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total	Stock acquisition rights	Non-controlling interests	Total net assets
April 1, 2017	¥ 3,913	¥1,188	¥145,944	¥(33,812)	¥(19,800)	¥ 97,433	¥ 91	¥24,526	¥1,064,038
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—	—
Restated balance	3,913	1,188	145,944	(33,812)	(19,800)	97,433	91	24,526	1,064,038
Increase/(decrease)									
Issuance of new common stock	—	—	—	—	—	—	—	—	50,000
Dividends paid	—	—	—	—	—	—	—	—	(20,924)
Net income attributable to owners of the parent	—	—	—	—	—	—	—	—	112,057
Purchase of treasury stock	—	—	—	—	—	—	—	—	(3)
Sale of treasury stock	—	—	—	—	—	—	—	—	5
Reversal for land revaluation	—	—	—	—	—	—	—	—	370
Changes in items other than capital and retained earnings, net	4,873	(883)	(370)	5,236	3,143	11,999	92	1,836	13,927
Total changes during the fiscal year	4,873	(883)	(370)	5,236	3,143	11,999	92	1,836	155,432
April 1, 2018	¥ 8,786	¥ 305	¥145,574	¥(28,576)	¥(16,657)	¥109,432	¥183	¥26,362	¥1,219,470
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	(28)	(482)
Restated balance	8,786	305	145,574	(28,576)	(16,657)	109,432	183	26,334	1,218,988
Increase/(decrease)									
Issuance of new common stock	—	—	—	—	—	—	—	—	—
Dividends paid	—	—	—	—	—	—	—	—	(22,041)
Net income attributable to owners of the parent	—	—	—	—	—	—	—	—	63,476
Purchase of treasury stock	—	—	—	—	—	—	—	—	(2)
Sale of treasury stock	—	—	—	—	—	—	—	—	20
Reversal for land revaluation	—	—	—	—	—	—	—	—	—
Changes in items other than capital and retained earnings, net	(4,778)	499	—	(5,644)	(5,264)	(15,187)	72	3,590	(11,526)
Total changes during the fiscal year	(4,778)	499	—	(5,644)	(5,264)	(15,187)	72	3,590	29,927
March 31, 2019	¥ 4,008	¥ 804	¥145,574	¥(34,220)	¥(21,921)	¥ 94,245	¥255	¥29,924	¥1,248,915

See accompanying notes on our official website. <https://www.mazda.com/en/investors/library/annual/>

Thousands of U.S. dollars (Note 1)

	Capital and retained earnings				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total
April 1, 2018	\$2,558,171	\$2,386,577	\$4,836,541	\$(20,090)	\$9,761,199
Cumulative effects of changes in accounting policies	—	—	(4,090)	—	(4,090)
Restated balance	2,558,171	2,386,577	4,832,451	(20,090)	9,757,109
Increase/(decrease)					
Issuance of new common stock	—	—	—	—	—
Dividends paid	—	—	(198,568)	—	(198,568)
Net income attributable to owners of the parent	—	—	571,856	—	571,856
Purchase of treasury stock	—	—	—	(18)	(18)
Sale of treasury stock	—	27	—	144	180
Reversal for land revaluation	—	—	—	—	—
Changes in items other than capital and retained earnings, net	—	—	—	—	—
Total changes during the fiscal year	—	27	373,279	135	373,441
March 31, 2019	\$2,558,171	\$2,386,604	\$5,205,730	\$(19,955)	\$10,130,550

Thousands of U.S. dollars (Note 1)

	Accumulated other comprehensive income/(loss)						Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total			
April 1, 2018	\$79,153	\$2,748	\$1,311,477	\$(257,441)	\$(150,063)	\$985,874	\$1,649	\$237,495	\$10,986,216
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	(252)	(4,342)
Restated balance	79,153	2,748	1,311,477	(257,441)	(150,063)	985,874	1,649	237,243	10,981,874
Increase/(decrease)									
Issuance of new common stock	—	—	—	—	—	—	—	—	—
Dividends paid	—	—	—	—	—	—	—	—	(198,568)
Net income attributable to owners of the parent	—	—	—	—	—	—	—	—	571,856
Purchase of treasury stock	—	—	—	—	—	—	—	—	(18)
Sale of treasury stock	—	—	—	—	—	—	—	—	180
Reversal for land revaluation	—	—	—	—	—	—	—	—	—
Changes in items other than capital and retained earnings, net	(43,045)	4,495	—	(50,847)	(47,423)	(136,820)	648	32,342	(103,838)
Total changes during the fiscal year	(43,045)	4,495	—	(50,847)	(47,423)	(136,820)	648	32,342	269,612
March 31, 2019	\$36,108	\$7,243	\$1,311,477	\$(308,288)	\$(197,486)	\$849,054	\$2,297	\$269,585	\$11,251,486

CONSOLIDATED STATEMENTS OF CASH FLOWS

Mazda Motor Corporation and Consolidated Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
Cash flows from operating activities:			
Income before income taxes	¥108,273	¥157,484	\$ 975,432
Adjustments to reconcile income before income taxes to net cash provided by/(used in) operating activities:			
Depreciation and amortization	88,443	86,954	796,784
Impairment loss	1,149	2,425	10,351
Increase/(decrease) in allowance for doubtful receivables	(7)	239	(63)
Increase/(decrease) in reserve for warranty expenses	(6,168)	(19,020)	(55,568)
Increase/(decrease) in reserve for loss on business of subsidiaries and affiliates	128	292	1,153
Increase/(decrease) in liability for retirement benefits	(4,787)	(2,112)	(43,126)
Interest and dividend income	(7,127)	(5,076)	(64,207)
Interest expense	5,945	7,442	53,559
Equity in net loss/(income) of affiliated companies	(30,688)	(32,366)	(276,468)
Loss/(gain) on sale and retirement of property, plant and equipment, net	5,249	4,775	47,288
Loss/(gain) on sale of investment securities, net	(1,730)	(497)	(15,586)
Decrease/(increase) in trade notes and accounts receivable	29,875	(3,941)	269,144
Decrease/(increase) in inventories	(33,513)	(29,966)	(301,919)
Decrease/(increase) in other current assets	(12,568)	(13,918)	(113,225)
Increase/(decrease) in trade notes and accounts payable	15,056	29,888	135,640
Increase/(decrease) in other current liabilities	9,646	26,384	86,901
Other	(13,385)	5,635	(120,586)
Subtotal	153,791	214,622	1,385,504
Interest and dividends received	37,169	34,892	334,856
Interest paid	(5,995)	(8,333)	(54,009)
Income taxes refunded/(paid)	(38,275)	(33,386)	(344,820)
Net cash provided by/(used in) operating activities	¥146,690	¥207,795	\$1,321,532

See accompanying notes on our official website. <https://www.mazda.com/en/investors/library/annual/>

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2019	2018	2019
Cash flows from investing activities:			
Net decrease/(increase) in time deposits	¥ 9,277	¥ (10,166)	\$ 83,577
Purchase of investment securities	(19,504)	(55,698)	(175,712)
Proceeds from sales and redemption of investment securities	2,722	3,450	24,523
Acquisition of property, plant and equipment	(110,185)	(87,063)	(992,658)
Proceeds from sale of property, plant and equipment	2,910	3,715	26,216
Acquisition of intangible assets	(10,468)	(12,120)	(94,306)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	447	—
Net decrease/(increase) in short-term loans receivable	(110)	401	(991)
Payments of long-term loans receivable	(4,614)	(483)	(41,568)
Collections of long-term loans receivable	338	281	3,045
Other	(1,977)	(2,753)	(17,811)
Net cash provided by/(used in) investing activities	(131,611)	(159,989)	(1,185,685)
Cash flows from financing activities:			
Net increase/(decrease) in short-term debt	25,486	(28,283)	229,604
Proceeds from long-term debt	157,798	122,321	1,421,604
Repayments of long-term debt	(77,696)	(92,271)	(699,964)
Proceeds from issuance of common stock	—	49,780	—
Cash dividends paid	(22,041)	(20,924)	(198,568)
Cash dividends paid to non-controlling interests	(154)	(164)	(1,387)
Net decrease/(increase) in treasury stock	18	2	162
Net cash provided by/(used in) financing activities	83,411	30,461	751,450
Effect of exchange rate fluctuations on cash and cash equivalents	(1,720)	(277)	(15,495)
Net increase/(decrease) in cash and cash equivalents	96,770	77,990	871,802
Cash and cash equivalents at beginning of the period	604,854	526,864	5,449,135
Cash and cash equivalents at end of the period	¥ 701,624	¥ 604,854	\$6,320,937

HISTORY OF MAZDA

Since its establishment in January 1920, Mazda has continued to embody the spirit of “never stop challenging” and worked to provide products and services that delight customers. In 2020, the Company will reach the 100th anniversary of its establishment. The following section provides an overview of Mazda’s history.

Corporate	Products	* Launching date is based on the Japanese market.
Jan. 1920		
Sep. 1927		
Sep. 1930		
Jul. 1961		
May 1965		
Nov. 1966		
Nov. 1979		
Dec. 1981		
Sep. 1982		
May 1984		
Jan. 1985		
Nov. 1995		
May 1996		
Oct. 1997		
Mar. 1998		
Aug. 1998		
Nov. 2000		
Jan. 2003		
Nov. 2004		
Jan. 2005		
Sep. 2005		
Mar. 2007		
Mar. 2007		
Oct. 2007		
Nov. 2008		
Apr. 2010		
Feb. 2012		
Sep. 2012		
Nov. 2012		
Jan. 2014		
Jan. 2015		
Apr. 2015		
May 2015		
Mar. 2016		
Aug. 2017		
Aug. 2017		
Mar. 2018		
May 2019		
	<p>Oct. 1931 Production of 3-wheel truck “Mazda-go DA model,” Mazda’s first automobile, begins</p> 	<p>May 1960 Introduction of “R360 Coupe,” Mazda’s first passenger car</p> 
	<p>Oct. 1963 Introduction of the first “Familia”</p> 	<p>May 1967 Introduction of the “Cosmo Sports (110S),” Mazda’s first rotary engine vehicle</p> 
	<p>Sep. 1971 Introduction of the first “Savanna”</p> 	<p>Mar. 1978 Introduction of the first “Savanna RX-7”</p> 
	<p>Jun. 1980 “Familia (GLC/323)” is fully redesigned</p> 	<p>May 2002 Introduction of the first “Mazda6”</p> 
	<p>Feb. 2012 Introduction of “Mazda CX-5”</p> 	<p>May 2019 Introduction of the all-new “Mazda3”</p> 

MAJOR PRODUCT LINEUP

Since 2012, Mazda has been introducing products featuring Skyactiv Technology and Kodo—Soul of Motion design, which provide both driving pleasure and outstanding environmental and safety performance. The launch of the all-new Mazda3 in 2019 marked the roll-out of our first new-generation product.

MAZDA CX-3



Global Sales Volume **161,000**
 Sales markets **J N E C O**
 Production bases **J J O**

MAZDA CX-30



Global launch planned starting in Europe in summer 2019

MAZDA CX-4



Global Sales Volume **56,000**
 Sales markets **C**
 Production bases **C**

MAZDA CX-5



Global Sales Volume **458,000**
 Sales markets **J N E C O**
 Production bases **J E C O**

MAZDA CX-8



Global Sales Volume **35,000**
 Sales markets **J J C O**
 Production bases **J J C**

MAZDA CX-9



Global Sales Volume **59,000**
 Sales markets **N E O**
 Production bases **J E**

MAZDA 2



Global Sales Volume **169,000**
 Sales markets **J N E O**
 Production bases **J J N O**

MAZDA 3



Global Sales Volume **362,000**
 Sales markets **J N E C O**
 Production bases **J J N C O**

MAZDA 6



Global Sales Volume **136,000**
 Sales markets **J N E C O**
 Production bases **J E C O**

MAZDA MX-5

(Japanese name: Mazda Roadster)



Global Sales Volume **31,000**
 Sales markets **J N E C O**
 Production bases **J**

MAZDA BT-50



Global Sales Volume **38,000**
 Sales markets **O**
 Production bases **O**

Sales markets and production bases:
J Japan **N** North America **E** Europe
C China **O** Other markets

* Global sales volume is for fiscal year March 2019; sales markets and production bases are as of March 31, 2019.

* Vehicle specifications differ by market.

GLOBAL NETWORK (Fiscal Year March 2019)

Mazda is based in Hiroshima Prefecture and has major production sites in Japan, Mexico, Thailand, and China. The Company conducts sales in more than 130 countries and regions around the world. Mazda has established a global network of headquarters, R&D bases, production facilities, dealerships, and other facilities.

Japan

(Number of dealerships: 961)

- 1 Headquarters
- 2 Headquarters R&D Divisions
- 3 Mazda R&D Center (Yokohama)
- 4 Miyoshi Proving Ground
- 5 Mine Proving Ground
- 6 Hokkaido Kenbuchi Proving Ground
- 7 Hokkaido Nakasatsunai Proving Ground
- 8 Hiroshima Plant
- 9 Hofu Plant
- 10 Miyoshi Plant
- 11 Press Kogyo Onomichi Plant*¹

Asia

(Number of dealerships: 858)

- 12 Mazda Motor (China) (MCO) / MCO China Engineering Support Center
- 13 FAW Car*¹
- 14 Changan Mazda Automobile (Nanjing Company)
- 15 Changan Mazda Engine
- 16 AutoAlliance (Thailand)
- 17 Mazda Powertrain Manufacturing (Thailand)
- 18 Thaco Premium Automobile Assembly and Manufacturing Limited Liability Company*¹
- 19 Mazda Malaysia
- 20 FAW Mazda Motor Sales
- 21 Changan Mazda Automobile Sales
- 22 Mazda Motor Taiwan
- 23 Mazda Sales (Thailand)



1 Headquarters
Location: Aki-gun, Hiroshima, Japan



3 Mazda R&D Center (Yokohama)
Location: Yokohama, Kanagawa, Japan



14 Changan Mazda Automobile
Location: Nanjing, China
Production capacity: 220,000 units per year
Models in production: CX-5, CX-8, Mazda3



16 AutoAlliance (Thailand)
Location: Rayong, Thailand
Production capacity: 135,000 units per year
Models in production: CX-3, Mazda2, Mazda3, BT-50



8 Hiroshima Plant
Location: Aki-gun, Hiroshima, Japan
Production capacity: 569,000 units per year
Models in production: CX-3, CX-5, CX-8, CX-9, MX-5, Bongo, Sports cars for Fiat Chrysler Automobiles



9 Hofu Plant
Location: Hofu, Yamaguchi, Japan
Production capacity: 416,000 units per year
Models in production: CX-3, CX-5, Mazda2, Mazda3, Mazda6

Oceania

(Number of dealerships: 192)

- 24 Mazda Australia
- 25 Mazda Motors of New Zealand

North America

(Number of dealerships: 792)

- 26** Mazda North American Operations
- 27** Mazda Toyota Manufacturing, U.S.A., Inc.*2
- 28** Mazda de Mexico Vehicle Operation
- 29** Mazda Motor of America
- 30** Mazda Canada
- 31** Mazda de Mexico Sales & Commercial Operation

Europe

(Number of dealerships: 2,023)

- 32** Mazda Motor Europe / European R&D Centre
 - 33** Mazda Sollers Manufacturing Rus
 - 34** Mazda Motor Logistics Europe
 - 35** Mazda Motors (Deutschland)
 - 36** Mazda Motors UK
 - 37** Mazda Motor Russia
- 19 distributors in other main markets



26 Mazda North American Operations
Location: California, USA



28 Mazda de Mexico Vehicle Operation
Location: Guanajuato, Mexico
Production capacity: 250,000 units per year
Models in production: Mazda2, Mazda3, Compact vehicles for Toyota



32 Mazda Motor Europe
Location: Leverkusen, Germany

Caribbean, Central and South America, Middle East, Africa

(Number of dealerships: 424)

- 38** Mazda De Colombia
- 39** Mazda Southern Africa

Main Business Lines

Regional headquarters / R&D	1 2 3 4 5 6 7 12 26 32 34
Production facilities	8 9 10 11 13 14 15 16 17 18 19 27 28 33
Distributors	20 21 22 23 24 25 29 30 31 35 36 37 38 39

*1 Consignment production facilities

*2 Start of operations planned for 2021

CORPORATE DATA (As of March 31, 2019)

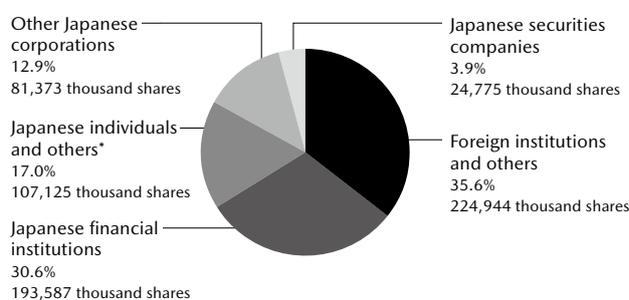
Name: Mazda Motor Corporation
 Founded: January 1920
 Head Office: 3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan
 Phone: +81 (82) 282-1111
 Main business lines: Manufacture and sales of passenger cars and commercial vehicles
 Capital: ¥284.0 billion
 Number of employees: 49,998 (consolidated)
 Research and development sites: Head Office, Mazda R&D Center (Yokohama), Mazda North American Operations (USA), Mazda Motor Europe (Germany), MCO China Engineering Support Center (China)
 Production sites: Japan: Hiroshima Plant (Head Office, Ujina), Hofu Plant (Nishinoura, Nakanoseki), Miyoshi Plant
 Overseas: China, Thailand, Mexico, Vietnam*, Malaysia*, Russia*
 Sales companies: Japan: 218
 Overseas: 140
 Principal products: Four-wheeled vehicles, gasoline reciprocating engines, diesel engines, automatic and manual transmissions for vehicles

* Assembly only (Volume is not disclosed.)

STOCK INFORMATION (As of March 31, 2019)

Authorized: 1,200,000,000 shares
 Issued: 631,803,979 shares
 Number of shareholders: 149,121
 Listing: Tokyo Stock Exchange, First Section
 Code: 7261
 Fiscal year-end: March 31
 Transfer agent: Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

Breakdown of Shareholders



* Treasury stock is included in Japanese individuals and others.

Introduction to Other Tools

Compilation of Mazda's CSR Activities
Mazda Sustainability Report
<https://www.mazda.com/en/csr/report/download/>

Please Visit Our Official Website



Investor Relations

Includes the president's message, financial results, presentation documents
<https://www.mazda.com/en/investors/>



CSR

Includes environmental protection, social contributions, approaches to safety
<https://www.mazda.com/en/csr/>



About Mazda

Includes Mazda Corporate Vision, Company profile
<https://www.mazda.com/en/about/>

Major Shareholders

Shareholder	No. of Shares Owned (Thousand shares)	Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust)	36,627	5.8
The Master Trust Bank of Japan, Ltd. (Trust)	36,598	5.8
Toyota Motor Corporation	31,928	5.1
Japan Trustee Services Bank, Ltd. (Trust 9)	15,231	2.4
Sumitomo Mitsui Banking Corporation	12,857	2.0
Japan Trustee Services Bank, Ltd. (Trust 5)	12,313	2.0
BNYMSANV AS AGENT/ CLIENTS LUX UCITS NON TREATY 1	10,623	1.7
Japan Trustee Services Bank, Ltd. (Trust 7)	9,682	1.5
HSBC BANK PLC A/C CLIENTS 1	9,641	1.5
STATE STREET BANK WEST CLIENT – TREATY 505234	9,328	1.5

* Treasury stock of 2,037,073 shares is excluded in the calculation of the ratio.

For Requests and Inquiries

For inquiries concerning this annual report, please contact:
 IR Group, Financial Planning Department, Financial Services Division
 Mazda Motor Corporation
 3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan
 Phone: +81 (82) 282-1111

Forward-Looking Statements

Statements made in this annual report with respect to Mazda's plans, strategies, and future performance are forward-looking statements based on management's assumptions and beliefs in the light of information currently available, and involve risks and uncertainties. Potential risks and uncertainties include, but are not limited to: sudden changes in general economic conditions in Mazda's markets and operating environment; exchange rates; the ability of Mazda and its subsidiaries to develop and introduce products that incorporate new technology in a timely manner and to manufacture them in a cost-effective way; and fluctuations in stock markets. Accordingly, actual results could differ materially from those contained in any forward-looking statements.



MAZDA MOTOR CORPORATION