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mazda



MAZDA
SUSTAINABILITY REPORT 2011

(In-depth version)

MAZDA SUSTAINABILITY REPORT 2011

Preface

Thank you for taking the time to read the Mazda Sustainability Report 2011.

Mazda plans and implements CSR (corporate social responsibility) initiatives with the aim of contributing to the development of a sustainable society. Mazda actively discloses information on its corporate attitude and CSR approach through this report because the Company recognizes that sharing its thoughts with all the stakeholders is one of its most important responsibilities.

In order to promote more effective communication with the stakeholders, Mazda invites you to share your ideas and opinions via the enclosed questionnaire, its global website, or any opportunity you may have to speak to its employees directly.

Corporate Vision

Vision

Corporate objectives

To create new value, excite, and delight our customers through the best automotive products and services.

Mission

Roles and responsibilities

With passion, pride, and speed, we actively communicate with our customers to deliver insightful automotive products and services that exceed their expectations.

Value

The values Mazda seeks to produce

We value integrity, customer focus, creativity, and efficient and nimble action, and respect highly motivated people and team spirit. We positively support environmental matters, safety, and society. Guided by these values, we provide superior rewards to all people associated with Mazda.

In 1999, Mazda evolved its existing management philosophy into its current Corporate Vision. Comprising the three key elements of Vision (corporate objectives), Mission (corporate roles and responsibilities), and Value (the values Mazda seeks to produce), this Corporate Vision defines the goals of the company and its employees, their roles and responsibilities, and the sense of values the Company embraces in pursuit of its targets.

The Origin and Meaning of "Mazda"

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

Mazda Brand Symbol

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



Mazda Corporate Mark

With the introduction of Corporate Identity (CI) in 1975, Mazda developed its corporate mark as a symbol for Mazda's communications. It was later positioned as an easy-to-read corporate mark, in line with the establishment of the brand symbol in 1997. (Established in 1975)



Mazda Brand Statement, "Zoom-Zoom"

zoom-zoom

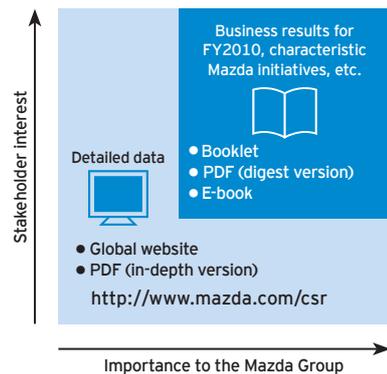
Mazda's creativity and innovation continuously delivers fun and exhilarating driving experiences to customers who remember the emotion of motion first felt as a child.

Structure

Centering on the six areas of environmental protection, customer satisfaction, respect for people, social contributions, compliance, and information disclosure, all of which comprise Mazda's CSR activities, information is reported in two sections: the "Storybook" section and the "Data" section.

- Storybook section: Covering the three important themes of environmental protection, social contributions, and respect for people, Mazda conveys its corporate attitude and approaches by optimally incorporating the voices of its employees to make this section readable and easy to understand.
- Data section: A report of efforts undertaken in all six themes of CSR initiatives, centering on targets and results.

Approach to Reporting Information



Mazda discloses information in the following four formats.

Booklet: Includes business results for FY2010, characteristic Mazda initiatives, and other information Mazda strongly wishes to communicate to its stakeholders

PDF:

Digest version: Contains the same information as the booklet, in printable format
In-depth version: Covers all report information and data, including portions that could not be included in the booklet, in printable format

Global Website: Covers information that could not be included in the booklet, in a searchable format

E-book (newly added): Contains the same information as the booklet, in a searchable e-book format

Data Available on the Website

Information on CSR initiatives that could not be included in this booklet is available on the Company global website. The symbol shown below indicates content that can be viewed on the website.

A chart comparing data available in the booklet and online can be viewed on the website.

 <http://www.mazda.com/csr/download/>

Report Coverage

Organizations Covered

Mazda Motor Corporation, its domestic (Japanese) Group companies, and selected overseas Group companies are covered in this report.

Period Covered

The report primarily covers the period from April 2010 through March 2011, although some activities after April 2011 are included.

Scope of the Report

Social, environmental, and economic data are included in this report.

Referenced Guidelines

GRI Sustainability Reporting Guidelines 2006
Ministry of the Environment's Environmental Reporting Guidelines (2007 Edition)
Ministry of the Environment's Environmental Accounting Guidelines (2005 Edition)
ISO 26000

● Table of comparisons for GRI Guidelines and ISO 26000 can be viewed on the website.
<http://www.mazda.com/csr/guideline>

Date of Publication

September 2011 (the previous report was published in September 2010; the next report will be published in the summer of 2012)

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Mazda Motor Corporation

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Disclaimer

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

MAZDA GROUP PROFILE

Data shown on the map is current as of December 31, 2010. Production facilities mean vehicle production facilities including non-consolidated production facilities.

Europe

Distributors **31**
Dealerships **2,232**

China

Production facilities **2**
Distributors **2**
Dealerships **312**

Middle East

Distributors **12**
Dealerships **234**

Asia*

Production facilities **2**
Distributors **11**
Dealerships **252**

* Including Taiwan but excluding Japan, China and India

Africa

Production facilities **2**
Distributors **23**
Dealerships **239**

Corporate Profile (As of March 31, 2011)

Company name: Mazda Motor Corporation
Established: January 30, 1920
Head Office: 3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima 730-8670, Japan
Representative: Takashi Yamanouchi; Representative Director, Chairman of the Board, President and CEO
Main business lines: Manufacture and sale of passenger cars and commercial vehicles
Stock information: 3,000,000,000 total shares issuable, 1,780,377,399 total outstanding shares, 76,133 shareholders
Capital: ¥186,499,736,762
Employees: Male: 19,993
 Female: 1,754
 Total (non-consolidated): 21,747 (includes employees dispatched to other locations)
 Total (consolidated): 38,117
Research and development bases: Head Office, Mazda R&D Center Yokohama, Mazda Motor of America (USA), Mazda Motor Europe (Germany), China Engineering Support Center (China)
Production bases: In Japan: Hiroshima Plant (Head Office, Ujina), Hofu Plant (Nishinoura, Nakanoseki), Miyoshi Plant
 Outside Japan: United States, China, Taiwan, Thailand, Zimbabwe, South Africa, Ecuador, Colombia
Sales companies: 264 in Japan, 130 outside Japan (as of December 31, 2010)
Principal products: Four-wheeled vehicles, gasoline reciprocating engines, diesel engines, rotary engines, and automatic and manual transmissions for vehicles

Mazda Information Disclosure Tools



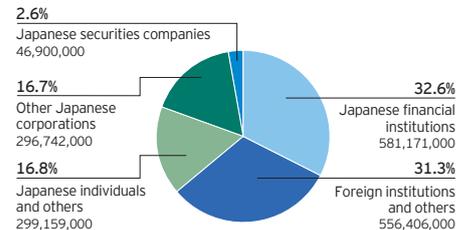
Mazda in Brief
<http://www.mazda.com/profile/outline/library.html>



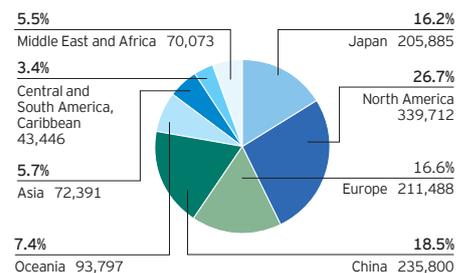
Annual Report
<http://www.mazda.com/investors/library/annual/>

Consolidated Financial Highlights (As of March 31, 2011)

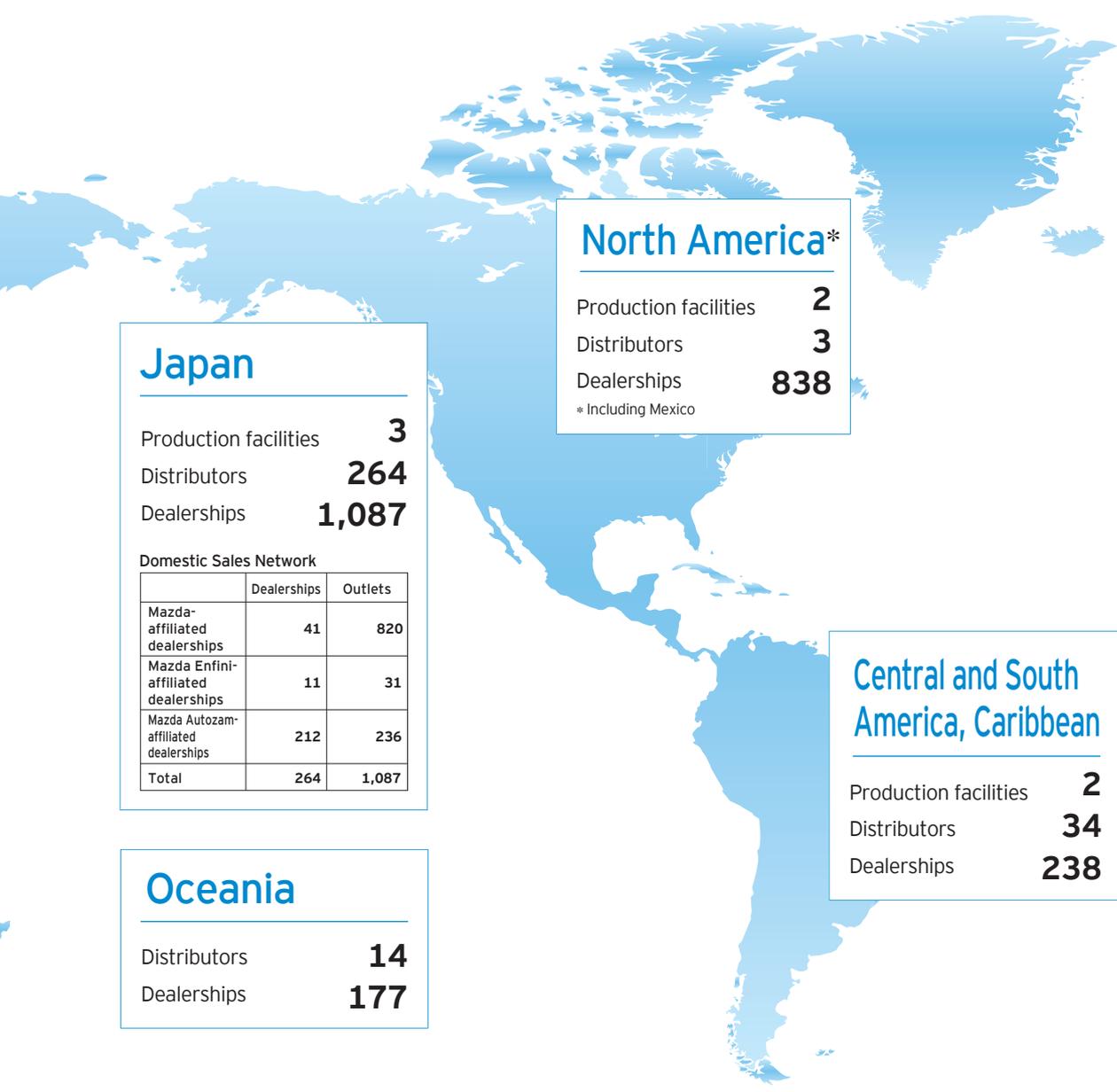
Breakdown of Shareholders by Type



Breakdown of the Number of Vehicles Sold by Region



* Mexico is included in North America, Puerto Rico is included in Central and South America, and Taiwan is included in Asia.



North America*

Production facilities **2**
 Distributors **3**
 Dealerships **838**
* Including Mexico

Japan

Production facilities **3**
 Distributors **264**
 Dealerships **1,087**

Domestic Sales Network

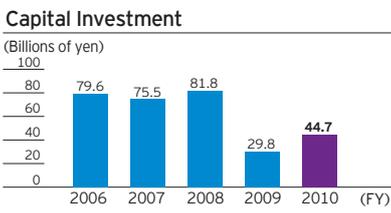
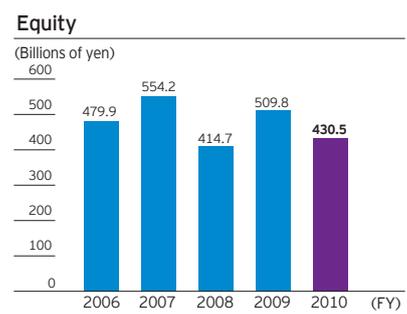
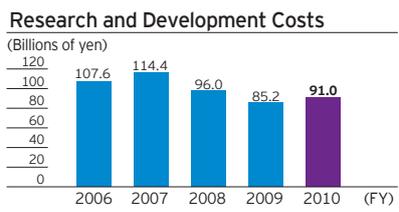
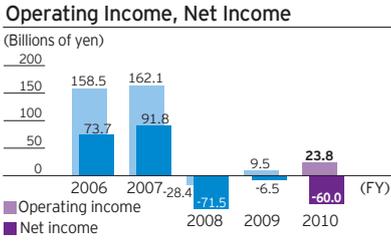
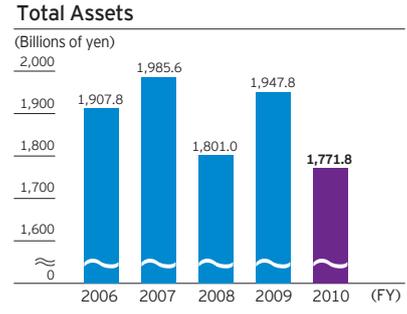
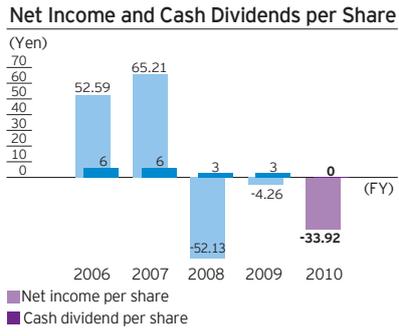
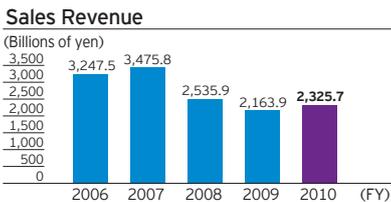
	Dealerships	Outlets
Mazda-affiliated dealerships	41	820
Mazda Enfini-affiliated dealerships	11	31
Mazda Autozam-affiliated dealerships	212	236
Total	264	1,087

Central and South America, Caribbean

Production facilities **2**
 Distributors **34**
 Dealerships **238**

Oceania

Distributors **14**
 Dealerships **177**





Representative Director,
Chairman of the Board,
President and CEO
Mazda Motor Corporation
Takashi Yamanouchi

Fostering Global Unity and Contributing to a Sustainable Society in a Uniquely Mazda Way

On behalf of everyone at Mazda, I wish to convey my most sincere sympathies and condolences to all who have suffered as a result of the Great East Japan Earthquake of March 11, 2011. I pray for the earliest possible recovery of the stricken region.

II The Great East Japan Earthquake

Directly after the earthquake struck, Mazda established a taskforce headed by myself. While confirming the safety of Mazda Group employees, we assessed the extent of the damage to Group companies and suppliers and rapidly put a response plan into action. We also collected money as a relief fund for the affected areas, with donations from Mazda Group employees both in Japan and around the world. Using Mazda's existing logistic network, we collected beverages, food, and other daily necessities stored at locations of the Mazda Group and its dealerships and delivered them as aid to the devastated areas. Mazda also dispatched a medical team.

Working closely with various Group companies, Mazda deployed special vehicles from these companies to move and evacuate the vehicles of distressed Mazda customers. To ensure the safety and peace of mind of customers concerned about the effects of radiation from the damaged nuclear power facility at Fukushima, we promptly implemented measures such as radiation checks on vehicles and parts.

This array of relief efforts rallied the Group together. I personally visited dealerships across the affected areas in early April, and was deeply impressed by the strong bonds that exist among Group companies and between the Mazda Group and its customers. Those bonds are truly one of Mazda's greatest strengths.

The earthquake affected Mazda's production activities.

Immediately following the earthquake, operations were suspended at Hiroshima Plant and Hofu Plant. Working closely with our suppliers, we strove to resume production quickly to minimize delay and inconvenience to our customers and deliver as many vehicles as possible, as quickly as possible. I am grateful that we succeeded in resuming normal operation in June, ahead of schedule.

We learned a number of lessons from this unprecedented crisis. While it is important to have processes and manuals in place for a variety of contingencies, when a crisis strikes it is vital to select the most effective approaches based on the true nature of the situation at hand, rather than rigidly following predetermined rules and methods.

When disasters of this magnitude strike, our first priority is to protect the lives and safety of our employees and stakeholders, while minimizing inconveniences to people in the communities neighboring where we operate. We believe this type of responsibility is one of the fundamentals of corporate social responsibility (CSR) at Mazda. Guided by this principle, Mazda was prepared well in advance for earthquake response. In terms of damage prevention, we have already equipped buildings and equipment with earthquake-proofing countermeasures and have taken steps to prevent secondary damage including leakage of hazardous materials. In terms of disaster response, Mazda has implemented carefully planned measures such as evacuation training and formation of emergency contact networks.

Mazda is committed to efforts to improve these measures, making them more effective and reliable than ever. From the hard lessons of the Great East Japan Earthquake, we are fortifying our disaster preparation measures in both damage prevention and disaster response terms.

|| Three Important Themes: Environmental Protection

Turning our gaze outward to a global perspective, problems with energy and global warming are still pressing issues.

Mazda believes that its mission is to always deliver driving pleasure. At the same time, as an automaker we recognize that we have a solemn responsibility to society to improve our vehicles' environmental and safety performance constantly, so that our products can continue to add outstanding value to people's lives. That conviction informs the Company's Sustainable Zoom-Zoom long-term vision for technology development, announced in 2007.

New-Generation SKYACTIV TECHNOLOGY

The basic policy of Sustainable Zoom-Zoom is to "provide all customers who purchase Mazda vehicles with driving pleasure as well as outstanding environmental and safety performance." Achieving this goal requires technologies that are implemented not in just a few models but in a wide range of vehicles, and that have ample scope for future development. With these directives in mind, in fall 2010 Mazda unveiled its new-generation SKYACTIV TECHNOLOGY. This technology focuses on drastic improvements to base technologies, particularly the core performance of the powertrain (engine and transmission), as well as factors such as reduction of vehicle weight. Underpinned by these base-technology innovations, Mazda is pursuing a Building-Block Strategy, gradually introducing electronic devices such as the idling-stop system, regenerative braking, and hybrid systems. We expect these measures to dramatically curb CO₂ emissions. By implementing this strategy, Mazda expects to achieve a 30% improvement in average fuel economy across all Mazda vehicles sold worldwide by 2015 in comparison with 2008 levels.

The world premiere of SKYACTIV TECHNOLOGY took place in June 2011, when the technology was implemented in the facelifted Demio model for the Japanese market, ahead of a worldwide rollout. With a SKYACTIV-G gasoline engine purring under the hood, the facelifted Demio (for the Japanese market) achieves fuel economy of 30 km/L (10-15 mode test cycle),* using no hybrid or other electronic devices. Mazda plans to steadily introduce vehicles incorporating SKYACTIV TECHNOLOGY globally, and by the end of FY2015 the Company expects SKYACTIV TECHNOLOGY to be implemented in approximately 80% of Mazda vehicles sold worldwide.

Mazda Green Plan 2020

The life cycle of a vehicle encompasses not only the development and manufacturing phases but also the usage phase and phases after use. CO₂ emissions, for example, are prominent in the phases occurring during customers'

* 1.3L-class sedans (not including hybrids; Mazda survey)
Fuel efficiency of 25.0 km/L under Japan's JCO8 mode test cycle (Ministry of Land, Infrastructure, Transport and Tourism (MLIT) figures)

use and after they have finished using the product, such as scrapping and recycling. Today's automakers recognize that customers and society as a whole expect the industry to reduce environmental impact across the entire lifecycle of vehicles.

Mazda has identified four key environmental themes to grapple with as an automaker: energy- and global-warming-related issues; promoting resource recycling; cleaner emissions; and environmental management. In products, technologies, and all other aspects of operations, Mazda is working to reduce its environmental burden across the entire product life cycle.

Guided by this commitment, Mazda has unveiled the Mazda Green Plan 2020, the Group's mid-term environmental plan toward 2020. This plan builds on the knowledge and experience gained through implementation of the Mazda Green Plan 2010 and adds new issues raised by the communities we serve, with a view to achieving an array of tangible results by 2020.

As the need arises, Mazda will manage its progress and revise the content of this plan from time to time. In so doing we aim to respond promptly to changes in society and contribute actively to protection of the environment.

|| Three Important Themes: Respect for People

At Mazda, we believe that people are our most important resource, and we aim to be a company staffed by people who enjoy their work. Many times in the past, when Mazda faced daunting challenges, it was the strength of each and every employee that saw us through. In FY2008, Mazda crystallized the collected wisdom of our preceding directors and employees, built up over more than 90 years of company history, into a set of basic principles called the Mazda Way. Since its introduction, the Mazda Way has served as a shared resource for all Mazda Group employees in Japan and overseas, fostering a Mazda approach that transcends the customs and habits of individual countries and regions. The uniting power of the Mazda Way has forged group-wide bonds of incredible strength.

The previously described SKYACTIV TECHNOLOGY is an example of the results of the Mazda Way. Mazda was able to complete development of this technology because dedicated employees in diverse departments and Group companies around the globe embraced each other's challenges and set their sights on a common, ambitious goal. I am convinced that, through the Mazda Way, our employees will share globally a sense of unity, and it will drive steady growth and advancement in the years ahead.

|| Three Important Themes: Social Contributions

As a company engaged in global business, Mazda is committed to contributing through its business activities to a sustainable society. We continuously implement initiatives

that meet the needs of each local community. Fulfilling our responsibilities as a corporate citizen lies at the heart of our philosophy on contributing to the communities in which we do business.

In May 2010, Mazda established the Social Contribution Committee. This committee redefined the Group's existing Basic Policy for Social Contribution Effort in line with social changes. Supported by this basic policy, Mazda implements measures to contribute to society throughout Japan and around the world, based on the three pillars of "environment and safety performance," "human resources development," and "community contributions."

As an example of these efforts, in FY2010 Mazda launched a set of forest protection initiatives called Mazda-no-Mori ("Mazda Forest"). Carried out in Hiroshima Prefecture, home to rich natural features, these activities bring Mazda together with the citizens and government of the prefecture to preserve its forests. Through activities such as these, Mazda seeks to gain citizens' understanding of its efforts and perspective on CSR, while

increasing opportunities to listen to the views of its various stakeholders.

As societies continue to undergo drastic changes worldwide, the employees of the Mazda Group both in Japan and abroad will make every effort to respond to the expectations of stakeholders everywhere. We are committed to introducing products with outstanding environmental and safety performance, reducing the environmental burden throughout society, contributing to society in ways that meet the needs of the regions in which we do business, and developing human resources based on the principles of the Mazda Way. Focusing on these three important themes, the Mazda Group will follow through with CSR in a uniquely Mazda Way, in order to contribute to the development of a sustainable society.

Representative Director,
Chairman of the Board,
President and CEO
Mazda Motor Corporation

山内 孝
Takashi Yamanouchi

The Effects of the Great East Japan Earthquake on the Mazda Group and Its Responses

The Mazda Group took the following actions immediately after the earthquake struck. Mazda is continuing its concerted efforts to contribute to the recovery.

I. Damage to the Mazda Group

- Some outlets of three Group companies – Tohoku Mazda Co., Ltd., Fukushima Mazda Co., Ltd. and Kitakanto Mazda Co., Ltd. – as well as the Autozam sales channel in Iwate and Miyagi prefectures suffered great damage. Some outlets were washed away in the tsunami, some people lost their lives; others went missing and are presumed dead.
- Production was affected by an inability to obtain certain parts. As a result, Hiroshima Plant and Hofu Plant were forced to suspend operations temporarily; normal operations resumed in June.

II. Support Activities for the Recovery of Stricken Regions

- Mazda Group companies in Japan and abroad, employees, former Mazda employees, the Mazda Foundation USA, and other parties contributed donations totaling some ¥150 million to the relief effort through the Japan Red Cross Society and its sister organizations in other countries (includes some support for Group employees; as of July 31, 2011).
- Group companies, suppliers, and employees donated a total of 130 tons of supplies from their own stockpiles (in terms of truck payloads), including food, beverages, and other daily necessities. The stockpiles were delivered between March and May 2011 to the affected areas via the Group's logistics network and the efforts of the Japan Federation of Economic Organizations (Keidanren) and other support organizations.
- Nurses and medical staff were dispatched from the Mazda Hospital.
- Special vehicles (safety loaders, etc.) were provided to tow damaged vehicles, and Mazda Group company employees assisted in the removal of vehicles.
- Vehicles were provided to Iwate, Miyagi, and Fukushima prefectures.
- To mitigate customers' concerns, radiation safety inspection teams were organized to check vehicles for signs of radiation and confirm their safety.

III. Other Responses

- In accordance with the policy of the Japan Automobile Manufacturers Association to reduce electricity consumption during the summer peak period, Mazda moved its weekly days off from Saturday and Sunday to Thursday and Friday, from July through September 2011.
- To assist employees providing support for stricken families, as well as employees involved with child-rearing or nursing who were affected by the change in weekly days off, Mazda expanded the scope of the Special Warm Heart leave system.*1 In addition, Waku Waku Kids En, the Group's onsite daycare center, changed its days of operation according to Mazda's weekly days of work.

*1 A paid-leave system that covers nursing care for relatives, functions at one's child's school, etc.



Visit to a dealership affected by the disaster

STORY
01Environmental
Protection

Reducing the Environmental Burden throughout the Value Chain (Development, Production, and Sales) Rising to the Challenge of Genuine Innovation by Transcending Existing Frameworks

Development: Pursuing Breakthroughs to Innovate Base Technologies and Realize a "Certain Something"

Work on the development of the new-generation SKYACTIV TECHNOLOGY (see p. 31) started in May 2007. The process began by taking the existing concept of vehicles right back to zero, and identifying only those elements that are absolutely necessary.

"We took a fresh look at every possibility, including things that had previously been dismissed as impossible," explains Norihiro Tomita of the Vehicle Development Division about the development concept.

In the vehicle development field, improving fuel economy is a major factor in reducing the environmental burden, and although there is a tendency to focus on the engine and transmission in the powertrain system, reducing vehicle weight also contributes significantly to increasing fuel economy. Mazda has announced its plan to reduce the weight of new models to be released from 2011 onward by 100 kg, and a further 100 kg reduction from 2016 onward. Simply making vehicles lighter, however, naturally creates problems with maintaining rigidity. "As an engineer, what's interesting is the question of how to balance the conflicting factors of light weight and rigidity, without giving up on

Norihiro Tomita
Program Manager, Vehicle Development Division, Mazda Motor Corporation



Test drive event in Berlin. Mazda's SKYACTIV TECHNOLOGY attracted great admiration.

one or the other." Filled with determination to optimize the two factors, the quest to achieve both at a high level led to uncompromising development efforts, including simplifying vehicle forms as far as possible and switching to a structure capable of effectively dispersing loads.

This drastic change could not have been achieved under the previous development system, which was based on vertical divisions between specialist areas. For the development of SKYACTIV TECHNOLOGY, a horizontal development framework was put in place that enabled collaboration across different specialist areas such as design, testing, production technology, and purchasing. Targeting "ideals" in each field naturally results in incompatibilities. According to Tomita, "We can only progress to the next level by making breakthroughs that reconcile these incompatibilities." Those involved had to think not only about their own areas of expertise but also about others when coming up with ideas for improvements, thus discovering, in animated communication, better solutions for resolving problems. "As a result, we improved the 'base technologies' that underlie basic vehicle performance, raising the technological baseline overall," Tomita sums up.

In August 2010, a prototype vehicle incorporating SKYACTIV TECHNOLOGY appeared at European test drive events. After driving a prototype, one journalist shook hands with the officer in charge and simply said, "Congratulations!"

At that moment, Tomita was convinced that what they had aimed at was no mistake. At test drive events around the world, admiring comments included, "Even driving at 200 km/h, the steering is responsive and made me feel safe," and, "Its sporty dynamics in the corners are well-honed, and its stability when driving straight along the expressway is better than the current model."



(From left) Yasuhiro Onji, Assistant Manager; Kenji Sato; Takashi Ogawa, Assistant Manager Product & Production Engineering Department, Production Engineering Division, Mazda Motor Corporation

However, improving the base technologies led to a new obstacle coming into view.

During his three years as General Manager of the R&D Center of Mazda Motors Europe (MME) in Germany, Tomita had one impression from driving a large number of different vehicles there. "Vehicles that can be described as 'premium' have more than just base technologies. They have a certain something, resulting from in-depth research that extends to human sensibilities."

One journalist has expressed that certain something as, "a car that doesn't raise any question marks in your head." For example, a car in which everything feels intuitive, including the shape of the door handle, its position, its feel when you take hold of it, the line of flow when moving on to the next action, and the sequence of actions involved in driving the car. "I think that providing peace of mind and contentment must involve knowing every detail of human sensibilities, and creating vehicle forms and responses that feel entirely natural to the driver," explains Tomita. "I want to bring Mazda vehicles up to a level where they are comparable with so-called 'premium' cars." With his extensive experience of study and research in Europe, Tomita's fighting spirit was apparent behind his smile.

When he was a child, Tomita wanted to be a plasterer. "I wanted to do something creative and hands-on," he said. He joined Mazda with the dream that one day, a car that he designed would be driven around the world. Today, he and his colleagues are striving together to reach a higher dimension. "Today's technologies will be obsolete tomorrow. Whatever solutions or improvements we achieve, it's the nature of engineers that we always want to improve on them still further."

Production: Optimization of Structures and Processes Improved Both Product Functionality and Productivity

How far is it possible to minimize the waste of materials and reduce the number of processes while improving product functionality?

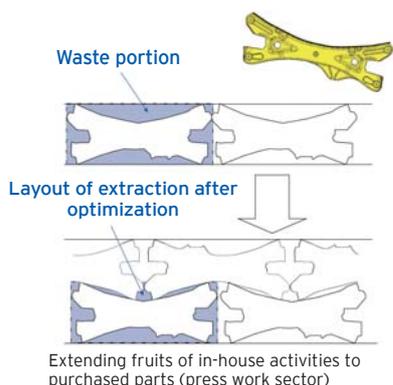
Making use of materials to the greatest extent possible and reducing the number of processes as much as possible are both important elements in reducing the environmental burden in the production sector. Optimization of materials and their processing not only directly reduces the environmental burden, but also results in cost improvements. This concept is consistent with both Sustainable Zoom-Zoom, which commits Mazda to "provide all customers who purchase Mazda vehicles with driving pleasure as well as outstanding environmental and safety performance," and the objectives of SKYACTIV TECHNOLOGY.

Yasuhiro Onji, Takashi Ogawa, and Kenji Sato of the Production Engineering Division are engaged in optimizing structures and processes for parts produced in-house. They commented on the process of taking existing concepts in the production sector right back to zero during the creation of SKYACTIV TECHNOLOGY, saying, "It was natural for us to focus not only on parts manufactured by Mazda itself but also those purchased from other companies, which account for around 80% of vehicle manufacturing costs."

Previously, with externally sourced parts, with the exception of a few areas, Mazda was responsible for only "product design," specifying the function of products, while "process design," taking account of efficient production methods, was left to suppliers. "We began to think that if we considered product design and process design together rather than separately, we should be able to combine sophisticated functionality and efficient production lines at a higher level." They worked toward collective planning of structures and processes by considering optimum processes in cooperation with suppliers. A definition was created for this new concept: "physical quantity," referring to the improvement of product functions and minimization of materials and processes while taking cost into account.

This approach was also adopted in the press and assembly lines, with the aim of optimizing both structures and processes.

Onji started by extending activities that were already underway in Mazda's in-house press line to outside companies. This involved utilizing computer software to create accurate two-dimensional development diagrams of existing three-dimensional parts, and undertaking an exhaustive analysis of the structure of each part. This study revealed that the die-casting of some parts could be optimized so that excess material, which had formerly been thrown away, could actually be used for casting a second part in the same die.



The combination of several such initiatives has enabled a 13% reduction in the amount of materials required for new sheet metal parts, other than the body sheet metal sector, and the number of processing steps has also decreased by 11% in comparison with previous methods. The engineers offered this knowledge, obtained in-house, to

suppliers, and requested their cooperation.

However, the road to innovation was anything but smooth. "When we offered suppliers new production methods, they didn't always accept them without some initial resistance," recalls Sato. "Thinking that the best way to gain their understanding was to show them in ways that were understandable at a glance, we carried out quantitative analyses of factors such as reductions in waste material rates and converted these to numerical values, and showed them computer simulations of the new production methods. We kept going with persistent negotiations until they were convinced."

Ogawa, too, notes that, "Suppliers felt there was a risk involved in changing their current way of doing things, so at times we really struggled to gain their understanding of the type of innovation we were aiming for, and to persuade them to work together with us to implement it." At



such times, he would repeatedly question himself, "How should things really be? What do I really want to do?" With a refreshing smile, he confided, "If I wasn't completely convinced of the answers myself, I wouldn't have been able to convince our suppliers. Thinking things through exhaustively became second nature, and led to my own personal growth, too."

"With these conflicting opinions between us and our suppliers, searching for the best methods was hardly easy," adds Onji. "The difficulties we faced in this process, however, honed our own knowledge."

They met suppliers day after day, talking with them, sometimes arguing with them. What they gained from this was more than just "efficiency;" through this communication, they and suppliers arrived at a shared perception. What had previously been a one-way flow of information became two-way, laying the foundations for a PDCA cycle aiming for optimization at a higher level. In this process, suppliers also came to share Mazda's vision, in a step forward toward the attainment of "One Mazda" in a wider sense.

"We believe this initiative is one form of 'innovation' that will enable Mazda to continue to offer our customers Sustainable Zoom-Zoom." The hearts of these three engineers are filled with the desire to continue to offer customers "driving pleasure" and "outstanding environmental and safety performance."





(From left) Toshio Nakamura, Deputy General Manager, Auditing Department
 Miho Yumoto, General Affairs Department
 Jun Katsumata, General Manager, General Affairs Department/Auditing Department
 Sumio Nakazawa, Managing Director
 Koushin Mazda Co., Ltd.

Sales: Engaging EcoAction 21 from the Business Perspective Above and Beyond Environmental Concerns

Sales companies also have a major role to play in reducing CO₂ emissions throughout the vehicle life cycle. “Given the choice between a company that is actively engaged in reducing its environmental burden and disposes of waste materials appropriately and another company that does not, the answer is clear as to which company customers will trust and from which they will purchase products.” So says Sumio Nakazawa, responsible for environmental management at Koushin Mazda Co., Ltd., which obtained certification under the EcoAction 21 (EA21) framework – a system based on the environmental management system and guidelines for environmental reporting set out by the Ministry of the Environment – for all 30 of its outlets in May 2010.

Koushin Mazda first became involved with EA21 in 2008. “As we moved forward with EA21, we became aware that engagement with environmental issues led directly to solutions for business-related issues,” says Nakazawa. EA21 was always discussed at meetings of outlet managers and management staff, and through establishing environmental promotion committees consisting of representatives from all outlets, a range of measures were developed. For example, digital timers were installed at all outlets to regulate lighting to a precise schedule, significantly reducing electricity consumption. To reduce gasoline consumption, not only was a car-pool rule rigorously implemented whereby neighboring outlet managers worked together to ensure that cars transporting people to meetings all held at least three people, but employees were also recommended to become qualified eco-advisors in order to implement the eco-driving certified by the Japan Automobile Federation (JAF). The eco-advisor qualification is also helpful for advising customers on eco-driving.

As a result of these initiatives, the company achieved a significant success in reducing its CO₂ emissions in FY2010 – approximately 2.89 million kg of CO₂, or around a 16% reduction compared with FY2007 levels. However, Nakazawa says that the benefits of these activities go

beyond what the figures show. “Engaging in EA21 not only reduced our environmental burden, but also enabled us to streamline our operations, reduce costs, and improve customer service. In other words, EA21 activities also help our profitability, leading to increased satisfaction for all stakeholders.”

Since EA21 was introduced the company has achieved significant successes in terms of reducing consumption of electricity, water, gasoline, and other resources. However, many employees were hesitant at the beginning.

Miho Yumoto, who is currently responsible for managing data from all sales outlets and producing documentation as a member of the EA21 secretariat, recalls how she felt when she was transferred from a sales position, “The environment and CO₂ are things that are invisible, and unlike sales work, I had no idea how they were connected with the business and profit, so I felt at a loss.”

As she worked on managing data from all the outlets and producing documentation for reporting, however, what had been invisible to her now became visible. “Looking at the data, it became clear that this initiative was getting results. Sharing such results led to a gradual change in everyone’s awareness,” she says, describing the fruits of conveying results in a visible form.

In FY2010, the third year since the system’s introduction, these results showed that some locations and categories had not exhibited any improvement in figures over the previous year.

Nakazawa, however, had half-expected this situation and emphasizes, “This is our real starting point.”

“We have already begun to make changes.”

At the same time as requesting each outlet to submit EA21 improvement proposals, in April 2011 the company also set up a system for checking EA21 by the Auditing Department. According to Yumoto, “To ensure continuous improvement, I think it will be vital for us to create a system to exploit comments and tentative ideas voiced by employees onsite.” Remembering past hardships, Nakazawa confides, “The secret to continuing long-term is enabling individual staff to take part at their own pace.”

Koushin Mazda is continuing to take its EA21 activities to new levels in the quest for further improvement and growth.

Signs showing air-conditioning settings, reminders to press the reset button after using the copy machine to avoid miscopies, and other obvious hints for staff. The results of these activities are made into posters and displayed.



STORY
02

Respect for
People

Human Resources Development Based on the Mazda Way

Passing On the Mazda Approach and Technology through Mutual Learning (Tomoiku)



(From left) Tomomi Wada and Yoshinori Shigemura,
Staff Manager
Global Human Resources Department, Human Resources Division,
Mazda Motor Corporation

Japan: Developing People through Tomoiku

Mazda believes in learning together, which means studying and teaching each other regardless of office hierarchy. This approach is called “Tomoiku,” from a Japanese word meaning “to learn together.” The importance of Tomoiku can be seen from its inclusion in the seven basic principles of the Mazda Way (see p. 53).

While all employees recognize the importance of Tomoiku, many employees have expressed the view that it is hard to find the time to apply it in practice in the course of a busy work schedule. As if to attest to such internal situations, Tomomi Wada of the Human Resources Division summarizes employees’ sentiments found in results of an Employee Awareness Survey and other means this way: “An increasing number of employees have come to feel that collaboration among colleagues and mutual instruction between senior and junior staff members are falling by the wayside, given the habitual focus on individual work.”

Many divisions in Mazda are addressing this predicament with their own efforts to pass skills and knowledge from the more senior employees to the younger ones. One such division is R&D, which has long implemented a system called the “buddy coaching system.” Two employees who have taught each other as a pair through this system since FY2009 are Daisuke Tabata and Shinji Watanabe. “When I joined Mazda, I had no idea

how to fit into my workplace,” Watanabe reflects. “Having Tabata here to advise me was a real plus. Back then, I was working on engine layouts. So many issues came up, and I got stuck. That’s when Tabata said, ‘Don’t try to shoot for the goal all at once. Solve problems one at a time.’ By changing my approach, I was able to start making progress immediately.” He adds, “In the future, I’d like to put that experience to work as a coach, helping someone else to think about their work together.” Speaking of his own growth through the buddy coaching system, Tabata explains, “To teach someone, I first have to study, which really improves my own depth of knowledge. Also, thanks to Watanabe, I gained a lot of new insight, so I learn as well as teach.”

The spread of unique practices such as the buddy coaching system, adopted by various departments throughout Mazda, resulted in the “on-the-job-training (OJT) coach system,” introduced in FY2011. All new employees in administrative and engineering positions are assigned an OJT coach, typically a more senior employee who shares a workplace with the new hire. The purposes of this system are to train new employees, foster the coach’s growth, and energize the workplace.

Promoting the OJT coach system, Yoshinori Shigemura, the Human Resources Division, explains, “The OJT coach system marks the first concrete implementation of a series of human resources development measures Mazda is currently rolling out. We’re using these efforts to reconstruct the human resources development platform, based on the concept of Tomoiku.” Various departments’ efforts in independent human resources development are integrated and expanding to a company-wide approach.

(From left) Daisuke Tabata and Shinji Watanabe
Engine Design Engineering Department, Powertrain Development Division,
Mazda Motor Corporation



Information exchange
meeting with OJT coaches





(From left) Zhang Xiaonan, Assistant Manager; Masurao Ishida, General Manager; and Liu Zhishan, Customer Service Department, China Engineering Support Center, Mazda Motor (China) Co., Ltd.

Overseas: Mazda (China) Training Center Practicing Tomoiku in China

Mazda is also applying the Tomoiku approach to human resources development in China. Thanks to sizzling economic growth in recent years, China is now said to be the world's largest auto market. In 2005, Mazda sold 96,000 vehicles in China; by 2010, the figure had swollen to 236,000.

"To raise Mazda's presence in the ever-growing Chinese market, our most important task is to train the dealers who have direct, day-to-day contact with customers." So says Zhang Xiaonan, Assistant Manager at the Customer Service Department of Mazda Motor (China) Co., Ltd. (MCO). In 2009, Mazda opened three training centers, in Beijing, Shanghai and Shenzhen, providing vital facilities for human resources development in China. Zhang is tasked with the management of these three centers.



Wang Xuewen
Training Center Instructor
FAW Mazda Motor Sales Co., Ltd. (FMSC)

Located in a suburb of Shanghai, Mazda (China) Training Center Shanghai is fitted out with the latest service equipment to handle the latest Mazda models. In May 2011, in one of the training rooms, trainees were seen crowding around a Mazda6 (Atenza in Japan), poring over details and trying their

hand at various service tasks. In a lecture room, peering intently at technical diagrams projected on a screen, the assembled trainees jotted down memos.

One of the instructors, Wang Xuewen, believes that in order to teach others, he must be the foremost authority on the topic at hand. This is why he has even dismantled a vehicle's transmission, part by part, diligently examining every facet. "It's important to gain a solid grounding in both theory and practice," he explains. "Nothing makes me happier than to see my trainees apply on the shop floor what they learn here, and even win prizes in engineering contests."

Feng Zhigang is an employee at the Shanghai Jinghe Branch of FAW Mazda Motor Sales Co., Ltd. (FMSC), a Mazda dealership in Shanghai, and a trainee at Mazda (China) Training Center Shanghai. Feng's eyes shone as he related, "I've had plenty of practice, so that part wasn't too difficult, but the theory was a real challenge for me. But doing the practice after understanding the theory helped me to learn much faster. I was really surprised at how my technical skills were growing every day."

The general manager (equivalent to a president in Japan) at Shanghai Jinghe, Shao Ji, introduced an anecdote that illustrates Feng's excellence. "A customer had requested us to fix a problem, but the other staff couldn't solve it. We had no choice but to contact Feng on his day off and ask him to take a look. He fixed the car in an instant!"

Naturally, having outstanding staff members like Feng enhances customer satisfaction. His example also has a powerful impact in motivating the other employees and improving their skill levels. "Thanks to the target model Feng has represented, the other staff members are more



Trainees study enthusiastically at Mazda (China) Training Center Shanghai.

focused than ever on acquiring skills,” Shao enthused. “It also energizes the whole workplace.”

The training centers are rapidly emerging as important forums for Mazda’s training activities. Issues remain, however. In 2010, the three training centers provided a total of 381 training days, roughly half their capacity. While this figure represents a 115% improvement from the previous year, increasing the utilization of the facilities in a short time remains a daunting task. Two reasons for this challenge are the blistering pace of China’s economic growth and the country’s sheer size. To participate in training programs, trainees have to entrust their duties to other staff, which is difficult at a time when every employee is completely busy in the rapidly growing market. Further, some regions are as much as two days’ travel by train from the training center, creating great difficulties in attracting staff from throughout the country.

“The time taken by staff to commute to and from the training centers and train there poses a temporary obstacle for a company’s regular work, but when you consider how staff members grow as a result, the benefits for the company as a whole are tremendous,” Zhang explained. Growing serious, he added, “To gain people’s understanding on this point, we are going to enhance the content of training programs, improve efficiency of management, and raise the working rate. If we can do that, we can encourage more trainees to use the training centers, greatly advancing the human resource development in China.”

A vital mission of the training centers, as well as conducting the training on

the latest products and technology, is conveying an understanding of Mazda’s unique approach. The Mazda Way is a core component of that approach. “In the Mazda Way, ‘Continuous Kaizen’ and ‘Tomoiku’ are important for us,” Zhang noted. “In this era of fast-paced change, it’s impossible to learn everything by myself. What we’re trying to achieve at this center is a flexible atmosphere where trainees can learn and help each other study together.”

The cumulative number of trainees at the three training centers exceeds 3,000. By imparting an understanding of Mazda technology and the Mazda approach, these training centers are fostering capable personnel to steer the future of Mazda in China.



(From left) Feng Zhigang, Chief Technical Officer, and Shao Ji, General Manager Shanghai Jinghe Branch, FAW Mazda Motor Sales Co. Ltd.

Activities Deeply Rooted in the Local Community

Social Contributions that Bring People Together



Yoshika Hongo
Assistant Manager
CSR & Environment
Department
Mazda Motor
Corporation

Yoshifumi Tominaga
Director General
Agriculture, Forestry and
Fisheries Bureau
Hiroshima Prefecture

Yoshitada Masamoto
General Manager
Hiroshima Prefecture
Ryokka Center

Japan: The Mazda-no-Mori Program in Hiroshima Prefecture: Linking People across Time

"The Mazda-no-Mori (Mazda Forest) program is basically one of the ways that Mazda helps to preserve the natural environment in Hiroshima Prefecture. But it is also much more. By creating opportunities to learn about the environment, I hope Mazda-no-Mori will support the education of the next generation." So says Yoshika Hongo, Assistant Manager of Mazda's CSR & Environment Department and the driving force behind the program.

In 2010, as part of celebrations commemorating the 90th anniversary of the Company's foundation, Mazda concluded a Forest Preservation and Management Pact with the government of Hiroshima Prefecture. The pact outlined a series of activities in which Mazda and the prefecture would partner for the preservation of forest resources. A forest area of 5.85 ha on the grounds of the Hiroshima Prefecture Ryokka (afforestation) Center was named Mazda-no-Mori (Mazda Forest). With this forest serving as a base of operations, the two partners began collaborating on a range of regional forest management activities. Mazda also joined Hiroshima-no-Morizukuri Forum, an environmental association dedicated to the upkeep of Hiroshima Prefecture's forests with support from companies and organizations in the prefecture.

Hiroshima Prefecture is home to Mazda's corporate head office. Bounded by the Chugoku Mountains in the

north and the Seto Inland Sea to the south, Hiroshima Prefecture blesses its residents with rich natural features. Its mountains are home not only to timber but also to water rich in minerals, and the rivers that stream down from the mountains nourish abundant marine life. "About 70% of the area of Hiroshima Prefecture is covered in forest," explains Yoshifumi Tominaga, Director General of Hiroshima Prefecture's Agriculture, Forestry and Fisheries Bureau, and a primary promoter of Hiroshima-no-Morizukuri Forum. "To the people of this prefecture, the forest is the basis of our way of life. It is a veritable wellspring of life for us."

For Mazda, the sea is a blessing in other ways. "Mazda's corporate head office is on the waterfront," Hongo explains. "The sea is indispensable to us, as we ship Mazda vehicles by sea to our customers in countries around the world. Preserving the forests that nurture the sea is our way of giving back to the sea to which we owe so much."

In April 2011, a group of Mazda employees and their families paid a visit to the Hiroshima Prefecture Ryokka Center. After receiving briefing on working in the forest, each member of the party picked up a saw and set out for Mazda-no-Mori. A total of 72 members, including Ryokka Center staff and local forest volunteers, cut and stacked wood. This carefully planned forest thinning effort is vital in returning the forest to its original vigor.

Within an hour of the start of work, swaths of ground that had been darkened by thick overgrowth began to glow with the bright sunshine. The participants smiled to see the fruits of their labors. "This is great! Good exercise, and a wonderful learning experience," "This refreshing walk in the woods is just what I needed," and "I'll be here the next time, too!" were some of the comments.

"The work has just started," said Hongo, thinking about the tasks ahead. "I really want lots of people to come to the mountains and experience the forest. Seeing the variety of little living things in the forest gets people thinking about biodiversity. People also learn about the water cycle, as they see how small mountain streams collect into rivers that flow to the sea."

The first conservation exercise at Mazda-no-Mori drew high praise. Even as the organizers sighed with relief, however, many were bracing themselves for the tasks ahead. "We need to develop a good working system for managing and advancing these activities," said one. It is said that fishing is a day-by-day world, and farmers work on a one-year cycle, but forestry involves cycles spanning decades. "That's why it's so important to steadily continue these activities while training new generations," observed Tominaga. Yoshitada Masamoto, who as General Manager of the Hiroshima Prefecture Ryokka Center directed the activities, added, "Families with small children visit Mazda-no-Mori and talk about the forest. That's how knowledge of the forest's importance is passed to the next generation."



After studying the features of Japan's rivers and the role of forest preservation in defeating global warming and in contributing to local communities, the participants work in Mazda-no-Mori.



It may be a small step, but when many small steps are put together, great progress can result. "Thanks to Mazda's leadership, other companies are becoming increasingly interested in adopting 'company forests' of their own," noted Tominaga. In order for a wide cross-section of people, including companies, private citizens, and people in the forestry industry, to work together to continue the activities over the long term, it is necessary to make things visualized in an easy-to-understand manner. This process, Tominaga explained, is useful not only for verification purposes but also for the creation of a thriving industry, with markets developed for thinned wood and timber harvested in the prefecture. By bearing this perspective in mind and linking people across generations, forest conservation initiatives like Mazda-no-Mori are expected to broaden the circle of activity still further.

Overseas: Bringing People Together Across Borders: A Noh Performance in Germany

In 2011, Japan and Germany commemorated the 150th anniversary of the 1861 Treaty of Amity, Commerce and Navigation between Japan and Prussia. To raise the curtain on a series of events celebrating a century and a half of exchange, in January 2011 performances of Noh, a traditional Japanese form of drama, were presented in Berlin, Munich, and two other locations in Germany. Mazda was proud to support these performances, as well as an exhibition of Noh costumes at the Museum of Oriental Art of the National Museum in Berlin.

In preparing for the commemorative events, Yoichi Shimizu, Deputy Secretary General of the Japanese-German Center Berlin, asked himself in Germany how best to celebrate the two countries' longstanding friendship. He realized that Noh drama was the perfect fit for the opening of the celebration. "The refined gestures and costumes of this dramatic form with 650 years of history will captivate audiences, bringing enjoyment to people across the bounds of time, distance, and national borders," he thought.



Kazuo Ito
Assistant Manager, General Affairs
Department, Mazda Motor Corporation

Shimizu worried, however, that if the Noh

dramas were presented in a large theater, he might have some empty seats.

On the day the tickets went on sale, all Shimizu's apprehensions were dispelled as all performances sold out in minutes. In five performances at four venues, some 4,000 people attended in total, including many young people. Shimizu took great pains to provide explanatory notes and subtitles in advance on the significance of the Noh masks, the gestures, the styles of walking, and the costumes. At the conclusion of each performance, the theaters rang with applause.

"I gained a new appreciation for the German people's enormous interest in Japanese culture," Shimizu remarked afterward. "There is so much that Germany and Japan can learn from each other." Shimizu hopes that Germany and Japan will draw still closer and better understand each other in the years to come.

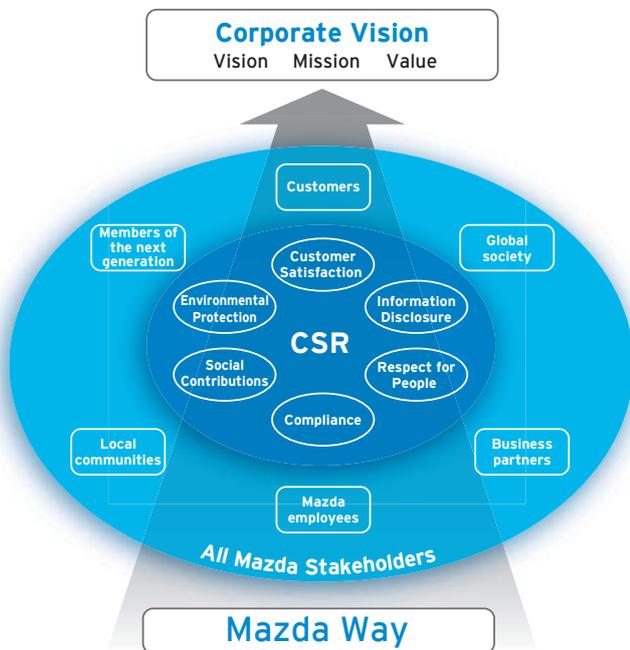
Kazuo Ito, Assistant Manager of Mazda's General Affairs Department, is a man who strongly believes in the importance of international exchange. Having temporarily transferred to the Hiroshima Cultural Exchange Center for about two years in the past, Ito played a vital role in fostering an international outlook among the residents of Hiroshima Prefecture and providing valuable support for Hiroshima Prefecture residents of foreign nationality. "For Mazda, a Japanese company with a global business profile, building greater understanding of Japan among people in other countries is a precondition for success," Ito asserts. "Active support for international and cultural exchange is essential to Mazda's mission." Through international exchange activities such as these, Mazda is building new opportunities to bring people together across national boundaries.

The program consisted of three pieces, including the famous Funa Benkei, to make it more accessible.



MAZDA CSR

ZOOM-ZOOM



Basic Approach

Mazda aims to achieve its Corporate Vision (see p. 1) through the actions of each individual, based on the Mazda Way (see p. 53). While striving to meet the requests and expectations of all of Mazda's stakeholders, each employee pursues CSR initiatives in the course of their daily business activities. In this way, Mazda contributes to the development of a sustainable society.

Six Areas and Three Key Themes

Referencing the Charter of Corporate Behavior issued by the Japan Business Federation (Nippon Keidanren), Mazda evaluates its CSR initiatives in the six areas of Environmental Protection, Customer Satisfaction, Respect for People, Social Contributions, Compliance and Information Disclosure.

Six Areas of CSR Operations (* indicates key themes)

Environmental Protection*	Developing environmentally responsible products, taking measures against global warming, recycling automobiles, etc.
Customer Satisfaction	Developing attractive products, improving customer satisfaction and the Company's service brand, improving product reliability, etc.
Respect for People*	Improving the working environment, promoting a healthy work-life balance, cultivating a climate of respect for other people, etc.
Social Contributions*	Participating in local community activities, promoting traffic safety, supporting social welfare, etc.
Compliance	Enforcing internal controls, ensuring appropriate transactions, promoting and thoroughly implementing the Corporate Ethics Code of Conduct, etc.
Information Disclosure	Actively disseminating information about CSR initiatives in the Mazda Group, communicating with stakeholders, disclosing financial statements, etc.

Through its interaction with various stakeholders, Mazda has further designated three of these areas as key themes for special action because they are particularly sought by society and Mazda is able to make a contribution.

Key Themes

- Environmental Protection: Along with being a pressing issue for humanity, this is the highest priority issue for automakers
- Respect for People: The foundation of society, including the human resource development that is the foundation of Mazda's corporate activities
- Social Contributions: Contributing to local communities as a good corporate citizen

VOICE

I Want All Employees to Have Strong CSR Awareness in Their Daily Work

I am working as a contact person for external evaluations of CSR and environmental initiatives, and I am also in charge of developing in-house CSR education.

I realized that not just Mazda, but every company must take consideration of external evaluations and judgments from a variety of viewpoints concerning CSR performance. At the same time, every company operation must be connected with CSR. In order to drive home the importance of CSR awareness while carrying out day-to-day work, I intend to develop in-house education tools and distribute information on a daily basis.

Furthermore, in consideration of future societal changes, I want to contribute to the upgrading of initiatives in a uniquely Mazda Way.



Harehiko Matsumoto
CSR & Environment
Department

CSR Promotion Organization

Each department carries out its operations based on goals and plans formulated with an understanding of the policies and guidelines determined by the CSR Management Strategy Committee, which the president chairs, and in cooperation with other Group companies.

CSR Management Strategy Committee

- Meetings: Twice annually
- Chairperson (Representative Director, President, and CEO)
Vice-Chairperson (Executive Officer in charge of CSR and environmental affairs)
Members (Members of the Executive Committee)
- Activities: Deliberate the CSR activities that are expected of Mazda from a global perspective, in consideration of changes in social environment
 - Establish policies and designate priority issues
 - Report on progress in addressing issues, etc.

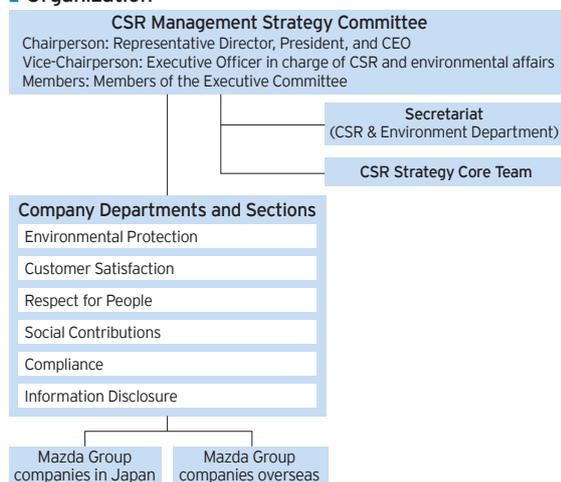
Structure in Each Department

- Each department: Set operational targets and plans for the medium and long term, and for each fiscal year

CSR Strategy Core Team

- Meetings: As required
- Members: Working members of primary departments involved in carrying out CSR initiatives
- Activities: Discuss in advance proposals to be made to the CSR Management Strategy Committee and propose guidelines for specific activities based on policies set by the CSR Management Strategy Committee

Organization



History of the CSR Structure

- 2004 CSR Committee established
 - Began company-wide CSR initiatives
- 2007 CSR Promotion Department established as a permanent structure
- 2008 CSR Committee reorganized as the CSR Management Strategy Committee
 - Integrated CSR activities and management
 - Reinforced global perspective
- 2009 CSR & Environment Department established as a permanent structure
 - Promotes initiatives both globally and across departments
 - Former CSR Promotion Department reorganized as a supervising compliance body and renamed as the Compliance Administration Department

External Evaluations of CSR

(As of March 31, 2011)

Mazda identifies key external ratings and evaluations both from within Japan and overseas and responds to them. 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) rating organizations.

- Inclusion in the FTSE4Good Index series
An SRI index developed by the FTSE Group, which is a partnership firm jointly founded by the UK newspaper *Financial Times* and the London Stock Exchange. 
- Inclusion in the Morningstar Socially Responsible Investment Index
The first SRI index developed in Japan. 
- Mazda's carbon disclosure score was evaluated as "high" in the Carbon Disclosure Project (CDP) Japan 500.
On behalf of 534 investors with assets of US\$64 trillion, the CDP organization conducts research and discloses information to better understand the risks and opportunities posed by climate change (information as of CDP2010 reporting timing). 

Major Awards Received

(April 2010-March 2011)

Customer Satisfaction

- The CX-9*1 won the US Automotive Lease Guide's award for highest residual value in the full-size utility segment (November 2010).
- The CX-9*1 won the Canadian Automotive Lease Guide's award for highest residual value in the full-size utility segment (February 2011).
- The Mazda2 Sedan*1 was selected by FIPA (Inter-American Federation of Auto Journalists) as "Auto Inter-American Car of the Year 2010" (November 2010).
- Mazda was awarded the Institute of Customer Service's Satisfaction Awards in the brand and sales section in the UK (February 2011).

Safety

- The Mazda3 (Axela for the Japanese market) was named a 2011 Top Safety Pick (in small cars) by the US Insurance Institute for Highway Safety (IIHS) (March 2011).

Environmental Protection

- Idling Stop System (i-stop): The Contribution Prize of the 42nd annual Ichimura Industrial Awards (April 2010); The Technological Development Award of the 60th annual Society of Automotive Engineers of Japan (JSAE) (April 2010); Chairperson's Award of the 8th annual Japan Society for the Promotion of Machine Industry (JSPMI) Award (February 2011)

*1 Models only for overseas market

Raising Employee Awareness

Mazda endeavors to deepen awareness and understanding of CSR among all its employees, and to promote the undertaking of CSR activities in their everyday work.

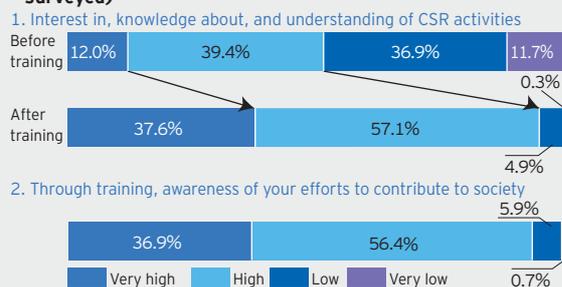
① Training by level

The following CSR training programs were implemented in FY2010:

- Lecture-style training (approx. 570 participants) for new recruits, mid-career hires, new band 5 (assistant manager level) employees and newly appointed managers
- Group discussions (approx. 450 participants) for new recruits, new band 5 (assistant manager level) employees and newly appointed managers

When asked for their impressions of training, which was based on group discussions, many participants replied with responses such as, "Group discussions helped deepen my understanding," "Listening to other groups' presentations was revealing to me," and "I thought I should start with what I can do here and now." Mazda will continue to implement training by level.

■ Results of Group Discussion Surveys in FY2010 (approx. 450 surveyed)



New recruits participating in group-based training

② Raising awareness in-house

Information is disseminated among employees through various methods.

- Distribution to and circulation within all departments of the Mazda Sustainability Report
- Communication about CSR efforts and up-to-date information via the Company Intranet



February–March 2011 issue of in-house newsletter *My Mazda* (CSR special feature edition)

Additionally, in FY2010, a CSR special feature edition of the February–March 2011 issue of the in-house newsletter *My Mazda* was released, introducing Mazda's approach to CSR, examples of employee CSR efforts, evaluations from outside the Company and other information. This issue of *My Mazda* helped promote understanding and raise awareness about CSR among Mazda Group company employees in Japan and overseas.

CSR Approach and Initiatives at Mazda Group Companies in Japan and Overseas

The Mazda Group's basic approach, both in Japan and overseas, is to comply with national and regional regulations, including labor laws such as the prohibition of child labor and forced labor. The Group is engaged in a wide range of initiatives to this end, from practicing compliance to contributing to society, while respecting diverse national and regional cultures and social perspectives. Mazda has also issued Mazda Supplier CSR Guidelines and other guidelines, and is promoting regulatory compliance in the entire supply chain.

COMMUNICATION WITH STAKEHOLDERS

Mazda engages its stakeholders to hear their opinions and requests and takes them into consideration as part of its corporate activities.

Key Stakeholder Relationships and Disclosure Channels in the Mazda Group's CSR Initiatives

Key stakeholders	Mazda Group's key responsibilities to stakeholders	Opportunities for dialogue and disclosure
<div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; width: 80px; margin: 0 auto;"> Customers </div>	<ul style="list-style-type: none"> • Improving customer satisfaction • Providing safe, reliable and attractive products and services • Appropriate disclosure of information regarding products and services • Providing customer support in a timely and appropriate manner • Appropriate management of customer information 	<ul style="list-style-type: none"> • Day-to-day sales activities • Establishment of call centers • Customer satisfaction surveys • Official Mazda website • Holding events
<div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; width: 100px; margin: 0 auto;"> Shareholders and investors </div>	<ul style="list-style-type: none"> • Timely and appropriate information disclosure • Maximizing corporate value • Strict exercise of voting rights (at the general meeting of shareholders) • Active investor relations activities 	<ul style="list-style-type: none"> • Quarterly presentations of financial results • Presentations to investors • Plant tours for shareholders and investors • Holding general meeting • Creation of websites for shareholders and investors • Publication of shareholder communication materials • Publication of annual reports • Responding to external surveys
<div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; width: 100px; margin: 0 auto;"> Business partners <small>Suppliers Domestic dealerships Overseas distributors</small> </div>	<ul style="list-style-type: none"> • Fair and equitable trading • Open and transparent business opportunities • Support of requests for collaboration with CSR implementation • Appropriate disclosure and sharing of information 	<ul style="list-style-type: none"> • Conferences with supplier executives • Supplier communication meetings • Day-to-day purchasing activities • Conferences with representatives of dealerships • Conferences with distributors • Commendation of outstanding suppliers, dealerships and distributors • Hotline Office linking Mazda with dealerships
<div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; width: 80px; margin: 0 auto;"> Employees </div>	<ul style="list-style-type: none"> • Respect for human rights • Choice and self-accomplishment • Promoting a healthy work-life balance • Optimum matching of people, work and placement • Promotion and improvement of employee health and safety • Promotion of diversity • Mutual understanding and trust between labor and management 	<ul style="list-style-type: none"> • Direct communication with senior management (MBLD) • Employee Awareness Survey • Systems for dialogue between supervisors and subordinates • Career Challenge System (in-house announcement and FA) • Group and optional training • Safety and health-related events • Labor-Management Council • Holding lectures
<div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; width: 120px; margin: 0 auto;"> Global society and regional communities </div>	<ul style="list-style-type: none"> • Respect for local cultures and customs • Consideration for the environment • Prevention of workplace accidents and disasters • Activities contributing to local communities • Disaster-relief activities in regions in which Mazda does business 	<ul style="list-style-type: none"> • Opening to the public of the Mazda Museum and plant tours • Participation in activities to contribute to local communities and in volunteer activities
<div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; width: 100px; margin: 0 auto;"> Government and administrative agencies </div>	<ul style="list-style-type: none"> • Compliance with laws and regulations • Payment of taxes • Cooperation with government policies 	<ul style="list-style-type: none"> • Dialogue through economic and industry organizations • Publication of securities reports • Response to hearings, information disclosure, etc.
<div style="border: 1px solid white; border-radius: 15px; padding: 10px; text-align: center; width: 80px; margin: 0 auto;"> NGOs/NPOs </div>	<ul style="list-style-type: none"> • Cooperative work and support in search of solutions to global social issues • Cooperative work in activities contributing to local communities 	<ul style="list-style-type: none"> • Dialogue and support through cooperation

Engaging Stakeholders

■ Efforts Outside the Company (FY2010)

1. 5th Mazda Environmental Technology Forum

Mazda exchanged opinions about Mazda's new-generation SKYACTIV TECHNOLOGY with participants.

- Period: March 2011
- Venue: Mazda R&D Center Yokohama

Opinions from Participants

- I really feel that the new-generation SKYACTIV TECHNOLOGY places great emphasis on the importance of reducing energy waste.
- It's an approach different from that of other companies. If Mazda highlights the uniqueness of the Company's approach, such as the pursuit of optimum combustion efficiency, it will gain further recognition.
- I now understand that internal combustion can still be improved in many ways. I can really sympathize with this new-generation technology as a base for new development, and I hope this technology will become more widespread.



Free discussion with Mazda employees

※ For more details on the event, see p. 38.

2. 1st CSR Seminar in Mazda Zoom-Zoom College

A workshop-style CSR seminar was held as part of the Mazda "Zoom-Zoom College" student internship course. Approximately 140 participating university undergraduate and graduate students shared their opinions on Mazda's CSR efforts and the Mazda Sustainability Report.

- Period: December 2010
- Venue: Mazda R&D Center Yokohama and Mazda Education Center at the Hiroshima Head Office



Students participating in group work

Presentations

Opinions from Participants

Initiatives that deserve praise

- Unique Mazda events, including the Mazda Car Carrier Loading Field Trip and the Hokkaido Kenbuchi Proving Ground Open Facility Event
- Efforts to promote work-life balance, such as the Waku Waku Kids En in-house daycare center
- Research and development of new-generation SKYACTIV TECHNOLOGY, and hydrogen vehicles, etc.

Areas that can be improved

- Traffic safety activities
- Park-and-ride and other community-based environmental protection activities
- Social contribution activities in developing countries

■ Efforts Inside the Company (FY2010)

1. Exchange of opinions with the members who supported the production of the Sustainability Report

Employees from the 15 divisions/departments in charge of producing the Mazda Sustainability Report exchanged opinions regarding the report and Mazda's initiatives, focusing on the three themes listed below.

- Period: Five times in January and February 2011
- Themes:
 1. Initiatives that deserve praise
 2. Initiatives that should be improved
 3. New initiatives that should be implemented



Employees exchanging opinions

2. CSR lecture

In response to growing societal expectations regarding environment, social and corporate governance (ESG), a CSR lecture was held. Participants shared their opinions.

- Period: June 2010
- Theme: Increasing interest in CSR as a non-financial factor
- Lecturer: Eiichiro Adachi, Research Chief, Head of ESG Research Center, The Japan Research Institute, Ltd.
- Target audience: Mazda employees from key CSR-related departments

3. ISO 26000 lecture

In response to the release of the new International Standard ISO 26000 for social responsibility in November 2010, a lecture and Q&A session were held.

- Period: February 2011
- Theme: ISO 26000 and corporate management
- Lecturer: Masao Seki, Associate Director, Chief CSR Officer, Sampo Japan Insurance Inc. (Japanese manufacturing industry leading expert on ISO 26000)
- Target audience: Directors, Executive Officers and other top-level managers

Mazda conducts a range of investor relations initiatives in keeping with its policy of fair and timely disclosure of information.

Management Conditions and Dividends

In the fiscal year ended March 31, 2011 (FY2010), Mazda turned in encouraging business results despite conditions of unusual adversity. As difficult external conditions lingered, including stubbornly high valuations for the Japanese yen against other major currencies, Mazda set out on multiple fronts to improve earnings. The Company strove to pare costs, bolster efficiency, expand sales in emerging countries, and improve compositions of vehicle types (vehicle mix) in these markets. Toward the end of the period, a major challenge arose in the form of the Great East Japan Earthquake, a catastrophe whose many deleterious effects included a drop in productive activity and a weakening in domestic consumer sentiment. Nevertheless, Mazda succeeded in bolstering both revenue and earnings under these adverse circumstances.

The directors expect the coming fiscal year, the fiscal year ending March 31, 2012 (FY2011), to continue to present an unforgiving business environment. Nonetheless, Mazda aims to uphold profitable operations on all fronts by accelerating forward-looking investments and taking steps to overcome the effects of the strong yen and rising costs of raw materials. On the product front, Mazda will usher in the first year of the SKYACTIV era by rolling out a succession of models equipped with the breakthrough SKYACTIV TECHNOLOGY, beginning with the facelifted Demio for the Japanese market. Additionally, Mazda will continue overhauling its cost profile through *Monotsukuri* Innovation and intensify its efforts in emerging countries. Through all these initiatives, Mazda will strive to achieve all of the targets in its medium- to long-term forecast.

Growth Achieved in Results before Ordinary Income

The business environment in FY2010 was characterized by hopeful signs mingled with uncertainty. Overseas, economic growth in emerging markets, particularly in Asia, supported a steady recovering trend, yet uncertainty lingered due to political instability and rising oil prices. In Japan, a trend of production cutbacks, which had followed the cessation of the government's economic stimulus measures, halted as exports and production rose moderately and capital investment regained its footing. The overall environment remained persistently challenging, however, owing to continuing high valuations for the yen. The Mazda Group strove to improve earnings by pressing forward with cost trimming and streamlining efforts while expanding sales in emerging countries and improving its vehicle mix in these markets.

During the period under review, global sales volume and net sales each climbed 7% against the previous fiscal year, to 1,273,000 vehicles and 2,325.7 billion yen respectively. Operating income soared from the previous fiscal year, rising from 14.4 billion yen to 23.8 billion yen, while ordinary income improved from 32.2 billion yen to 36.9 billion yen, on the strength of growing

volume and revenue in core markets. In net income, however, the Company incurred a loss of 60 billion yen, due to disaster losses from the Great East Japan Earthquake, extraordinary losses from appropriation of reserves against operating losses in North American affiliates, and a partial write-down of deferred tax assets. Free cash flow was positive for the full fiscal year at 1.6 billion yen.

The Company's dividend policy is to determine the dividend by taking into account the fiscal year's business results, as well as factors such as the prevailing management environment. The Company elected not to distribute a year-end dividend for FY2010, due to the incurring of a current net loss and in consideration of the status of its net assets.

Mazda has an array of strategies in place for driving growth in the near and medium term. In FY2011, the first year of the SKYACTIV era, the Company introduced to the Japanese market a facelifted Demio equipped with SKYACTIV-G, offering 10-15 mode fuel economy of 30 km/L. The latter half of the fiscal year will see the arrival of SKYACTIV-equipped Mazda3 models in North America and other major overseas markets, as well as a global rollout of the new CX-5 fully-equipped with SKYACTIV TECHNOLOGY. On June 17, 2011, in a joint venture with Sumitomo Corporation, Mazda announced the start of preparations for manufacturing in Mexico and sales operations in Brazil. Mazda views the Latin American region as the third pillar of its growth strategy, after China and ASEAN, and is pressing ahead to achieve growth in the near future.

In the year or so since Mazda announced its Framework for Medium- and Long-Term Initiatives last year, the management environment has changed dramatically. The external environment has deteriorated in many ways, with demand in developed countries increasingly uncertain, raw material prices rising precipitously, and the yen unfavorably high. Mazda is grappling with these challenges by introducing new-generation products, accelerating the introduction of *Monotsukuri* Innovation to improve costs, and forging ahead in emerging markets such as ASEAN. In its medium- to long-term forecast, Mazda aims to achieve a global sales volume of 1.7 million vehicles, an operating profit of 170 billion yen, and a return on sales (ROS) of 5% or more by the fiscal year ending March 31, 2016 (FY2015). Mazda is unwavering in this commitment and is moving resolutely forward to meet these targets.

- Latest Financial Information
<http://www.mazda.com/investors/library/result/>
- Framework for Medium- and Long-Term Initiatives
<http://www.mazda.com/investors/library/result/>

Dialog with Shareholders and Investors

Mazda conducts a wide range of investor relations activities based on a firm policy of full and timely disclosure.

Full Disclosure, Open Communication

In addition to providing quarterly announcements to explain its business results, the Company holds frequent meetings with investment analysts and institutional investors both in Japan and overseas, and provides them with relevant financial information. The Company also keeps shareholders informed via such tools as its investor relations website, annual reports, and shareholder correspondence.

Mazda also offers several events for individual shareholders. In March 2011, Mazda hosted an Environmental Technology Forum at the Mazda R&D Center in Yokohama, where shareholders listened to presentations on CSR at Mazda and technical discussions by Mazda engineers who are developing its new-generation SKYACTIV TECHNOLOGY. Attendees also gained an in-depth understanding of Mazda's latest environmental breakthroughs by test-driving vehicles equipped with Mazda's i-stop idling-stop system and riding in hydrogen rotary engine vehicles. The Company gained vital feedback from many of the individual shareholders who attended.

Mazda will continue to offer a wide range of events and communication to promote a deeper and broader understanding of its corporate activities.

- Shareholder and Investor Information

<http://www.mazda.com/investors/>

- Environmental Communication

http://www.mazda.com/csr/environment/education_communication/

MANAGEMENT



Key Topics

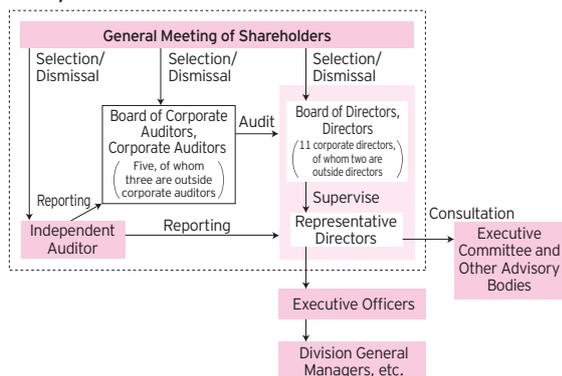
- Outside corporate director system inaugurated in June 2011

Mazda is enhancing its corporate governance and strengthening its internal controls with the aim of increasing management transparency and expediting decision making.

Corporate Governance

Mazda views the enhancement of corporate governance as one of its most important management issues, and along with statutory bodies including the General Meeting of Shareholders, Board of Directors, and Board of Corporate Auditors, the Company has introduced an executive officer system to separate execution and management functions.

Corporate Governance Framework



This is intended to expedite decision making by increasing the effectiveness of the Board of Directors as a supervisory body, by enhancing the deliberations of the Board of Directors, and by delegating authority to executive officers.

As of June 30, 2011, Mazda's Board of Directors is composed of 11 members, two of whom are outside corporate directors with a high degree of independence.

Inauguration of an Outside Corporate Director System

At the shareholders' meeting held on June 24, 2011, Mazda appointed two outside corporate directors, inaugurating an

outside corporate director system with the objective of further increasing management soundness and transparency. The outside corporate directors are expected to help strengthen the auditing functions of the Board of Directors and further boost the transparency of management by offering management advice based on their knowledge, experience, and insights, and by taking part in the decision-making process.

Management Auditing

Mazda's Board of Corporate Auditors has five members, including three external corporate auditors who have no business relationships or other interests with Mazda, and audits the directors in the performance of their duties as per an annual audit plan formulated by the Board of Corporate Auditors. KPMG AZSA LLC is retained under contract as Mazda's independent auditor.

Cooperation among Parties Responsible for Auditing

- A "Three-Way Audit Meeting" of the full-time corporate auditors, the auditing company, and the Global Auditing Department is held four times every year, primarily to discuss the status of progress with regard to auditing under the Japanese Sarbanes-Oxley Act (J-SOX)*1 and issues related to the auditing of business operations and accounting.
- Regular meetings of the full-time corporate auditors and the Global Auditing Department are held monthly to exchange opinions in further detail regarding issues identified in audits.

Internal Controls

Mazda initiated a program of self-examination of internal controls in 1998, and this is currently carried out at all consolidated Group companies in Japan and around the world.

Departments primarily responsible for internal controls cooperate with other related departments to provide training and support, working to promote internal controls to ensure that operations proceed smoothly in all departments and consolidated Group companies.

Development of Internal Controls Framework

Mazda has in place its own framework of internal controls conforming to the COSO Report,*2 a global framework for internal controls, and the implementation standards of J-SOX. This framework helps to ensure the validity of financial reports,

the promotion of compliance, the improvement of operational efficiency, and the maintenance of corporate assets.

The Mazda Internal Controls Framework

1. The Mazda Corporate Ethics Code of Conduct

- The Mazda Corporate Ethics Code of Conduct asserts the importance of conducting fair and honest business activities, and serves as a benchmark for ethical conduct by directors and employees.

2. The Company's basic philosophy: The Mazda Way

- The Mazda Way facilitates employee education by summarizing basic principles and values to which employees should adhere. Integrity is stipulated as one of the seven principles. (For more details, see p. 53.)

3. Promotion of Self-Diagnosis Checklist on Internal Controls

- Development of a Self-Diagnosis Checklist on Internal Controls
The checklist was designed to analyze potential risks to bring together the necessary controls in a system of cross-checking, and provides for objective evaluation by independent dedicated staff.
- Appointment of Dedicated Staff to Support Departments and Group Companies
The staff addresses improvements to inadequacies found in the internal controls framework and those reported from outside the Company.
- The staff provides support for deployment of the checklist at Group companies in Japan and overseas.

4. Implementation of an Internal Controls Signoff System

- Have department managers and senior managers of Group companies sign off consecutively on internal controls.
- Status of measures to address inadequacy reports checked each quarter.
- Have the validity of internal controls reports guaranteed.

5. Mazda Global Hotline

- The Mazda Global Hotline is a direct contact point for receiving information on inappropriate activities that violate laws or the Corporate Ethics Code of Conduct. In addition, Mazda has a variety of other contact points providing consultation on human rights, labor issues, and other concerns.

6. Auditing Framework

- Mazda has instituted a global auditing framework with regard to operations at the head office and each of the major regions in Europe, the United States, Australia, etc. (Includes 18 officially certified auditors)
- A dedicated auditing sector is in place at major dealers in Japan, performing audits of sales outlets and other duties.

7. Enhancement of IT Security

- Standardized administrative rules are formulated to address IT risks (at Group companies in Japan and overseas).
- Dedicated and publicly certified IT auditors are appointed.

Risk Management

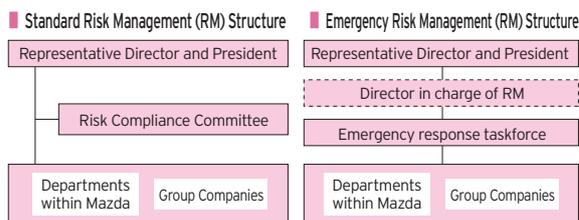
Mazda Risk Management is committed to taking appropriate measures to minimize various internal and external risks so as to ensure the continuous, stable progress of business activities.

Risk Management Framework

Based on the recognition that "all Mazda directors and employees are expected to take the initiative for risk management," the Company manages potential risks in reference to the Basic Risk Management Policy, Risk Management Regulations, and other related internal regulations. Individual business risks are managed by the department in charge of that business area, while departments that carry out business on a company-wide basis are responsible for carrying out appropriate management of respective company-wide risks according to the risk level.

*1 The Japanese version of the Sarbanes-Oxley Act (original Sarbanes-Oxley Act is a US federal law)

*2 Report outlining a comprehensive framework for internal controls, released by the US organization, Committee of Sponsoring Organizations of the Treadway Commission (COSO)



In the event of incidents that fall outside the scope of existing risk management organizations and require a coordinated interdepartmental response, the director in charge of risk management will consult with the president, establish an emergency response taskforce, and appoint a general manager of this taskforce.

- For a description of Mazda's response to the Great East Japan Earthquake and relief activities, see p. 7.

Information Security

Mazda strives to ensure information security by appropriately managing and protecting personal information and other important information. The general manager of each division is responsible for the appropriate management of information based on the information management policies and rules formulated by the department responsible for centralized management of information handled throughout the Company.

IT Security Management Rules

Mazda has IT security management rules in place. The Company works to ensure information security group-wide by providing Group companies with guidelines for implementing information security and support for strengthening management systems.

Compliance

Mazda does not view compliance as simply complying with legal regulations; the Company believes that internal guidelines and social norms (society's expectations and requests) apply as well. These ideas are specified in the Mazda Corporate Ethics Code of Conduct, which is the benchmark for ensuring that the Company's business operations are fair and honest. Overseas, Mazda's compliance guidelines require that employees not only follow international rules and all applicable laws, but also that they respect local history, culture, and customs.

Mazda Global Hotline

In 1999, Mazda established the Ethics Advisory Office to handle employee inquiries about compliance and conduct investigations on ethical matters. In September 2007, the scope of the office was expanded to include domestic and overseas Group companies, and it was renamed the Mazda Global Hotline as a contact point for receiving information. The Mazda Corporate Ethics Code of Conduct states that "Persons who report incidences of violation of the law and persons who cooperate in investigations of alleged violations shall not be subjected to retribution or disadvantageous treatment."

To ensure that all employees are aware of this hotline, Mazda has distributed cards with the contact information to all head office employees, and introduced the hotline to Group companies in Japan and overseas via the Company Intranet.



Internal Controls

Internal Auditing Framework

Located at the Mazda Head Office, the Global Auditing Department conducts internal audits to ensure that the Company's management targets, policies, and plans comply with all applicable laws and regulations, and uphold the Company's sound and efficient management. In addition, in overseas Group companies in North America, Europe, Australia, and major operational centers in South America, the Group has established internal auditing departments that are fully independent from the operating departments. These departments work closely with the Global Auditing Department to conduct a full range of auditing tasks, including internal control evaluations. Among Group companies in Japan, dedicated internal auditing departments are established at major dealerships, where they are chiefly engaged in the auditing of sales outlets.

These internal auditing departments are staffed with many auditing professionals of the highest caliber, bearing qualifications such as Certified Internal Auditor (CIA) and Certified Information System Auditor (CISA). The Company is also actively engaged in training the next generation of high-quality auditors. As of March 31, 2011, ten internal auditors in Mazda itself and eight in overseas subsidiaries hold qualifications.

Risk Management

Mazda's Basic Policy on Risk Management

Risk Management Philosophy

Mazda appropriately manages the risks facing the Company, in accordance with the Basic Risk Management Policy, Risk Management Regulations and other related internal regulations. For individual business risks, the department in charge of that business area is responsible for carrying out appropriate management, whereas for company-wide risks, it is the responsibility of departments that carry out business on a company-wide basis.

Additionally, in the event of emergencies such as a major incident or accident, Mazda will take measures that it deems appropriate, including the establishment of an emergency response task force if needed.

Risk Management Objectives

In the following ways, Mazda will strive for the enhancement of corporate value and harmony with the community, thereby realizing the Company's corporate vision:

1. Ensure the health and safety of all members of the Mazda Group, and of local citizens
2. Maintain and increase the trust of the community
3. Make appropriate use of the tangible and intangible corporate assets of the Mazda Group
4. Secure interests of the stakeholders, earn their trust, and meet their expectations
5. Support the functions of the organization, and seek a rapid restoration of business activities in the event of abnormal circumstances or emergencies

Action Guidelines

All executives and employees will be aware of potential risks in every phase of corporate activity and will thoroughly implement appropriate risk management.

Methods of Implementing Risk Management

Mazda is constructing the necessary systems and rules for the following two categories of activities.

1. Employees should be engaged in constant prevention and reduction of risk in their day-to-day work, and in promotion of risk prevention measures (risk management).
2. Employees should be engaged in minimizing damage and speeding recovery if any crisis should occur (crisis control).

Scope of Application

1. Applies to all business risks
2. Applies to the entire Mazda Group, including subsidiaries and affiliates

Response to Accidents and Other Emergencies

Readiness for emergencies is a major part of risk management. Mazda conducts a wide range of drills every year, based on its fire and disaster prevention management regulations, emergency management regulations, and other in-house rules. Company-wide emergency contact drills, evacuation drills, fire drills, and other emergency drills are conducted every year, preparing all employees for an all-important early response in times of emergency. In FY2010, a total of 729 evacuation drills and fire drills were conducted across all Group companies, with 17,997 employees participating.

Mazda's response procedures in the event of a disaster at a supplier are summarized in the Supplier Disaster Crisis Management Regulations. These regulations spell out the response framework when such events occur, first response, and measures to support restoration.



Joint fire drill

Preparing for Major Earthquakes

In FY2003, Mazda began putting into practice measures to prepare for major earthquakes. Seismic retrofitting was implemented in buildings and production facilities in a planned, coordinated manner. In FY2007, similar measures began at other Group companies, as the Mazda Group moved to make seismic retrofitting universal at all Group companies.

In order to prepare its employees for various emergencies, Mazda implements preparatory measures throughout workplaces and conducts emergency-response drills. In addition, a Disaster Response Card is issued to each employee, spelling out the code of conduct expected of employees in the event of an earthquake or other disaster to ensure the correct handling of such events.

Measures Against New Strains of Influenza

Mazda has long been concerned about the threat of influenza, including bird influenza and the new varieties of influenza that may have arisen from it. The Company has formed a framework for liaison and information-sharing among Group companies throughout Japan and around the world, and has increased its supply of masks and disinfectant to Group locations.

In April 2009, a new strain of influenza A, called H1N1, began to spread, and in response Mazda established a response headquarters with the Executive Vice President appointed as the General Manager. The Company also announced measures to prevent infection and procedures to follow in case of exposure, while considering the regional nature of this disease.

Looking ahead, Mazda is continuously examining a number of possible measures to prevent the spread of infectious diseases and ensure the continuity of Company operations.

Protection of Personal Information

Mazda rigorously protects personal information in accordance with all laws related to the protection of personal information as well as its own personal information protection policy.

Each of four divisions is charged with appropriate management of customer information, employee information, patient information (at the Mazda Hospital), and other (general) information, respectively. Internal audits are conducted once a year to check the status of information management. In cases where the handling of

personal information is entrusted to outside parties, such as contractors are carefully screened according to a specially created checklist.

The Mazda Call Center responds to customers who wish to inquire about the Company's handling of personal information and those who request disclosure regarding privacy issues.

Personal Information Protection Policy

The Company endeavors to adequately protect the personal information of its customers, business partners, employees and other parties in accordance with the Personal Information Protection Law and the basic guidelines described below.

1. Mazda shall establish Regulations for the Protection of personal information, to be adhered to by all parties that handle personal information.
2. Mazda shall put in place a presiding supervisor for the management of personal information, and provide corresponding educational activities for its employees (directors, employees, part-time workers, temporary agency workers, etc.) and other related persons.
3. Mazda shall acquire personal information through appropriate means. When collecting personal information, Mazda shall either inform that person of the purposes of use and its contact address, or announce such information by a well-recognized method or methods (such as through a website).
4. At Mazda, personal information shall be utilized only by those who have been authorized to manage such data, to the extent disclosed to the parties concerned or publicly announced, and the personal information shall be used only to that extent.
5. Mazda shall take all necessary measures required by law, including obtaining consent from the relevant party for said provision of such personal information to a third party.
6. If Mazda needs to assign a third party in any business relating to personal information, the Company shall select an appropriate assignee for said information, and take all necessary measures required by law, such as necessary and adequate supervision.
7. If Mazda receives any claim for disclosure, correction, suspension, or elimination of all or any part of the personal information retained by the Company, Mazda shall react appropriately in accordance with laws after the Company confirms that said claim was issued by the relevant party.
8. Mazda shall ensure reasonable security measures, and continuously improve such measures to prevent illegal access, loss, destruction, falsification, and/or leakage of personal information.

Information Security Education

To raise employee awareness about information security, Mazda requires employees to undertake training in the following two ways. In addition, on the Company's Intranet, Mazda hosts a dedicated site with useful tips and study materials on information security, with awareness-raising activities conducted on an ongoing basis. For Group companies, Mazda offers learning tools and other study support in order to elevate the level of information security awareness throughout the entire Group.

Management of confidential information

Group study for new employees (when employees join the Company, including mid-career hires)

Personal information and IT security

E-learning for new employees (when employees join the Company, including mid-career hires)

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, comprising division general managers from related divisions and chaired by an executive officer responsible for intellectual property issues.

Mazda's dedicated Intellectual Property Department leads company activities in terms of intellectual property, and conducts strategic activities aimed at protecting, accumulating, and making maximum use of the intellectual property generated through these activities.

In order to clearly convey a relevant code of conduct to all employees and guide their behavior, the Mazda Corporate Ethics Code of Conduct stipulates as follows: "Keep confidential information. Never infringe on any intellectual property right, whether it belongs to Mazda or another party."

Protection of Intellectual Property and Intellectual Property Risk Management

Mazda's dedicated Intellectual Property Department is responsible for the overall management of intellectual property, and also regularly conducts awareness-raising activities to instill respect for intellectual property law.

1. Obtains and protects, on a global level, the rights concerning intellectual property created by its business activities, including new technologies, markings, model names, and vehicle designs.
2. Takes steps to prevent and solve any problems regarding intellectual property that may obstruct business activities in each domain, such as infringement of other parties' patent rights; trademark rights, design rights and copyrights; and violations of the Unfair Competition Prevention Act.

In awareness-raising activities, the Department offers instruction tailored to the management level and position of each employee and director in Mazda and each Group company, and to the type of intellectual property in question. In particular, the Department assigns to certain administrative staff members the duty of instructing employees on problems of copyright and violation of the Unfair Competition Prevention Act that can arise from use of the Internet.

Brand Protection (Measures Against Fake Products)

In collaboration with related departments, the Intellectual Property Department makes a sustained effort to eliminate fake products to support and improve the strength of the Mazda brand and its trustworthiness, and to eliminate the risk to customers caused by the purchase of fakes.

1. Mazda develops and implements its own measures against the sale of fake products.
2. Mazda actively participates in programs organized by the private and public sectors against fakes.

3. Mazda appoints permanent staff from among the most knowledgeable members of the Intellectual Property Department to liaise with countries and regions that are major sources of fake products. Working with government agencies and other agencies tasked with exposing fake products, these agents work to devise measures to stem their flow.

Support for Protection of Intellectual Property at Group Companies in Japan and Overseas

Mazda provides valuable support to its consolidated Group companies, both in Japan and overseas, in the drafting, implementation, and organization of policies for the handling of intellectual property. In this way, the Company promotes the enhancement of functions for managing intellectual property across the entire Mazda Group.

Compliance

Outline of the Mazda Corporate Ethics Code of Conduct

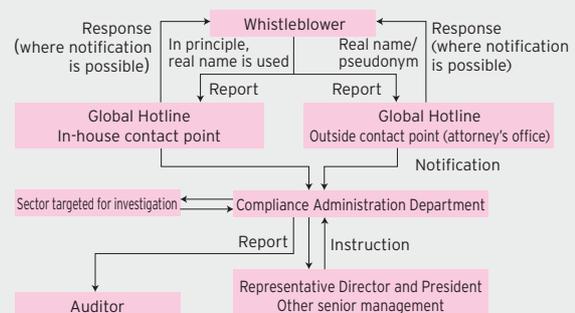
Five principles of "faithful" behavior

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

Guidelines

- 1 Comply with laws and regulations and the company rules. In a situation where such rules are not clearly defined, make a judgment considering their spirit.
- 2 Treat employees, customers and clients fairly and justly. Do not obtain from or give anybody an unjust benefit and/or favor taking advantage of your business position.
- 3 Make distinctions between public and private affairs, and never pocket or abuse the company assets.
- 4 Keep confidential information. Never infringe on any intellectual property right, whether it belongs to Mazda or another party.
- 5 Seek to develop, manufacture and sell products taking human safety and the environment into consideration.
- 6 Act with a view to seeking sound profits.
- 7 Respect human rights and human dignity.
- 8 State the truth honestly and timely in reporting internally and/or to the public.

Workflow of the Mazda Global Hotline



Compliance Education

In teaching employees about compliance, Mazda expects much more than just obedience to laws and rules alone; Mazda employees are expected to

understand why those strictures are important, adopt them as personal standards, and work hard to spread their acceptance and apply them at all times. In a word, Mazda teaches integrity, and conducts a wide range of compliance-education activities to foster its widespread adoption.

Compliance training is provided to all new employees, including mid-career hires, as well as newly appointed managers. In FY2010, some 719 individuals undertook this training.

The Company uses its Intranet to raise employee consciousness of compliance issues. For example, Mazda distributes a case study series entitled "Learning from other Companies," which highlights problems at other companies in terms of compliance and risk management and some of the outstanding solutions used to solve them. Another Intranet-based study tool is a monthly series entitled "Compliance Communications," which draws on familiar situations to prompt better understanding of compliance. Every month some 3,000-5,000 employees read these materials. Some of this information is also shared with Group companies, which apply them in their own compliance education activities.

Supporting Enhancement of Compliance at Dealerships in Japan

To support highly transparent management throughout all Group companies, Mazda promotes the strengthening of compliance among its dealers in Japan.

Specific measures:

The following CSR training programs were implemented in FY2010:

- ① CSR Committee meetings are convened in conjunction with the Mazda Dealership Association in order to discuss basic policies and measures related to compliance and internal controls, and request cooperation of all Mazda dealerships.
- ② Questions regarding compliance were added to the Self-Diagnosis Checklist on Internal Controls, which is deployed throughout the Mazda Group. Group companies use the checklist to confirm the status of their compliance with related laws.
- ③ In FY2008, Mazda began distributing "Compliance One-point Lessons." Based on actual incidents, these lessons explain how the causal factors behind incidents were uncovered and describe the measures taken to prevent their recurrence.
- ④ Specialized e-learning programs for each job category are implemented in order to promote employee understanding of compliance and internal controls.
- ⑤ The Mazda Global Hotline internal reporting system can be used for immediate reporting of problems related to compliance, internal controls, and other issues.

Requests to Suppliers

Mazda promotes integrity and fairness in business activities throughout its entire supply chain.

For its suppliers, Mazda publishes the "Request for Thorough Compliance with Labor Related Laws." This document calls on all Mazda partners to strictly abide by all labor laws and to prohibit forced labor, child labor, and abuse or coercion of workers.

Overview of Compliance Activities

1997	Ethics Committee established under the direct supervision of the president.
1998	Mazda Corporate Ethics Code of Conduct established. Specific instructions are supplied in the form of the Guidelines on Entertainment and Gifts.
1999	Ethics Advisory Office established.
2002	Directors and middle management members are invited to attend Compliance Seminars, with an outside lecturer (thereafter implemented once a year).
2004	To impress on employees the importance of compliance, a Compliance Manual drawing on specific case studies is compiled.
2005	A wallet-size "Compliance Card" is distributed to every employee in the Mazda Group. This card contains the Five Principles of Sincere Conduct and the Code of Conduct, distilled from the Mazda Corporate Ethics Code of Conduct. A mandatory e-learning course entitled "Basic Course in Corporate Ethics and Compliance" is created for indirect employees of the Group. An "Ethics Questionnaire" survey is conducted to assess levels of compliance awareness among employees and directors.
2006	Discussions on compliance themes are held at both administrative and production workplaces, to instill in employees a strong compliance mindset. The Guidelines on Entertainment and Gifts are overhauled.
2007	The Mazda Global Hotline is established.
2008	"Learning from Other Companies" is introduced on the Company Intranet. The Company begins distributing "Compliance Communications" on the Intranet. The Ethics Committee is reorganized as the Risk and Compliance Committee. The Guidelines on Entertainment and Gifts are revised.
2009	A Subcontractor Law support page is prepared and posted on the Intranet.
2010	Mazda strengthened its safety assurance system for export controls (produced a set of rules and standards, implemented briefing sessions, etc.).

IMPLEMENTING CSR IN THE VALUE CHAIN

Mazda carries out a wide variety of activities in order to achieve mutual growth and prosperity with suppliers and dealerships, both in Japan and overseas.

Key Topics

- Created the Mazda Supplier CSR Guidelines
- Revised the Mazda Green Purchasing Guidelines

Working with Mazda's Suppliers

Based on its basic purchasing policy, Mazda does everything it can to build open business relationships and ensure fair and even-handed dealings with its suppliers around the world.

Mazda set the following basic purchasing policy

Mazda will, in the fullest sense of coexistence and mutual prosperity, engage in research and production for improved competitiveness. The Company will build open and fair business relationships to ensure sustainable growth and raise its level of contributions for social and economic development. (1994)

In addition, Mazda is committed to promoting CSR activities aimed at building a sustainable society in full partnership with its suppliers. The Company bases its assessments of business dealings with its suppliers on a comprehensive evaluation that covers not only quality, technical strengths, pricing, delivery time and management approach, but also corporate compliance structure and initiatives to protect the environment.

Measures Based on Basic Purchasing Policy

- Mazda extends opportunities to businesses throughout the world, regardless of nationality, scale or history of transactions with the Company.
- Upon receiving a request to start business with Mazda, Mazda assesses the company in question in a fair and even-handed manner according to its in-house criteria for evaluation of suppliers, and determines the feasibility of a business partnership.
- Mazda requests that suppliers comply with Mazda Supplier CSR Guidelines and Mazda Green Purchasing Guidelines (see p. 39).

Mazda Supplier CSR Guidelines

To promote CSR activities among Mazda suppliers, in July 2010 Mazda created the Mazda Supplier CSR Guidelines with reference to the CSR Guidelines of the Japan Automobile Manufacturers Association. At the same time, the Company revised the Mazda Green Purchasing Guidelines, aiming to promote CSR-oriented activities throughout the entire supply chain.

In addition to requesting total compliance with the laws and regulations of all countries and regions, these guidelines outline areas such as prohibition of child labor and forced labor, compliance, and emphasis on corporate ethics, and ask that all Mazda suppliers comply with the guidelines in these areas.

- Please visit the Company's global website for more information on the Mazda Supplier CSR Guidelines and the Mazda Green Purchasing Guidelines:
http://www.mazda.com/csr/csr_vision/distributor/

Communicating with Suppliers

To enable coexistence, mutual growth and prosperity for all parties, along with the overarching goal of building high-quality vehicles, Mazda takes steps to promptly brief suppliers on medium- to long-term business strategies and on matters related to sales and production, and arranges opportunities for the exchange of information on a regular basis. The Company also maintains close liaison with supplier-managed purchasing cooperative organizations.*¹ For example, staff from member companies visit each others' offices in order to exchange examples of successful approaches and practices through subcommittee activities.

Major Channels of Communication with Supplier

	Target participants	Frequency	Aims/content
Roundtable conference with supplier management	Executive-level management at major suppliers	Once a year	<ul style="list-style-type: none"> ● Mazda's president and CEO explains Mazda's current status, the problems the Company faces and its policies, after which the general manager of the Purchasing Division explains Mazda's purchasing policies in order to heighten participants' understanding of Mazda and gain their cooperation. ● This conference also deepens friendly ties between Mazda and its suppliers.
Supplier meeting	Representatives of frontline business divisions and departments at major suppliers	Once a year	<ul style="list-style-type: none"> ● Mazda's specific purchasing policies are explained to representatives of frontline business divisions at suppliers, based on the explanation given at the roundtable conference by the general manager of the Purchasing Division. This helps to promote a better understanding of Mazda and provides useful input for the work that suppliers do.
Supplier communication meeting	Representatives of frontline business divisions and departments at major suppliers	Once a month	<ul style="list-style-type: none"> ● To facilitate smoother collaboration with its suppliers, Mazda provides them with information such as topics concerning daily operations between Mazda and its suppliers, production/sales status, quality status of purchased materials, pilot construction schedules for newly developed models, and mass-production implementation schedules for new models. ● Mazda explains its priority measures, environmental protection approach and compliance initiatives, and asks its suppliers to comply with these initiatives.
Others	—	As needed	<ul style="list-style-type: none"> ● Mazda also employs a range of other communication channels, such as publishing the in-house "Mazda Technical Review" on its website, highlighting new technologies and research.

Number of Suppliers (As of March 31, 2011)

Automotive parts	455
Materials, etc.	155
Equipment and tools	420
Total	1,030

Purchasing Cooperative Organizations (As of March 31, 2011)

Parts suppliers	Kanto Yokokai (Kanto region)	65
	Kansai Yokokai (Kansai and Tokai regions)	47
	Nishi Nihon Yokokai (Chugoku, Shikoku and Kyushu regions)	61
Materials suppliers (Raw materials, equipment, molds, etc.)	Yoshinkai	78

Evaluating and Recognizing Suppliers

Every year, Mazda evaluates its suppliers in order to build more positive business relationships, and passes the results of these evaluations back to the suppliers. Suppliers with excellent overall evaluations, and suppliers offering outstanding quality, are recognized with awards.

FY2010 Results

- Main areas evaluated: Overall assessment of quality, cost, delivery time, etc.
- Suppliers receiving awards: 90 parts suppliers and 12 materials suppliers

*1 An autonomous management organization, comprising suppliers that have a certain degree of transaction with Mazda, with the purpose of strengthening relationships between Mazda and its suppliers as well as promoting mutual growth and prosperity.

Practical Course on Routine Quality Management for Local Suppliers

Mazda shares its insights with local suppliers in and near Hiroshima Prefecture on what it views as the ideal form of routine quality management. In FY2010, Mazda held a course to deepen understanding of the significance and necessity of routine quality management, as well as to teach participants how to practically apply quality management methods and tools to their activities.

Activities

By deepening understanding of the necessity of change-point management and process assurance evaluation among quality and production control managers at suppliers, and by encouraging practical application to their in-house operations, Mazda is promoting routine quality improvement activities among suppliers.

Results for FY2010

Themes

- Lecture: "How routine management ought to be implemented"
- Creating reports on execution of routine quality management
- Implementation of process assurance evaluation
- Providing workshops based on case studies of improvements made by other companies

Deployment process: Implementation in each department and throughout the company via quality and production control managers

Program period: July 2010 to March 2011 (107 sessions in total)

Number of participating companies: 13 local suppliers in and near Hiroshima Prefecture who are aiming for future quality improvements

J-ABC Program to Promote Manufacturing Skill by Local Suppliers

Mazda is rolling out its J-ABC program (Jiba ["Local"] Achieve Best Cost program) for local suppliers in and around Hiroshima Prefecture. Under this program, Mazda staff visit suppliers' plants and use the approach employed in Mazda production systems as the basis for pinpointing wasteful or problematic manufacturing processes. Mazda then works cooperatively with the suppliers to formulate and implement countermeasures. This program is also expected to enhance potential for improvement at manufacturing sites in connection with Mazda's *Monotsukuri* Innovation activities.*2

VOICE

Receipt of the Effort Award at the Karakuri Kaizen Mechanism Exhibition 2010

I found it tremendously interesting to learn about different device mechanisms at the J-ABC *Karakuri Kaizen Dojo*. Having seen a coworker lift heavy – 30 kg (approx. 66 lb.) – materials by himself every day, I felt the urge to do something to help. I designed a mechanism that uses the principle of leverage to enable easy lifting of heavy items, and received the Effort Award for my idea.

I will continue participating in the *Karakuri Kaizen Dojo* in the future, and I want to encourage others to follow suit.



Hideyuki Nagase
Manufacturing Department
Production Division
Hirofani Co., Ltd.

Results for FY2010

Case Example 1: Cooperative Improvement Efforts

Operating under themes such as "outstanding productivity" and "shortened lead times," Mazda achieved major results in terms of improved operation rates, shorter production cycle times, improved logistical operations, etc.

- A total of approximately 1,530 visits to 38 plants at 24 companies were carried out to implement cooperative improvement programs. As a result, 55 improved model lines were completed at 38 plants.

Case Example 2: J-ABC *Karakuri Kaizen Dojo*

Mazda launched these workshops with the aim of fostering high levels of creativity and making work more fun without incurring additional costs.

- The ability to devise mechanisms for increased productivity was improved through practical programs such as lectures and on-site guidance meetings.
- Held twice a year in the Hiroshima and Hofu districts, with a total of 27 participants from 26 companies successfully completing the program.
- Excellent creations were entered into a national competition and received special awards.

Case Example 3: J-ABC Maintenance Workshop

With the goal of preventing facility stoppages and drops in production capability, Mazda held these workshops for the first time in 2010.

- The ability to both detect and properly respond to irregularities was improved through practical programs such as lectures and on-site guidance meetings.
- Held twice a year in the Hiroshima and Hofu districts, with a total of 10 members from 9 companies successfully completing the program.

Efforts to Eliminate Inefficiencies in the Supply Chain

Mazda takes measures to reveal production inefficiencies and loss throughout the supply chain, ranging from manufacturing of single parts to completed automobiles, and works in close cooperation with suppliers in order to prepare and implement improvement measures.

Results in FY2010

In cooperation with 40 companies, Mazda achieved CO₂ emission reductions through logistical improvements, reduced inventory levels of items at suppliers before being delivered to Mazda, eliminated unnecessary tasks and procedures, and achieved overall improvements in efficiency.

Other Measures for Supplier Support

1. Change to the "milk-run" system: Mazda has shifted from the conventional system, with delivery of parts by each supplier, to the "milk-run" system (MRS), in which Mazda trucks stop at multiple suppliers to collect parts. This system reduces workload in logistical operations and contributes to reduced environmental impact.
2. Mazda provides advice on joint subscription systems for product liability insurance, which reduces manufacturers' liability risks for parts.
3. Mazda provides information on third-party exhibitions and conventions to showcase the latest technologies and manufacturing methods.

*2 For further information, please visit the Mazda global website for shareholders and investors (<http://www.mazda.com/investors/>).

ENVIRONMENTAL PROTECTION



Key Topics

- Establishment of Mazda Green Plan 2020 (p. 27)
- Announcement of SKYACTIV TECHNOLOGY (p. 31)

Mazda's Approach to the Environment

Global warming is an issue of critical importance for the human race. Mazda recognizes that environmental issues are one of the highest-priority areas of CSR, and actively adopts initiatives to promote a low-carbon, recycling-oriented society in harmony with nature. These efforts are reflected in all corporate activities of Mazda, with the aim of achieving a sustainable society.

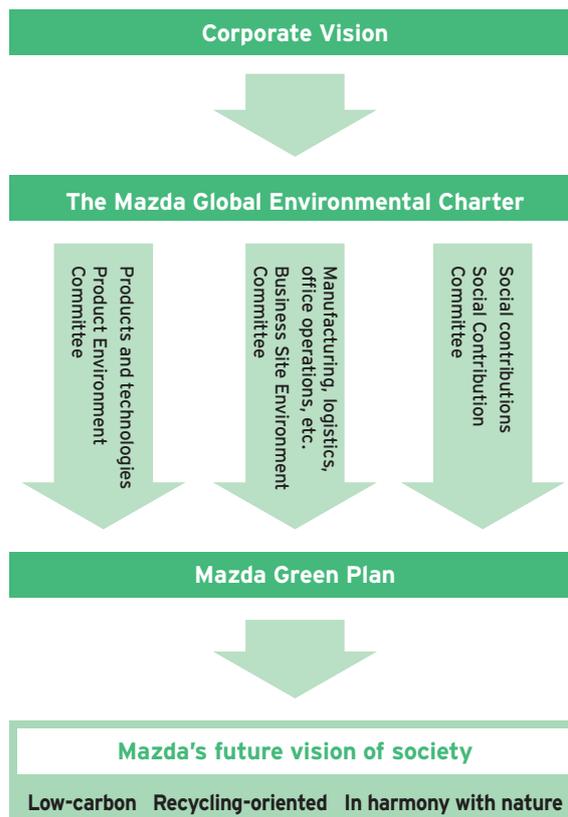
Philosophy and Policies

Mazda carries out its corporate activities with the aim of fulfilling its corporate vision (see p. 1). To this end, Mazda established the Mazda Global Environmental Charter (see p. 26) as the basic policy for environmental matters in the Mazda Group. The Group's environmental principle, namely, "The Mazda Group aims to promote environmental protection and contributes to a better society while maintaining harmony with nature in its business activities worldwide," as well as five guidelines, act as the basis of Mazda's approach to the environment. The Company carries out corporate activities related to products, technology, manufacturing, logistics, office operations, social contributions, and other areas in consideration of the environment.

Specific targets and results are laid out in the Mazda Green Plan, the Company's environmental mid-term plan. By using the PDCA (plan-do-check-act) cycle when executing activities and following up on their results, Mazda can effectively reduce environmental burdens. In FY2010, the Company reached the final year of the Mazda Green Plan 2010 established in FY2006, broadly meeting the plan's objectives. In the newly released Mazda Green Plan 2020, while making use of the experience and knowledge gained through implementation of the previous plan, the Company has set specific objectives based on the

expectations from society, and the Company intends to meet those objectives by 2020. (Details on the results of Mazda Green Plan 2010 can be viewed at the Company's official website.)

Philosophy and policies for environmental initiatives



The Mazda Global Environmental Charter

Environmental Principles	<p>The Mazda Group aims to promote environmental protection and contribute to a better society while maintaining harmony with nature in its business activities worldwide.</p> <ul style="list-style-type: none"> • We will contribute to society by creating environmentally friendly technologies and products. • We will use the Earth's resources and energy sparingly and never overlook environmental considerations when conducting our business. • We will do our part to improve the environment by working with local communities and society.
Action Guidelines	<ol style="list-style-type: none"> 1. Creation of Environmentally Sound Technologies and Products We are committed to the task of creating clean technologies, including methods to achieve cleaner exhaust emissions and reductions in CO₂ emissions, and the development of clean-energy vehicles. We will promote the creation of products that are environmentally friendly from planning and development to manufacturing, use and recycling/disposal. 2. Corporate Activities in Consideration of Conserving Resources and Energy We will actively promote resource-saving and recycling activities to conserve the Earth's limited resources. We will strive to diversify energy sources and use them efficiently. We will promote the appropriate disposal and recycling of end-of-life vehicles. 3. Corporate Activities in Pursuit of a Cleaner Environment We will comply with environmental laws and regulations, and will also impose voluntary controls for higher standards and implement self-regulated controls. We will promote the development of new technologies and the introduction of new systems in our pursuit of a cleaner environment. 4. Working with Business Partners to Create a Better Environment We will actively provide our employees with education and information about environmental protection to enhance their awareness of the global environment. We will work in close cooperation with each other to achieve better environmental protection. 5. Creating a Better Environment in Cooperation with Local Communities and Society We will work actively to understand and appreciate society's requirements for the environment and reflect them in our business activities. We will disclose and publicize environment-related technologies, systems and information. We will not only conduct our own environmental activities, but will also actively participate in social activities for the conservation of the environment.

(Established in 1992; revised in April 2005)

MAZDA GREEN PLAN 2020 MID-TERM ENVIRONMENTAL PLAN

Mazda has established Mazda Green Plan 2020 as its new mid-term environmental plan. With the sights set on 2020, Mazda is pressing forward with environmental initiatives.

Mazda's Vision of a Future Society and its Relationship with Vehicles

Around 2050: A more sustainable society that strives to be a low-carbon and recycling-oriented society in harmonious coexistence with nature

With the goal of a 50% reduction in greenhouse gases in developed countries by 2050 (compared with 1990 levels), a target agreed to at the G8 Summit at Toyako, Hokkaido, in 2008, the world has begun working toward the achievement of a low-carbon society with a reduced burden on the environment by revising energy-use patterns. This movement is paving the way toward a sustainable society that values recycling in order to effectively use limited resources, one that also coexists in harmony with nature, as well as allowing for the stable continuation and progress of humankind. Specific efforts include, but are not limited to, diversification of energy sources (renewable sources such as solar power, and non-CO₂-emitting sources such as hydrogen and biofuels), diffusion of activities based on the three Rs (reduce, reuse and recycle), and

promotion of biodiversity.

Regarding vehicles, demand the world over has diversified to include preferences based on regional needs, vehicle characteristics, fuel performance and characteristics, and other factors. This demand profile will only grow more complex in the future. A multi-solution approach is needed to respond to these diverse demands. Mazda's expectation is that greatly improved internal combustion engines, alternative fuels such as biofuels, and new types of vehicles that do not emit CO₂ by using energy sources such as electricity and hydrogen, and other such innovations, will provide those solutions. Going forward, Mazda believes it is necessary to push the limits of what is possible as the Company carefully plots the direction for its brand and technologies.

Around 2020: A low-carbon society in which CO₂-reducing technologies have become widespread

Around 2020, Mazda sees society on the way toward achieving a sustainable society while still maintaining the use of fossil fuels (oil-based fuels, etc.) as its basic energy source. People will be aiming to reduce the overall environmental burden through introduction of CO₂-reducing technologies in the manufacturing and customer-use stages. Many products and services will be evaluated based on their environmental performance throughout their life cycle.

Regarding vehicles, highly efficient internal-combustion engines, using liquid fuels with high energy-preservation characteristics (oil,

biofuels, etc.) will be used as a base, and additional innovations that contribute to increased fuel economy, such as fuel-saving technologies (idling-stop systems, regenerative braking, hybrid systems), highly efficient transmissions, and reduced vehicle weight will also be implemented. At the same time, electric vehicles, which do not emit CO₂ during operation, will also be introduced. On top of these trends, large-scale approaches such as reducing traffic congestion in urban areas will contribute toward the larger goal of realizing a low-carbon society.

Approaches and Targets in Each Sector to 2020

Products

Mazda provides all customers who purchase Mazda vehicles with driving pleasure as well as outstanding environmental and safety performance.

Business Sites

Mazda contributes toward realizing a low-carbon society through achieving even greater gains in operating efficiency by introducing low-CO₂-emission production technologies and unwavering actions for constant improvement in the entire Mazda Group in Japan.

Environment Aspects in Social Contribution

Based on the three pillars of Mazda's social contribution activities regarding the environment and safety performance, human resources development and community contributions, and a group-wide, global perspective, Mazda commits to disclosure and raising public awareness of environmental issues through its main business as an automotive industry. The Company also focuses on collaboration with regional communities, including volunteer activities.

Targets and Actions in the Mazda Green Plan 2020 Mid-Term Environmental Plan

Domain	Item	Targets and actions by 2020 (*2015)	2011
			Targets and actions

1. Energy- and Global-Warming-Related Issues

a. Vehicles and vehicle technology	① Respond to fuel economy standards in each country/region.	Introduce technology to raise fuel economy, to respond fully to the fuel economy standards of each country/region. (2015 target)	Each country/region: Fully achieve fuel economy / greenhouse gas standards.
	② Improve fuel economy using SKYACTIV TECHNOLOGY.	Raise the average fuel economy of the Mazda fleet sold worldwide by 30% by 2015, compared with 2008 levels. (2015 target)	Introduce the SKYACTIV-G new-generation gasoline engine.
			Promote development of the SKYACTIV-D new-generation diesel engine.
			Introduce the SKYACTIV-DRIVE new-generation transmission.
			Promote development of the SKYACTIV-CHASSIS and SKYACTIV-BODY new-generation platforms (for lighter vehicles).
	③ Promote development of next-generation vehicles using biofuels, electrical power, hydrogen, etc.	Promote development of technologies supporting substitute fuels such as biofuels and synthetic fuels. (2015 target)	Promote development of technologies supporting substitute fuels such as biofuels and synthetic fuels.
			Promote development of electric motor drive technologies. (2015 target)
			Advance development and introduction of hydrogen rotary engine vehicles. (2015 target)
	b. Manufacturing, logistics, office operations, social contributions, etc.	④ Reduce CO ₂ emissions from factories and offices.	Reduce CO ₂ emissions from all Mazda Group factories and offices in Japan by 21% compared with 1990 levels.
⑤ Reduce CO ₂ emissions from logistics.		Reduce CO ₂ emissions from all Mazda Group logistics operations in Japan by 50% compared with 1990 levels.	Reduce CO ₂ emissions from all Mazda Group logistics operations in Japan by 55% compared with 1990 levels.

2. Promoting Resource Recycling

a. Vehicles and vehicle technology	⑥ Promote vehicle recycling.	Develop vehicles that are easy to disassemble and recycle. (2015 target)	Promote development of plastic parts, etc., that are easy to disassemble and recycle.
		Expand use of bioplastics. (2015 target)	Develop and implement bioplastics.
		Promote further increases in the ASR recycling ratio and the total vehicle recycling ratio. (2015 target)	ASR recycling ratio: 80% or more Actual vehicle recycling ratio: 95% or more
		Promote bumper-recycling technology. (2015 target)	Promote collection of damaged bumpers from Mazda dealerships. 80,000 or more recovered Implement bumper-to-bumper recycling of ELVs.
b. Manufacturing, logistics, office operations, social contributions, etc.	⑦ Reduce waste volumes, promote recycling.	Reduce direct landfill waste to zero across the entire Mazda Group in Japan.	Reduce direct landfill waste across the entire Mazda Group in Japan to 1% of total or less.
	⑧ Reduce packaging volume used.	Reduce volume of packaging and wrapping across the entire Mazda Group in Japan by 45% compared with 1990 levels.	Reduce volume of packaging and wrapping across the entire Mazda Group in Japan by 40% compared with 1990 levels.
	⑨ Reduce volume of water used and promote effective use of water.	Reduce volume of water used across the entire Mazda Group in Japan, reducing volume of tap water used by 10% compared with 1990 levels.	Reduce volume of water used across the entire Mazda Group in Japan by 5% compared with 1990 levels.

* For results of the Mazda Green Plan 2010, please visit the Company website.

Domain	Item	Targets and actions by 2020 (*2015)	2011
			Targets and actions

3. Cleaner Emissions

a. Vehicles and vehicle technology	⑩ Ensure cleaner vehicle exhaust gas emissions.	Introduce and promote low-exhaust-gas vehicles to improve air quality in each country and region. (2015 target)	Japan: Promote introduction of vehicles that meet the SU-LEV (★★★★) standard.
			United States: Promote the introduction of low-emission vehicles that meet Tier2/LEV2 regulations.
			Europe: Promote the introduction of vehicles that meet Euro 5/6 standards.
			China: Promote the introduction of vehicles that meet Euro 5 standards or equivalent levels.
	⑪ Reduce inclusion of substances of environmental burden in products.	Reduce VOCs in vehicle interiors (2015 target). Promote development and adoption of car air-conditioning systems using new, environmentally friendly refrigerants (2015 target).	Pass Ministry of Health, Labour and Welfare (MHLW) guidelines for the indoor aerial concentration in all new vehicles.
			Promote development and adoption of car air-conditioning systems using new, environmentally friendly refrigerants.
b. Manufacturing, logistics, office operations, social contributions, etc.	⑫ Reduce waste volumes of PRTR substances.	Reduce waste volumes of PRTR substances across the entire Mazda Group in Japan.	Reduce waste volumes of PRTR substances across the entire Mazda Group in Japan.
	⑬ Reduce volumes of VOC waste emissions.	Reduce volumes of VOC waste emissions to an average 23 g/m ² or less across all Mazda lines.	Reduce volumes of VOC waste emissions to an average 29 g/m ² or less across all Mazda lines.

4. Environmental Management

a. Vehicles and vehicle technology	⑭ Promote life cycle assessment (LCA).	Expand implementation of LCA (2015 target)	Steadily implement LCA in new vehicles.
	⑮ Promote an integrated approach to traffic systems.	Improve driving technique and promote activities to raise awareness (driving schools, etc.). (2015 target)	Promote awareness-raising activities to improve driving technique and introduce systems to evaluate driving technique.
b. Manufacturing, logistics, office operations, social contributions, etc.	⑯ Reduce the environmental risk of the Mazda Group in Japan.	Promote environmental protection activities among Mazda purchasers.	Expand promotion of the Supplier CSR Guidelines. Revise if necessary.
			Expand promotion of the Mazda Green Purchasing Guidelines. Revise if necessary.
		Promote the establishment and introduction of environmental management systems (EMS).	• Support 100% establishment of EMS among major purchasers. • Support and enhance EMS at secondary purchasers.
			Obtain certification under EcoAction 21 for all 15 affiliated automobile sales companies in Japan. Operate and promote EMS at four auto parts sales companies.
	⑰ Inform the public about the Mazda Group's environmental protection activities.	• Disseminate information about the Mazda Group's environmental protection activities worldwide by hosting and actively participating in environmental events.	Disseminate information about the Mazda Group's environmental protection activities both in-house and outside, focusing on SKYACTIV TECHNOLOGY, by hosting and actively participating in environmental events.
⑱ Promote activities to raise awareness of environmental issues.	• Actively disseminate environmental information to improve environmental awareness among Mazda and Mazda Group company employees. • Actively disseminate environmental information to improve environmental awareness among Mazda customers.	Raise awareness among Mazda and Mazda Group company employees as well as customers regarding the environmental problems that society faces and the measures that the Mazda Group is taking to reduce environmental impact, with particular focus on saving energy.	
⑲ Promote environmental protection activities in partnership with regional communities.	• Promote environmental protection activities in regional communities by taking part in environmental volunteer activities (including regional cleanups and efforts to preserve biodiversity) and dispatching instructors to regional events and schools to offer environmental education.	• Promote regional activities to deepen understanding of biodiversity and forest preservation. Participate actively in regional cleanups. • Dispatch environmental instructors to teach about the environment, taking the desires of regional communities into consideration.	

"MAZDA GREEN PLAN 2010" ENVIRONMENTAL MID-TERM PLAN

Mazda reports the results for FY2010, the final year of Mazda Green Plan 2010.

FY2010 Targets	FY2010 Results
1. Creation of Environmentally Sound Technologies and Products	
① Cleaner exhaust emissions	
Japan: Meet the SU-LEV (★★★★) standard in the majority of Mazda's passenger vehicles.	Met the SU-LEV standard (★★★★) in 98.5% of passenger vehicles.
United States: Promote the introduction of low-emission vehicles that meet Tier2/LEV2 regulations.	All vehicles met the Tier2/LEV2 regulations.
Europe: Develop and launch new-generation clean-diesel vehicles.	Launched Mazda6 (Atenza), Mazda3 (Axela) and CX-7 with new diesel engines. Developed the SKACTIV-D new-generation clean diesel engine, which clears Euro 6 standards without using expensive NOx aftertreatment.
② Improving fuel economy (CO₂ reductions)	
Japan: Continue to meet the fuel economy standards for 2010 for all weight classes of passenger vehicles and promote further improvements in fuel economy.	The FY2010 fuel economy standards were met for all weight classes of passenger vehicles. In the new Premacy, fuel economy was improved through introduction of the i-stop system, etc.
United States: Meet the Corporate Average Fuel Economy (CAFE) regulations, which are expected to become stricter in the future.	CAFE regulations met. Achieved a 5% improvement compared with FY2009 in average corporate fuel economy.
Europe: Promote reduction of the corporate average CO ₂ emissions.	Reduced average corporate CO ₂ emissions. Installation of i-stop in the Mazda5 (Premacy), a 1.6L MZ-CD engine and other measures contributed to CO ₂ emission reductions.
③ Vehicle weight reduction	
Achieve Mazda's voluntary target for vehicle weight.	In the new Mazda5 (Premacy), vehicle weight was reduced through adoption of high-tensile steel, etc. The changes also enhanced safety performance, specifically pedestrian and passenger protection. Lightweight body design (SKYACTIV-BODY) and chassis design (SKYACTIV-CHASSIS) were also developed.
④ Vehicle noise reduction	
Meet Mazda's voluntary standards for noise reduction, which are stricter than the latest noise regulations.	The vehicle noise reduction levels for all models met Mazda's voluntary standard figures.
⑤ Development of alternative fuel vehicles	
Develop and introduce more vehicles equipped with the hydrogen rotary engine.	Continued leasing the Premacy Hydrogen RE Hybrid in Japan.
Promote development of hybrid vehicles.	Promoted development of a hybrid vehicle utilizing the SKYACTIV-G engine, with the goal of introducing it in Japan in 2013.
Promote development of alternative fuel technologies such as biomass fuels and synthetic fuels.	Promoted development of technology enabling use of alternative fuels, such as biofuels and synthetic fuels, in overseas markets.
⑥ Reduction in use of environmental substances of concern	
Completely eliminate hexavalent chromium.	Maintained complete elimination.
Completely eliminate lead, mercury and cadmium, except for exempted parts.*1	Maintained complete elimination, except for exempted parts.
Reduce the amount of refrigerants used in car air conditioners: reduce the use of hydrofluorocarbons (HFCs) by 20% or more compared with FY1995 levels.	Achieved reductions in all models.
Promote development and application of new alternative car air-conditioner refrigerants less harmful than CFCs (HFC134a).	Promoted development of new car air-conditioner refrigerants featuring a minimal environmental burden.
⑦ Reduction of amount of volatile organic compounds (VOCs) in vehicle cabins	
Meet indoor aerial concentration guideline values stipulated by the Japan Ministry of Health, Labour and Welfare in all new models.	Met guidelines in Demio, Atenza, Biente, Axela and Premacy models
⑧ Promoting vehicle recycling (in development)	
Promote the development and use of bioplastics that have suitable appearance, strength, and heat resistance to be adopted for interior parts.	<ul style="list-style-type: none"> · Promoted application of bioplastics in radiator tanks of mass-produced vehicles. · Promoted joint development among industry, government, and academia of materials made from non-food-based biomass.
Develop state-of-the-art bumper recycling technology and promote the reuse of old bumpers as new vehicle parts.	Through Mazda's proprietary bumper-to-bumper technology, recycled bumpers were used as material in new Premacy (Mazda5) bumpers.
Promote the development of new vehicles that are easy to disassemble and recycle.	Improved ease-of-recycling for parts such as bumpers and instrument panels from the new Premacy (Mazda5)

*1 Exempted parts: Lead solder, batteries, and free-cutting steel using lead; liquid-crystal displays, discharge headlamps and other parts that use mercury.

FY2010 Targets	FY2010 Results
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2. Corporate Activities to Conserve Resources and Energy

⑨ Reduction of waste substances	
Eradicate all landfill waste from the four principal domestic facilities.	Maintained zero landfill waste from the four principal domestic facilities.
Reduce the consumption of packaging and wrapping materials by 40% or more from the FY1990 levels (initial target).	Reduced the volume of packaging and wrapping materials to 43.5% of the FY1990 level, and achieved the FY2010 target.
⑩ Prevention of global warming	
Reduce CO ₂ emissions from the four principal domestic facilities by 20% or more from the FY1990 level.	Reduced the CO ₂ emissions to 40.2% of the FY1990 level from the four principal domestic facilities.*1
Reduce CO ₂ emissions in logistics operations (t-CO ₂ per million ton-km) by 20% or more from FY1990 levels (initial target).	Reduced the CO ₂ emissions in the logistics operation (t-CO ₂ per million ton-km) to 30.9% of the FY1990 levels, and achieved the FY2010 target.
⑪ Vehicle recycling promotion	
<ul style="list-style-type: none"> Promote further increases in the ASR recycling ratio and the total vehicle recycling ratio. ASR recycling ratio: Maintain at 80% or higher Actual vehicle-recycling ratio: Maintain at 95% or higher 	<ul style="list-style-type: none"> ASR recycling ratio: 82% Actual vehicle recycling ratio: 97%
<ul style="list-style-type: none"> Collect damaged bumpers from Mazda dealerships in Japan at an annual rate of 80% or more (88,000 units per year). 	<ul style="list-style-type: none"> 82,491 bumpers were collected with a collection efficiency of 78% (adversely affected by the Great East Japan Earthquake).

*1 Calculated according to the Act on Promotion of Global Warming Countermeasures.

3. Corporate Activities in Pursuit of a Clean Environment

⑫ Reduction of VOC emissions	
Reduce VOC emissions to 30 g/m ² or less for coated surfaces.	Reduced VOC emissions to 29.8 g/m ² for coated surfaces.

4. Working with Business Partners to Create a Better Environment

⑬ Promotion of cooperative activities with suppliers	
Promote the establishment of environmental management systems (EMS) at suppliers, and maintain and improve EMS for suppliers.	<ul style="list-style-type: none"> Established EMS at 100% of major suppliers. Requested all companies throughout the supply chain to strengthen their EMS in response to revisions to the Mazda Green Purchasing Guidelines.
⑭ Promotion of environmental protection activities by sales companies	
Establish EMS in consolidated dealers from FY2007; progressively extend EMS to other Mazda and Mazda Enfini dealerships.	As of March 31, 2011, obtained EcoAction 21 certification at 8 Mazda and Mazda Enfini dealerships (of which 6 are consolidated dealerships) and Mazda Chuhan Co., Ltd.
⑮ Promotion of environmental protection activities with parts dealers	
<ul style="list-style-type: none"> Introduce Mazda EMS at all Mazda parts dealers (four companies). Note: Owing to consolidation among dealerships, the total number of companies where EMS was introduced from April 2009 was four.	Completed introduction and began operation of EMS at all part dealers.
⑯ Promotion of environmental education activities	
<ul style="list-style-type: none"> Vigorously disseminate environmental information to raise employees' environmental awareness. Host in-house environmental events. Hold environmental events involving Group companies. 	The following are some of the education activities implemented: <ul style="list-style-type: none"> Broadcasted the president's message. Solicited eco-friendly improvement ideas. Held an online exhibition of environmental panels. Held campaigns to reduce lighting use (June and July). Promoted "cool biz" and "warm biz" (programs encouraging casual summer business clothing and warm winter business clothing, respectively). Made effort to conserve energy Participated in "Earth Hour" (March).

5. Creating a Better Environment in Cooperation with Local Communities and Society

⑰ Promotion of communication with society	
<ul style="list-style-type: none"> Host and actively participate in environmental events. 	<ul style="list-style-type: none"> Held the Mazda Environmental Technology Forum (March), an environment-related event (see p. 38). Participated in 11 environment-related events in addition to the above (see p. 38-1).
⑱ Promotion of social contribution activities	
<ul style="list-style-type: none"> Participate actively in voluntary neighborhood clean-up activities. Dispatch lecturers for environmental education. 	<ul style="list-style-type: none"> Implemented various volunteer activities through the Mazda Volunteer Center (39 activities including 92 participants, among which 5 activities with 11 participants were environment-related). Approximately 7,000 volunteers participated in clean-up activities. Dispatched personnel to local events and schools to deliver a total of 37 lectures on new technologies and environmental initiatives (including Specialist Bank activities).

SUSTAINABLE ZOOM-ZOOM

Mazda has adopted a long-term vision for technology development called "Sustainable Zoom-Zoom" and is working to help achieve a sustainable future.

Basic Policy

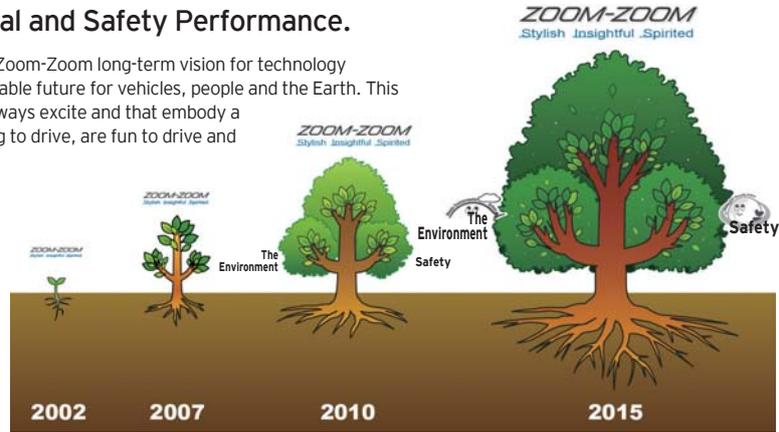
Provide All Customers who Purchase Mazda Vehicles with Driving Pleasure as well as Outstanding Environmental and Safety Performance.

In March 2007, Mazda adopted the Sustainable Zoom-Zoom long-term vision for technology development to help achieve an exciting, sustainable future for vehicles, people and the Earth. This vision commits Mazda to making vehicles that always excite and that embody a "Zoom-Zoom" feeling, meaning they look inviting to drive, are fun to drive and make you want to drive them again.

Zoom-Zoom Tree

"The Zoom-Zoom tree," shown on the right, embodies the Zoom-Zoom concept and its spread throughout society. The tree absorbs the One Mazda* corporate culture as nutrients through firmly planted roots. As it continues to grow, the left branch represents the environment, the right branch represents safety, and the treetop embodies the Zoom-Zoom concept.

* One of the seven principles of the Mazda Way. For more details, see page 53.



Environment

Basic Approach

As vehicle ownership continues to expand around the world, Mazda must redouble its efforts to achieve cleaner exhaust emissions, cut CO₂ emissions through improved fuel economy, and help reduce the world's dependence on increasingly scarce fossil fuels. Mazda considers it necessary to develop an approach to automobile-related environmental issues using multiple solutions, taking into account various factors such as regional characteristics, vehicle characteristics and types of fuel.

Improving the Fuel Economy of Mazda Vehicles 30% by 2015

Even in 2020, Mazda expects that the world's key energy sources will continue to be mainly petroleum-based and that most vehicles will still be powered by internal combustion engines. With this outlook, Mazda is undertaking the

following activities to meet its goal of raising the average fuel economy of the Mazda vehicles sold worldwide by 30% by 2015 compared with 2008 levels.

Comprehensive Improvement of Base Technologies

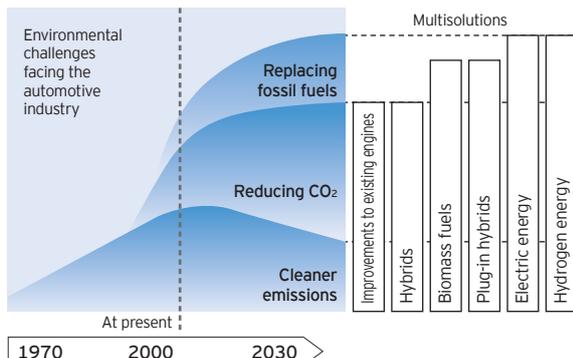
Through the introduction of its new-generation SKYACTIV TECHNOLOGY into vehicle models from 2011 onward, Mazda is making comprehensive improvements of base technologies. These technologies enhance the efficiency of powertrain components – engines and transmissions – reduce vehicle body weight, improve aerodynamics, etc.

Development of the Building-Block Strategy

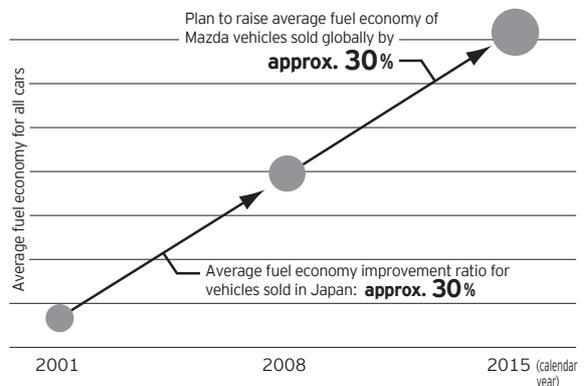
In addition, Mazda is gradually adding electric devices to its base technologies. Mazda calls this development approach the Building-Block Strategy.

Automotive Industry Initiatives to Meet Environmental Challenges

Multisolutions are needed to address vehicle-related issues.

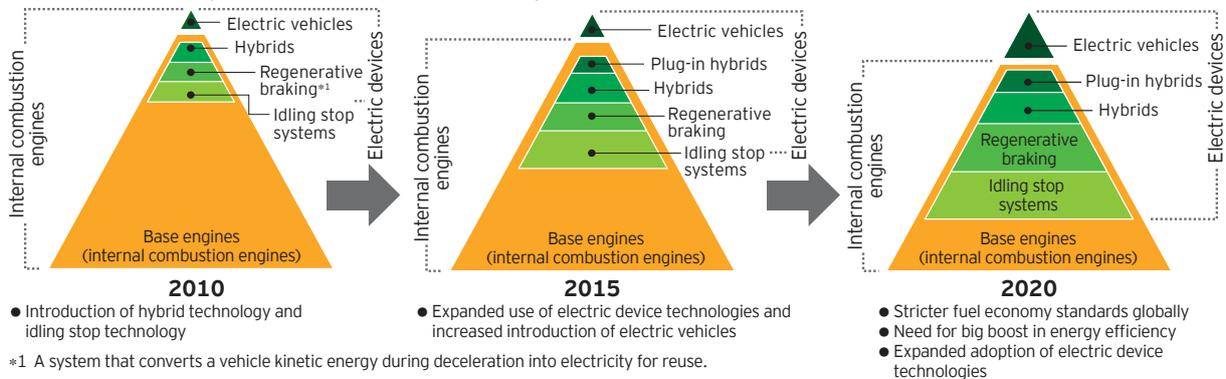


Improving Average Fuel Economy



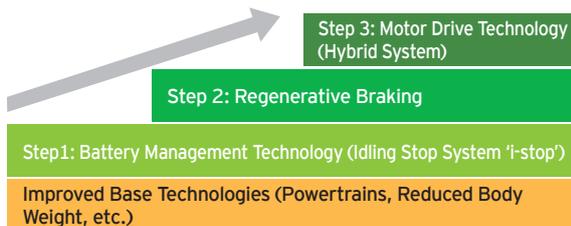
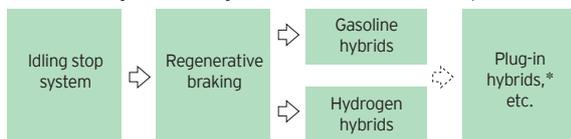
Anticipated Expansion in Adoption of Environmental Technologies (Through 2020)

Graphic representation of global market share of powertrain technologies



Gradual Application of Electric Devices Technologies (Building-Block Strategy)

Aiming to further boost environmental performance by gradually adding electric device technologies to base engines with excellent environmental performance.



* Hybrid vehicle with a battery that can be charged with household power supply

Building-Block Strategy

Step 1: Battery Management Technology (Idling Stop System "i-stop")

The i-stop system automatically shuts the engine off temporarily when the vehicle is stopped. The use of i-stop alone can improve fuel economy by 7% to 10% (as measured in Japanese models). Mazda installed i-stop in the Mazda Axela/Mazda3 in 2009 and has been steadily expanding it to other models. The facelifted Demio, which was introduced in Japan in 2011, was equipped with Mazda's advanced i-stop system in combination with the SKYACTIV-G engine.

Major Progress

- Reduced fuel consumption when restarting the engine
- Increased operating frequency
- Increased energy recovery during deceleration

Step 2: Regenerative Braking

As the vehicle decelerates, this technology converts kinetic energy into electricity, which can be used later as needed. The effects of the system differ depending on what the regenerated electricity is used for, but the improvement in fuel economy is expected to range from a few percent to 10% or more.

Step 3: Electric Motor Drive Technology (Hybrid System)

This type of system improves overall energy efficiency using an electric motor to assist gasoline engines at times when energy efficiency is low, such as when a vehicle is running at low engine speeds or during low-load operation. The combination of this hybrid system with the systems mentioned in steps 1 and 2 can produce a substantial boost in overall efficiency.

- Mazda is aiming to begin sales of hybrid vehicles by 2013, starting in Japan first. (The hybrid system will be licensed from Toyota Motor Corporation.)

Safety

Basic Approach

Mazda regards that the improvement of safety performance is one of the bases of vehicle development and is as important as that of environmental performance. Mazda's aim is to achieve a safe, accident-free automotive society from the three perspectives of vehicles, people, and roads and infrastructure. To this end, the Company has formulated the Mazda Safety Policy and is working to deliver a steady stream of technologies and solutions based on it.

Goal: A safe, accident-free automotive society

Mazda Safety Policy

Based on the awareness that striving for safe vehicles is one of the foundations of a worry-free life, Mazda is committed to the following:

1. Researching the ways in which customers use Mazda vehicles and the traffic environment in which they are being used
2. Deepening research into safety technology and reflecting the results of this research in Mazda's products in a way that offers customers the best available and appropriate technology
3. Contributing to the creation of safe societies through safety communication (products, technologies and safety education)

(For more details, see page 47.)

Mazda is actively involved in technology development projects to help achieve a sustainable society.

Improvements in Base Technologies

New-Generation SKYACTIV TECHNOLOGY

Founded on the Sustainable Zoom-Zoom long-term vision for technology development, SKYACTIV TECHNOLOGY is an umbrella name for a range of breakthrough, new-generation technologies that dramatically improve driving pleasure as well as outstanding environmental and safety performance. SKYACTIV TECHNOLOGY is being incorporated into new products sold from 2011 onward.

■ SKYACTIV-G: New-Generation, Highly Efficient Direct-Injection Gasoline Engine

A new-generation, highly efficient direct-injection gasoline engine that achieves the world's highest compression ratio of 14.0:1 and achieves a 15% improvement in fuel economy and low- and mid-speed torque compared with previous models

- The world's first gasoline engine for mass production vehicles to achieve a high compression ratio of 14.0:1
- Significantly improved engine efficiency thanks to the high compression combustion, resulting in 15% increases in fuel efficiency and torque compared with previous models *1
- Improved everyday driving thanks to increased torque at low- and mid-engine speeds
- A 4-2-1 exhaust system, cavity pistons, multihole injectors and other innovations enable the high compression ratio



SKYACTIV-G

■ SKYACTIV-D: New-Generation Clean Diesel Engine

This highly efficient new-generation clean diesel engine achieves the world's lowest diesel-engine compression ratio (14.0:1) and will comply with strict exhaust gas emissions regulations without using expensive NOx aftertreatment systems.

- 20% better fuel efficiency compared with previous models thanks to the low compression ratio of 14.0:1
- A new two-stage turbocharger realizes smooth and linear response at low and high engine speeds, and greatly increases low- and high-end torque (up to the 5,200 rpm rev limit)
- Complies with global exhaust gas emissions regulations (Euro6 in Europe, Tier2Bin5 in North America, and the Post New Long-Term Regulations in Japan), without using expensive NOx aftertreatment systems



SKYACTIV-D

■ SKYACTIV-DRIVE: New-Generation, High-Efficiency Automatic Transmission

A new-generation, highly efficient automatic transmission that combines all advantages of various transmission types

- Combines all the advantages of continuously variable transmissions (CVTs), dual-clutch transmissions and conventional automatic transmissions
- A dramatically widened lock-up range improves torque transfer efficiency and realizes a direct driving feel that is equivalent to a manual transmission
- A 4-to-7 percent improvement in fuel economy compared to the current transmission



SKYACTIV-DRIVE

■ SKYACTIV-MT: New-Generation Manual Transmission

A new-generation manual transmission with a light shift feeling, compact size and significantly reduced weight

- A light and crisp shift feel like that of a sports car
- Reduced weight and compact size



SKYACTIV-MT

■ SKYACTIV-BODY: Lightweight, Highly Rigid New-Generation Vehicle Body

The lightweight vehicle body achieves both high rigidity that enhances driving pleasure and the highest levels of crash safety performance.

- High rigidity and light weight (8 percent lighter, 30 percent more rigid)
- Crash safety performance that meets the top criteria for crash safety assessments in major markets (US-NCAP, Euro-NCAP, IIHS, JNCAP, etc.)

Technology

- Body construction
 - Straightening: To make the basic frame design as straight a line as possible.
 - Continuous Framework: Each section functions in a coordinated manner with the other sections of the framework (a ring structure) design.
 - Multiple-load paths: To disperse the load of the impact during a crash, this construction absorbs the load at the time of a crash by dispersing it in multiple directions.
- Engineering processes
 - Adoption of weld-bonded joints and a significantly increased number of spot welding points contributes to the achievement of excellent body rigidity.
- Materials
 - Mazda has greatly increased its use of high-tensile steel, which has excellent strength and rigidity.



SKYACTIV-BODY

*1 Improvement ratio compared with levels of an existing engine. Figures for compression ratio and improvement ratio of fuel efficiency and torque may vary, depending on models, types of transmission combined, etc.



Fig. 1 Straightening



Fig. 2 Ring structure design



Fig. 3 Weld-bonded joints and points strengthened through spot welding

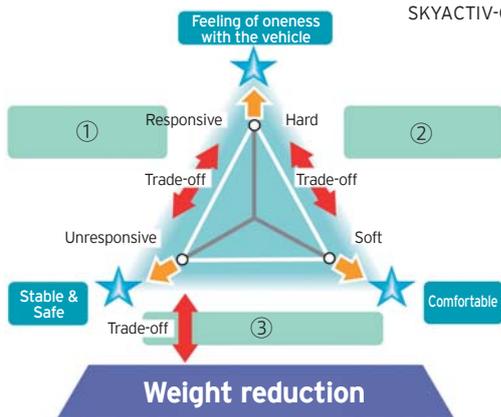
■ SKYACTIV-CHASSIS: New-Generation, High-Performance Lightweight Chassis

In pursuit of the oneness between vehicle and driver achieved in the MX-5 (Roadster), the lightweight SKYACTIV-CHASSIS enables the driver to experience true driving pleasure while improving the driver's sense of comfort and security.

- The suspension and steering functions have been completely redesigned to attain the sense of driving pleasure of oneness between driver and vehicle
- Driving quality has been raised to new levels through improvements to comfort and security.
 - To ensure confident steering at high speeds, the front suspension caster angle and caster trail have been increased.
- A newly developed front strut and rear multi-link suspension system and electric power steering have been adopted to achieve improved performance as well as a chassis 14% lighter*2 than previous models



SKYACTIV-CHASSIS



Aims of SKYACTIV-CHASSIS

- ① Combination of low- to mid-speed agility and high-speed stability
 - Achievement of ideal vehicle movement according to vehicle speed (re-examination of rear suspension geometry and adoption of a higher steering gear ratio)
 - Increases in caster angle and caster trail
- ② Balance between ride comfort and low- to mid-speed agility
 - Reduction of rear suspension impact shock
- ③ Simultaneous achievement of weight reduction and excellent rigidity
 - Lightweight cross member with high rigidity

*2 Figures are for CD-segment car (Atenza/Mazda6 class)

WEB Models from 2011 onward reduced in weight by 100 kg or more, hydrogen rotary engine & hybrid system, other topics

Introduction Plan for SKYACTIV TECHNOLOGY in Japan



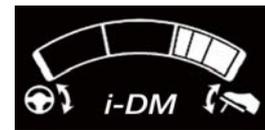
Mazda plans to steadily introduce vehicles incorporating SKYACTIV TECHNOLOGY globally.
*1 Axela will be introduced to the Japanese market fall 2011.

TOPICS

Intelligent Drive Master (i-DM)

The new technology that embodies the principles of "Sustainable Zoom-Zoom"

Mazda developed the driving support system "i-DM" and introduced it to the face-lifted Demio in Japan. This system achieved driving pleasure while maximizing the environmental and safety performance of vehicle.



* For more details, see page 49.

- For more details about SKYACTIV TECHNOLOGY, visit the Mazda official SKYACTIV TECHNOLOGY site: <http://www.mazda.com/mazdaspirit/skyactiv/>

Technologies for the Next Generation

Electric Vehicles

Taking the Mazda Demio as a model, Mazda has carried out in-house development of a new electric vehicle and plans to start a leasing program in Japan in spring 2012. Mazda aims to achieve a vehicle driving range of about 200 km and is marketing the vehicle mainly toward local government organizations and corporate customers in Japan.

Development of the Hydrogen Rotary Engine

Hydrogen is clean energy that can be generated from various sources. Mazda has already introduced two models incorporating the Mazda hydrogen rotary engine: the Mazda RX-8 Hydrogen RE and the Mazda Premacy Hydrogen RE Hybrid. When the eco-friendly Mazda hydrogen rotary engine runs on hydrogen fuel, it produces zero CO₂ emissions. The engine also features a convenient dual-fuel system, so it can be switched to gasoline fuel for driving in areas without a hydrogen supply infrastructure. In Japan, Mazda has cumulatively delivered twelve of these vehicles on a lease basis to Iwatani Corporation, Hiroshima Prefecture, the City of Hiroshima, and Yamaguchi Prefecture. Mazda also delivered three of these vehicles in Norway and received much praise.

Developing Technologies for the next generation Additional information

Achievement of Weight Reductions of 100 kg or More in 2011 Models Onward

A vehicle's weight affects its performance in many ways. Lighter vehicles not only perform better on the basic functions of driving, turning and stopping, but also in terms of economic efficiency and environmental performance, as represented by fuel economy. Mazda is moving forward with a range of approaches to reduce the weight of its vehicles.

New models from 2011 onward achieve weight reductions of 100 kg or more through incorporation of SKYACTIV-CHASSIS and SKYACTIV-BODY technology. Mazda is continuing its development efforts with the aim to decrease vehicle weight by a further 100 kg or more for models released in 2016 and later.

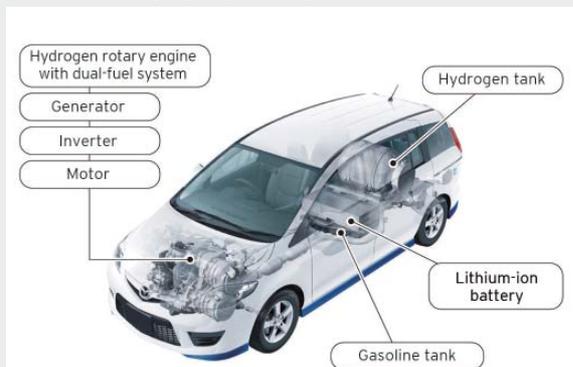
Hydrogen Rotary Engine & Hybrid System

Mazda Premacy Hydrogen RE Hybrid incorporates a hybrid system that improves energy efficiency, delivers improved acceleration and has a driving range of 200 km with hydrogen.

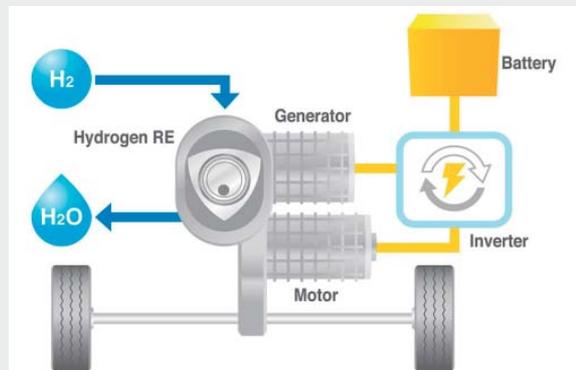
Main Specifications of Mazda Premacy Hydrogen RE Hybrid

Base model	Mazda Premacy
Overall length	4,565 mm
Overall width	1,745 mm
Overall height	1,620 mm
Seating capacity	Five
Base engine	Mazda Hydrogen rotary engine (with a dual-fuel system)
Fuel	Hydrogen and gasoline
Fuel tank	35 MPa high-pressure tank for hydrogen gas and a gasoline tank
Maximum output	110 kW
Motor	Alternating current synchronous motor
Generator	Alternating current synchronous generator
Battery	Lithium ion

Mazda Premacy Hydrogen RE Hybrid



Overview of the Hydrogen RE Hybrid System



History of Mazda's Hydrogen Vehicle Development

1991	Announced the first hydrogen rotary engine vehicle, the HR-X, at the Tokyo Motor Show
1993	Announced the second hydrogen rotary engine vehicle, the HRX2, at the Tokyo Motor Show Developed MX-5 test vehicle equipped with a hydrogen rotary engine
1995	Conducted Japan's first public road tests of a hydrogen rotary engine vehicle, the Capella Cargo
2003	Announced a prototype RX-8 with the hydrogen rotary engine at the Tokyo Motor Show
2004	Tested the prototype RX-8 with hydrogen rotary engine on public roads
2005	Announced Premacy Hydrogen RE Hybrid concept car
2006	Began leasing of the world's first hydrogen RE vehicle, the RX-8 Hydrogen RE
2007	Signed an agreement to provide RX-8 Hydrogen REs to HyNor, a Norwegian national transportation project
2008	Commenced public road tests in Norway with an RX-8 Hydrogen RE validation vehicle
2009	Commenced commercial leasing of the Premacy Hydrogen RE Hybrid in Japan Began leasing of RX-8 Hydrogen RE for the HyNor Project

Compatibility with Bioethanol Mixed Fuel

Mixed fuel consisting partly of bioethanol, which is made from plants, is attracting attention in North America and Europe for its effectiveness in reducing CO₂ emissions.

Mazda is proud to sell vehicles that are compatible with this eco-friendly fuel.

Current Status

- Mazda vehicles that are compatible with E10 (gasoline mixed with 10% ethanol) are sold in North America and Europe.
- In Thailand, Mazda3 models compatible with E20 (gasoline mixed with 20% ethanol) became available in FY2007, and Mazda2 models corresponding to E20 became available in FY2009.
- In North America, Tribute models compatible with E85 (gasoline mixed with 85% ethanol) became available in FY2009.

MAKING ENVIRONMENTALLY FRIENDLY VEHICLES

Mazda is committed to making vehicles that are environmentally friendly, and is actively engaged in developing technologies that support high-level environmental performance.

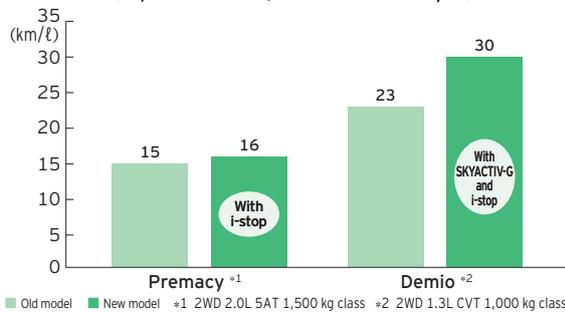
Key Topics

- 98.5% of vehicles in Japan certified as SU-LEV
- New Premacy equipped with eco lamp and trip computer
- Bioplastic used for parts of new Demio

Improving Fuel Economy

The new Premacy (Japanese model), launched in 2010, and new Demio (Japanese model) launched in 2011 have improved fuel economy compared with previous models. The new Demio realizes fuel economy of 30.0 km/L (10-15 mode test cycle),*1 making it top in its class.

Comparison of Fuel Economy between the New and Old Premacy and Demio (Japanese models, 10-15 mode test cycle)



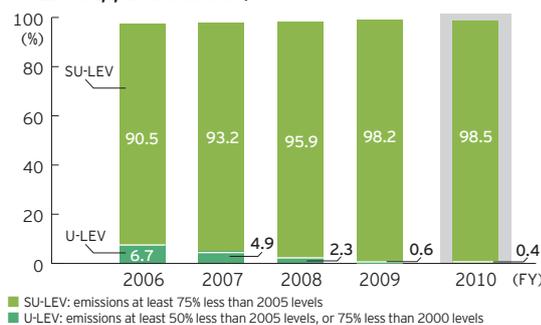
Cleaner Gas Emissions

Mazda is committed to mitigating air pollution from exhaust gases. To this end, the Company is working hard to develop low-emission vehicles.

The Company is steadily bringing to market vehicles that clear both SU-LEV, Japan's certification system for ultra-low-emission vehicles, and Euro 5, the stringent emissions regulations of the European Union (EU).

- As of March 31, 2011, a remarkable 98.5% of Mazda passenger models (not including compact cars and OEM-supplied vehicles) were SU-LEV-certified – the highest level among Japanese automakers.
- As of March 31, 2011, Mazda3, Mazda6 and CX-7, which are major European models, were Euro 5-certified.

Ratio of Certified Low-Emission Passenger Vehicles Shipped in Japan (not including compact cars and OEM-supplied vehicles)



*1 1.3L-class passenger cars (excluding hybrids, survey by Mazda); 25.0 km/L fuel economy under Japan's JC08 mode test cycle (Ministry of Land, Transport and Infrastructure review value)

Eleven Models Qualify as Eco-Car Tax Reductions

As of March 31, 2011, 11 Mazda models had qualified for the Japanese government's eco-car tax reduction,*2 implemented in April 2009. Among currently registered Mazda vehicles, 91.8% meet the tax reduction's requirements (+2.7% over the previous year). (Figures based on number of vehicles shipped in FY2010.)

Eco-Car Tax Reduction



Tax reduction rate	Eligible models	
100%	1 model	Titan CNG (OEM)
75%	8 models	Demio, Axela, Premacy, Biante, MPV, AZ-Wagon (OEM), Carol (OEM), Familia Van (OEM)
50%	10 models	Demio, Verisa, Axela, Atenza, Premacy, Biante, MPV, AZ-Wagon (OEM), Carol (OEM), Titan (OEM)

Note: Tax reduction measures differ according to factors such as model, grade, and vehicle weight. (As of March 31, 2011)

Supporting Eco-Friendly Driving in Japan

To encourage sustained efforts toward environmentally friendly driving, Mazda equips its vehicles with features that contribute to fuel-economy gains in everyday driving.

- Eco lamp: illuminates when the driver is putting the least strain on the engine
- Eco drive gauge: indicates the frequency with which the eco lamp turns on once driving commences, helping to support drivers' judgment, vehicle operation, and learning
- Trip computer: displays current fuel consumption, the consumption average and other data to support eco-friendly driving

In FY2010, the new Premacy (Japanese model) was equipped with the eco lamp and a trip computer.

Expanded Adoption of Biomaterials

Mazda has produced new vehicle parts derived from plant oils on a commercial basis, which have potential to facilitate society's shift away from the use of fossil fuels and reduce CO₂ emissions.

- Proprietary "Mazda Biotech Materials" were used in interior components of the Mazda Premacy Hydrogen RE Hybrid, a hydrogen rotary engine vehicle
- Adopted in the radiator tank of the new Demio (Japanese model), which is equipped with the SKYACTIV-G engine

Mazda is currently working to develop bioplastics made from materials that do not compete with foodstuffs.



New Demio radiator tank (model equipped with SKYACTIV-G)

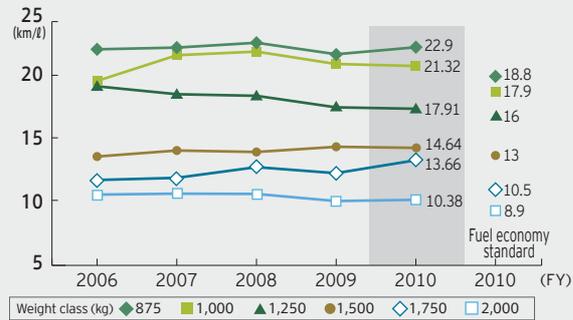
*2 An automobile weight tax and automobile acquisition tax reduction are applied when consumers purchase environmentally friendly new cars meeting or exceeding requirements for fuel economy and exhaust gas emissions by FY2012.



Average Fuel Economy in Passenger Cars by Weight Class, Reduction of Vehicle Noise

Making Environmentally Friendly Vehicles Additional information

Average Fuel Economy in Passenger Vehicles by Weight Class

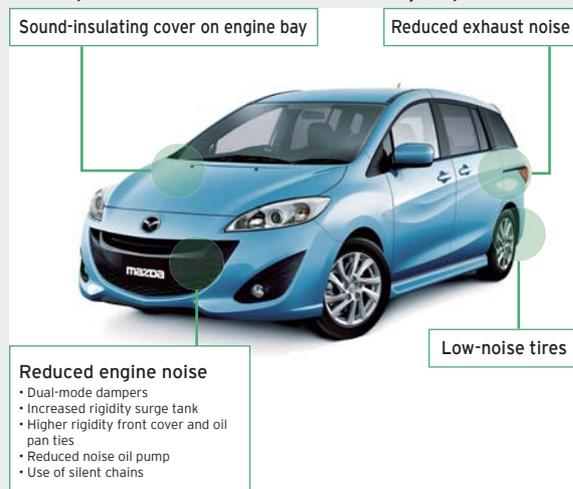


Making Vehicles Quieter

Mazda has established its own noise standards that are even stricter than the latest legal requirements, and the Company is working to make its vehicles produce less noise when driving.

Driving noise comes from sources such as the engine, the exhaust system, the air intake system, the drive train, and the tires. Mazda's in-house noise standards apply to all its vehicles, both passenger vehicles and commercial vehicles.

Examples of Anti-Noise Measures: Premacy (Japanese Model)



PREVENTION OF GLOBAL WARMING (MANUFACTURING/LOGISTICS)

Mazda is working to promote efficient utilization of energy and reduce the volume of CO₂ emitted in all aspects of its production and distribution operations.

Key Topics

- Manufacturing: CO₂ emissions at four principal domestic plants reduced 40.2% from FY1990 levels
- Logistics: CO₂ emissions per ton-kilogram in logistics reduced 30.9% from FY1990 levels

Manufacturing

CO₂ Emissions Reduced by 40.2% Compared with FY1990 Levels

The Mazda Green Plan 2010 targets a 20% or more reduction in total CO₂ emissions volume from Mazda's four principal domestic plants*¹ (including R&D and other indirect areas) by FY2010 as compared with FY1990 levels, despite increased production levels.

Key Measures in FY2010

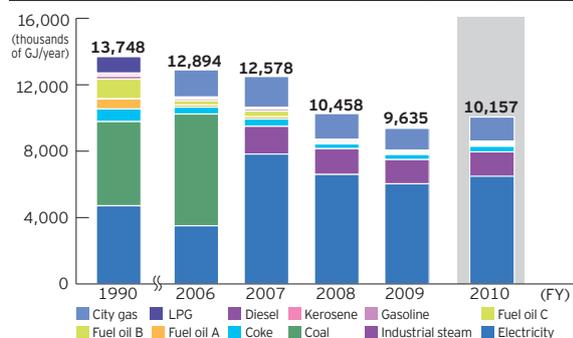
- Promotion of Monotsukuri Innovation*²
- Improvements in overall facility operating efficiency
- Concentrating production and reducing losses from unnecessary work and equipment downtime

FY2010 Results (compared with FY1990 levels)

- Total CO₂ emissions volume from Mazda's four principal domestic plants reduced by 40.2% (609,000 tons - CO₂)
- Emissions per unit of sales revenue reduced by 24.9% (34.3 t-CO₂)

Energy Consumption Breakdown at Mazda's Four Principal Domestic Plants

	1990	2006	2007	2008	2009	2010
Electricity	4,722	3,505	7,893	6,754	6,203	6,579
Industrial steam	0	0	1,658	1,634	1,422	1,468
Coal	5,082	6,731	0	0	0	0
Coke	766	411	440	319	335	345
Fuel oil A	599	130	136	43	45	69
Fuel oil B	11	0	0	0	0	0
Fuel oil C	1,188	256	349	81	91	81
Gasoline	189	115	119	90	68	72
Kerosene	100	19	17	9	11	13
Diesel	81	35	41	34	30	33
LPG	989	59	61	50	45	50
City gas	21	1,633	1,864	1,444	1,385	1,447
Total	13,748	12,894	12,578	10,458	9,635	10,157



*¹ Head office (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; Hofu Plant, Nakanoseki District.

*² For further information, please visit the Mazda official website for shareholders and investors (<http://www.mazda.com/investors/>).

WEB Manufacturing: CO₂ Emissions from Mazda's Four Principal Domestic Facilities / CO₂ Emissions per Unit of Sales Revenue; Logistics: Main Policies, Status, and Results (in Japan); etc.

Logistics

CO₂ Emissions Reduced by 30.9% Compared with FY1990 Levels

Mazda is working with logistics companies, dealers, and other automakers throughout Japan to reduce CO₂ emissions during product shipment.

Results in FY2010

- Total domestic transportation volume (including purchasing and supply of materials, parts and completed vehicles) was 448 million ton-kilograms. This represents a 30.9% reduction in transportation CO₂ emissions per ton-kilogram compared with FY1990 levels, achieving the Company's target of 20% or more.

In 2010, Mazda expanded tracking capabilities for CO₂ emissions from the shipment of finished vehicles and parts overseas.

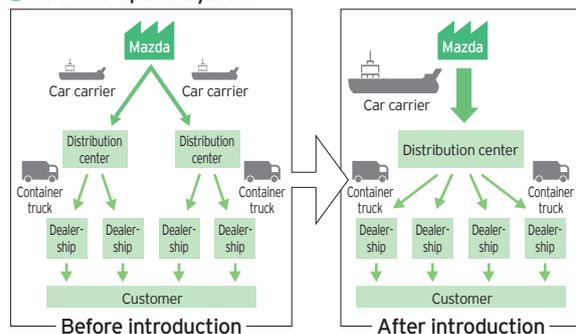
Balance of Reducing CO₂ Emissions and Satisfying Customer Needs

Mazda is taking the following measures to provide customers in logistics with the volume they require, with the precise timing they expect, while reducing CO₂ emissions.

1. Consolidation of logistics centers for completed vehicles (hub-and-spoke system)*³

In FY2009, while ensuring timely shipments, Mazda consolidated its nine logistics centers nationwide into seven locations with the aim of combining routes with low shipping volumes. This consolidation enabled the Company to improve loading efficiency in coastal cargo vessels and achieve shorter shipping distances, resulting in improved overall shipping efficiency and reduced CO₂ emissions.

Hub-and-spoke System



2. "Straightening" of logistics network

- Logistics without distribution centers (Vanning in factory)**
After manufacture of KD parts*⁴ is complete, they are packaged and loaded into containers at the same location, eliminating the need for shipment between production and packaging locations.
- Establishment of new supply bases for service parts in the Tokai region**
In place of the old system of consolidating shipments by sending parts to Hiroshima, Mazda set up a new supply base for efficient nationwide delivery operations.
- Expanded packaging and shipping operations at repair-use bumper production locations**
By carrying out packaging and shipping operations near production centers, unnecessary shipping of bumpers can be eliminated.

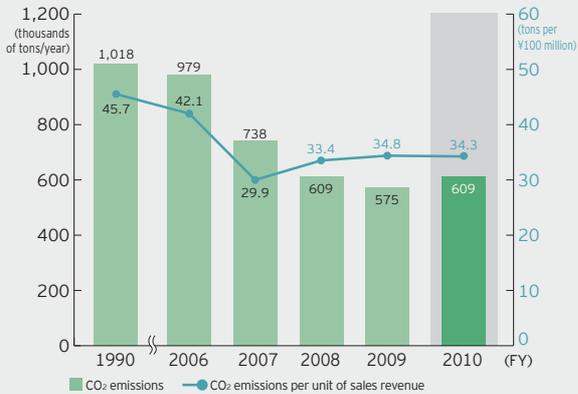
*³ In the "hub-and-spoke" system, distribution centers around the country (hubs) act as bases for delivering completed vehicles to dealerships (spokes).

*⁴ A manufacturing method wherein parts are exported to overseas manufacturing bases, where they are assembled onsite.

Prevention of Global Warming (Manufacturing/Logistics) Additional information

Manufacturing

CO₂ Emissions from Mazda's Four Principal Domestic Facilities/ CO₂ Emissions per Unit of Sales Revenue



* Mazda's calculations of CO₂ emissions at its four principal domestic facilities are in compliance with the Greenhouse Gas Emissions Quantities Calculation and Reporting Manual of the Law Concerning the Promotion of the Measures to Cope with Global Warming. Until FY2006 this was calculated as the quantities purchased from cogeneration facilities, and since FY2007 as the quantity purchased from the power companies.

Logistics

Main Policies, Status, and Results (in Japan)

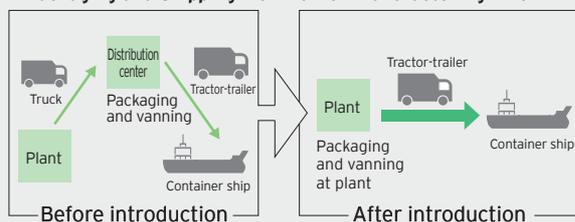
Primary initiative themes	Product area	Major measures and status for FY2010	CO ₂ emissions per transport t-km compared to FY1990 levels
Increase load efficiency Increase truck load efficiency Reconsider packaging style for shipping	Finished vehicles Production parts CS parts and KD parts	Increase container load efficiency →	30.9% reduction
Reconsider shipping channels		Reconsider shipping routes →	
		Change loading/unloading ports →	
Modal shift		Sea transport →	
		Rail transport →	
Cooperative transportation		Employ air (rail, sea) transport →	
		Make use of empty packaging and containers →	
Reduce shipping distances		Straighten logistics network →	

Balance of Reducing CO₂ Emissions and Satisfying Customer Needs

2. "Straightening" of Logistics Network

- Straight logistics systems with no distribution centers (Vanning in factory)

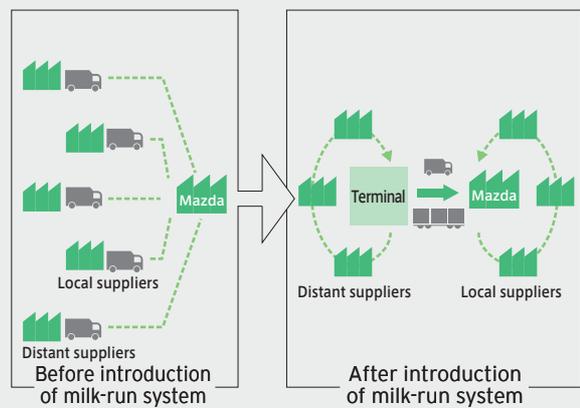
Packaging and Shipping Workflow on Manufacturing Line



3. Introduction of the Milk-Run System*¹ for Purchasing Parts

Mazda promotes the use of a system wherein trucks transporting production parts collect freight from several suppliers during the same run. This increases the load efficiency of delivery trucks and reduces the number of trucks that are needed. Deployment began in FY2003 in parts of Hiroshima Prefecture and in the Kyushu area, and was complete throughout Japan by FY2007.

Today, Mazda is looking at all purchasing and logistics processes, aiming for further efficiency improvements in the logistics chain.



4. Round-Trip Use of Railway Containers

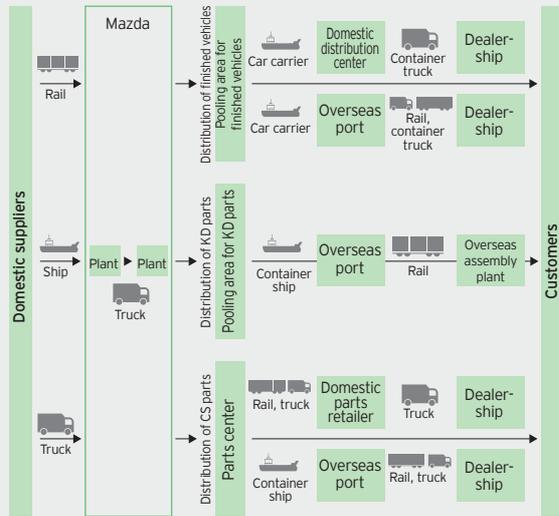
Mazda is moving forward with a concerted modal shift in logistics, away from trucks and toward rail shipment using dedicated containers. Starting in FY2007, by combining the milk-run system for parts purchasing with rail shipment of repair parts, Mazda established a green logistics system between Hiroshima and the Tokai region. The Company also began using rail shipment of dedicated containers in both directions. These measures have contributed to reduced CO₂ emissions.



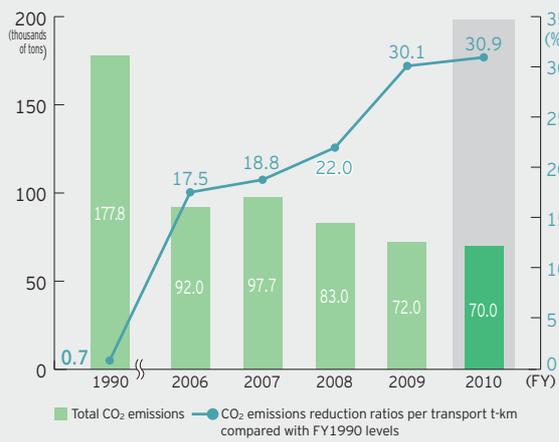
Shipping containers

*1 A method in which a single truck visits multiple suppliers to collect supplies. Named after truck routes in rural areas, which picked up milk from each farm.

Distribution Routes by Product



CO₂ Emissions and Reductions for Logistics (Domestic)



RECYCLING AND RESOURCE CONSERVATION

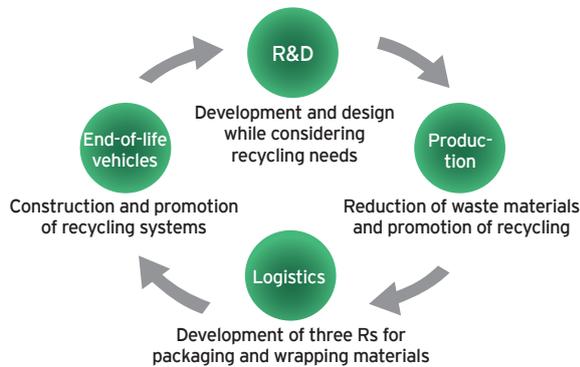
Mazda is implementing thorough recycling and waste-reduction measures to ensure that limited resources are utilized effectively.

Key Topics

- The auto industry's first commercial application of horizontal recycling (use of recycled materials to manufacture comparable parts or products) to bumpers from ELVs (end-of-life vehicles) to manufacture bumpers for new vehicles

Building the Three Rs into Mazda's Business Activities

Mazda builds resource-saving measures into every phase of the life cycle of its automobiles, based on the three Rs: reduce, reuse, and recycle.



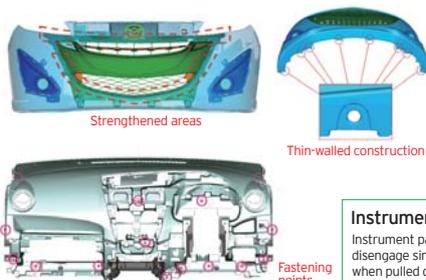
Development

Development and Design with Consideration for Recycling Needs

Many limited resources are used to manufacture automobiles, such as steel, aluminum, plastics and rare metals. Mazda is steadily increasing the recyclability of its new vehicles, drawing on the following methods.

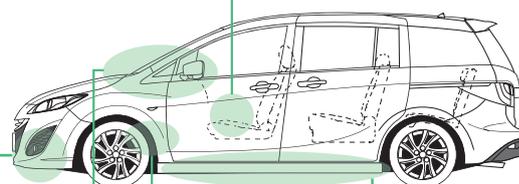
1. Research into automobile design and dismantling technologies that simplify dismantling and separation, to make recyclable parts and materials easier to remove
2. Use of easily recyclable plastics, which constitute the majority of ASR*¹ by weight

Bumpers Constructed to enable swift removal in one piece during dismantling
Thin-walled construction used for bumper underside fastenings so they can be easily removed by pulling strongly
Strengthened bumper apertures so that bumpers can be pulled off in one piece without breaking



Instrument Panel
Instrument panel fasteners are constructed to disengage simply, so that they can be removed easily when pulled during dismantling

Automatic Transmission Gearstick Knob
Use of thermoplastic elastomers (TPO)



Dashboard Insulator
Noise insulators and noise absorbers are both made of thermoplastic felt

Easily Dismantled Earth Terminals
Terminals are designed to break off when the harness is pulled out

*1 ASR: Automobile shredder residue. It refers to the residue remaining after the crushing/shredding of what is left of the car body following the removal of batteries, tires, fluids, and other parts requiring appropriate processing; the removal of engines, bumpers, and other valuable parts; and the separation and recovery of metals.

*2 Head office (Hiroshima); Miyoshi Plant; Hofu Plant, Nishinoura District; Hofu Plant, Nakanoseki District.

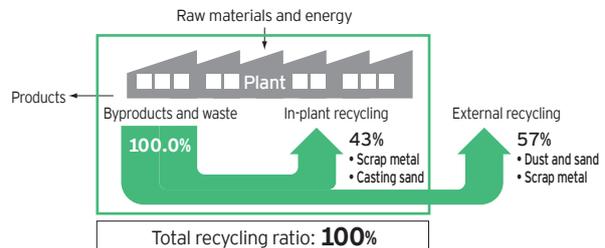
*3 Forecasted reduction rate compared with measures similar to those performed in FY1990.

Manufacturing

Zero Landfill Waste

Mazda has pledged to reduce landfill waste at its four principal domestic facilities*² to zero by 2010. Specifically, the Company is promoting reductions in the volume of manufacturing byproducts and waste, more rigorous sorting of waste, and recycling. As a result, Mazda succeeded in reaching its target two years ahead of schedule, achieving zero landfill waste in FY2008 and maintaining this status in FY2009 and FY2010.

FY2010 Recycling of Manufacturing Byproducts and Waste in the Manufacturing Sector



Logistics

Reducing Volume of Packaging and Wrapping Materials

Mazda is moving forward with efforts centering on the "three Rs of Mazda logistics" (reuse, returnable, reduce) to cut down on resources used for packaging and wrapping.

The target for the volume of packaging and wrapping materials (t-CO₂ per million ton-km) was a reduction of 40% or more from FY1990 levels, and in FY2010 a 43.2%*³ reduction was achieved.



At the Returnable Container Management Center, containers are tracked using IC tags

Logistics: Key parts packaging programs and results

Major measures and status for FY2010	FY2010 Reduction ratio of packaging and wrapping materials (t per million ton-km ³) compared to FY1990 levels
<p>Promoting the three Rs of Mazda logistics (reuse, returnable, reduce)</p> <p>Expansion of applicability of returnable container use for KD and service parts</p> <p>Reduction of individual packaging and cardboard packaging for KD and service parts</p> <p>Promotion of use of returnable packaging for imported parts</p> <p>Elimination of trial production through computer-assisted packaging-specification development</p>	<p>→ 43.2% reduction</p>

End-of-Life Vehicles (ELVs)

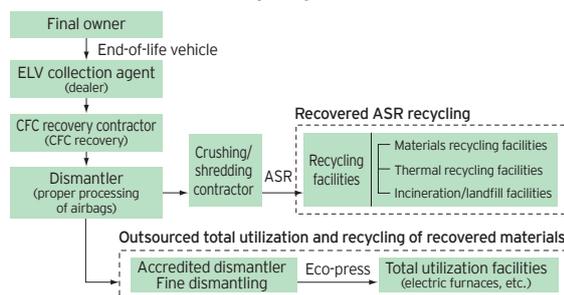
Measures in Response to Japan's End-of-Life Vehicle Recycling Law

Mazda properly processes and recycles three designated items (fluorocarbons, airbags, and automobile shredder residue [ASR]) pursuant to the End-of-Life Vehicle Recycling Law in Japan. In addition, the Company is creating unique technologies and measures to move this recycling program forward.

In the case of ASR, Mazda is working through ART,^{*4} a consortium of 13 key companies including Mazda, Nissan Motor Co., Ltd., and Mitsubishi Motors Corporation, to comply with the law and achieve progress in the reuse of resources.

The Company is also actively encouraging recycling efforts at dealerships. These dealerships properly take vehicles and collect recycling fees from their final owners and transfer them to processing companies.

End-of-Life Vehicle Recycling Process



Resource Recycling Results in FY2010

Recycling ratio for ELVs	97%	
Number of vehicles from which fluorocarbon is collected	150,659	
Number of vehicles from which airbags are collected	112,627	
Number of vehicles from which ASR is collected	190,429	
Recycling ratio	Airbags	94.0%
	ASR	82.1%
Total contracting deposits received	1,728,037,169 yen	
Total expenses for recycling	1,600,288,873 yen*	

* Includes separate fee collected by Mazda

*4 ART: Automobile Shredder Residue Recycling Promotion Team

Promoting Recycling in Europe, Taiwan, and China

Mazda is committed to the recycling of vehicles overseas in accordance with the laws in each country and region.

Europe

Based on European legislation, Mazda collects used vehicles from their final owners and pays all or part of the recycling fees. Mazda is partnering with the Ford Group to form a network for the collection of end-of-life vehicles.

Taiwan

In response to a voluntary vehicle recycling initiative begun in 2008, Mazda is partnering with the Ford Group in efforts including the provision and distribution of dismantling manuals for recycling contractors.

China

Mazda is collecting and studying detailed information in response to the implementation of the Vehicle Recycling Law.

Promoting the Collection and Recycling of Used Parts

Mazda is actively engaged in horizontal recycling (use of recycled materials to manufacture comparable parts or products) of material from replaced bumpers at Mazda's dealerships in Japan (damaged bumpers) and bumpers from end-of-life vehicles (ELV) to manufacture new vehicle bumpers.

- "Bumper-to-bumper" recycling: Mazda collects damaged bumpers removed for repair or replacement from Mazda's dealerships throughout Japan, and recycles them for reuse as materials for new bumpers or other products using exclusive Mazda technology. In FY2010, the Company collected 82,491 damaged bumpers (attaining a collection rate of approximately 78%), recycling the material to make the plastics used in new vehicles.
- ELV (end-of-life vehicle) bumper recycling (an industry first): Since August 2011, Mazda has been employing its exclusive technology to recycle ELV bumpers for use as material for new vehicle bumpers.

Use of Recycled Parts

The Mazda Group cooperates with recycled parts suppliers to sell parts for reuse.

Mazda also collects engines and transmissions removed for repair/replacement. It replaces or repairs the worn-out components, and sells them as rebuilt components.

Sales of rebuilt parts in 2010

Engines: 2,217 Transmissions: 1,600

Nonferrous and Rare Earth Metals

Since FY2009, Mazda has cooperated with related companies in Hiroshima Prefecture to recycle nonferrous metals and rare earth metals, both of which have scarcity value, from components used in automobiles such as harnesses and circuit boards.

In addition, since FY2010, Mazda has been collaborating with industry partners on the construction of a domestic system for recycling of rare earth metals from electric motors, and storing and cyclically using resources from end-of-life vehicles.

Recycling and Resource Conservation Additional information

Development

Technological Developments in Recycling Materials from End-of-Life Vehicles (ELVs)

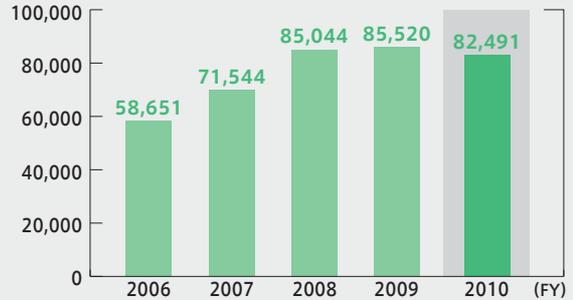
Mazda is working hard to develop material recycling so that waste products previously incinerated or sent to landfills can be reused as raw materials.

Key Activities

- Research to demonstrate a technology that recycles ELV glass as a material for producing new automobile glass (joint research project with eight other automakers*1)

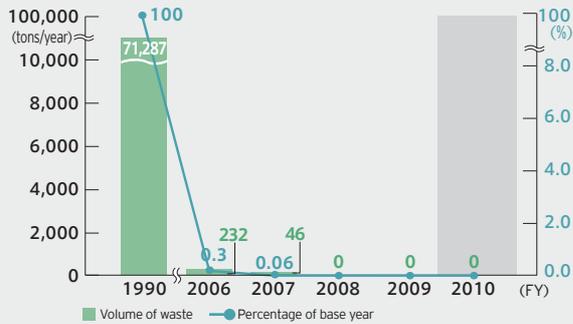
End-of-Life Vehicles

Number of Damaged Bumpers Collected (in Japan)



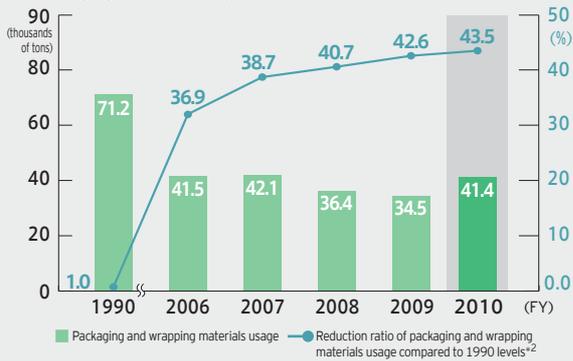
Production

Total Landfill Waste



Logistics

Packaging and Wrapping Material Reduction Ratios



*1 Mazda Motor Corp., Isuzu Motors Ltd., Suzuki Motor Corp., Nissan Motor Co., Ltd., Fuji Heavy Industries Ltd., Mitsubishi Motors Corp., Mitsubishi Fuso Truck and Bus Corp., UD Trucks Corp.

*2 Forecasted reduction rate compared with measures similar to those performed in FY1990.

MANAGEMENT AND REDUCTION OF SUBSTANCES WITH ENVIRONMENTAL IMPACT

Mazda is engaged in a range of initiatives to eliminate or reduce chemical substances that damage the environment.

Proper Management of Chemical Substances

Mazda publishes *Management Standards for Environmentally Hazardous Materials*, specifying the parts and materials whose supply to the Company is subject to restrictions (prohibited items and those for which reporting is required). The Company is working to reduce the use of hexavalent chromium, and met the independent targets of the Japan Automobile Manufacturers Association, Inc. (JAMA) by February 2007.

Support for the European REACH Chemical Regulations

In June 2008, REACH*¹ chemical regulations came into effect in the European Union. Automakers in Europe, the United States, South Korea, and Japan are collaborating in cooperative actions across the entire automobile supply chain to comply with these regulations. Mazda is also taking appropriate measures, including those listed below.

- Step 1—Pre-registration: Mazda held explanatory sessions for all suppliers, ensuring that pre-registration was completed by November 30, 2008, for chemical substances that are covered by these regulations, including components, compounds (oil, coatings, etc.), and intentionally discharged substances (washer liquid, etc.).
- Step 2—Registration: Mazda worked with suppliers to confirm registration for chemical substances that are covered by these regulations, including components, compounds, and intentionally discharged substances. Registration was completed by November 30, 2010.
- Other: A list of Substances of Very High Concern (SVHC) is progressively being made public, and Mazda is continuing with efforts to find suitable substitutes as necessary, including for the initial group of six specified substances (phthalate, etc.).

Reducing Use of “CFC Alternative” Greenhouse Gases

Mazda is working to reduce the amount of CFC alternatives, which are greenhouse gases, as car air-conditioner refrigerants. The Company is also proceeding with development and adoption of air conditioners that use novel refrigerants in place of CFC alternatives.

VOC Reductions

VOCs in Vehicle Cabins

To maintain a comfortable cabin environment, Mazda is committed to reducing VOCs*² such as formaldehyde, toluene, and xylene, which have been implicated as possible causes of sick building syndrome.

- In 1999 Mazda developed a deodorizing filter with the capacity to remove aldehydes (adopted as either standard or optional in core vehicle models).
- In new models, starting with the Mazda Demio/Mazda2 launched in 2007, Mazda reduced VOCs in the main materials used in the cabin, such as plastics, paints, and adhesives, thereby conforming with the indoor aerial concentration guidelines established by Japan's Ministry of Health, Labour and Welfare.

Body-Painting Lines

One of the targets of Mazda Green Plan 2010 is “the reduction of emissions of VOCs by body-painting lines to 30 g/m² of vehicle body paint or less by FY2010.” The Company continued to make steady progress toward achieving this goal.

Mazda completed introduction of the Three Layer Wet Paint System in all plants by FY2005. Building on this, in FY2010 Mazda finished developing and introduced the Aqua-Tech Paint System, which both achieved VOC and CO₂ emission reductions and enabled the Company to reach its goal of reducing VOC emissions in body-painting lines to 29.8 g/m² of vehicle body paint.

*1 Registration, Evaluation, Authorization and Restriction of Chemicals
*2 Volatile organic compounds

INITIATIVES FOR BIODIVERSITY

Mazda recognizes the importance of biodiversity. Mazda is working to protect ecosystems through a wide variety of measures.

Basic Approach

For its part, Mazda endorsed the aims of the Declaration of Biodiversity, drafted and announced by Nippon Keidanren (the Japan Business Federation) in March 2009, supporting this measure as a promotional partner of the “Declaration of Biodiversity by Nippon Keidanren,” and in October 2010 also joined in a “Participating Biodiversity Private-Sector Partnership.” Mazda strictly complies with the terms of this declaration and is working on plans to draft the Mazda Basic Policy on Biodiversity.

TOPICS

Hofu Plant participated in “Water-Supply Forest Development in Collaboration with Corporations,” a project organized by Yamaguchi Prefecture.

Mazda agreed to participate in the “Water-Supply Forest Development in Collaboration with Corporations” program administered by Yamaguchi Prefecture, and employees at the Hofu Plant have been actively participating as volunteers in forest conservation activities since 2005. Participants deepen their understanding about the important role forests play in cultivating water supplies—which are vital for Company operations as well as local citizens' everyday lives—as well as about the usefulness of forests in preventing global warming.



Participants in the “Water-Supply Forest Development in Collaboration with Corporations” program

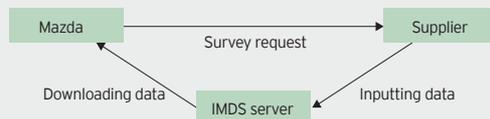
Collection and Management of Automotive Parts Materials

Mazda is working across its entire supply chain to reduce the use of environmentally hazardous materials such as lead, mercury, cadmium, and hexavalent chromium. Using the standardized IMDS*¹ international system, the Company gathers information on the materials from suppliers.

Measures Related to Application of IMDS

- To ensure that suppliers enter IMDS data appropriately, the Company publishes and distributes guidelines each year.
- The data gathered through IMDS is used to calculate the Company's vehicle recycling rate and to comply with various regulatory regimes for chemical materials, such as REACH in Europe.

How IMDS Works



Elimination of Environmentally Hazardous Materials

Mazda is striving to eliminate the use of lead, mercury, hexavalent chromium, and cadmium. As a result of these efforts, by February 2007 the Company had met all of the independent targets established by the Japan Automobile Manufacturers Association, Inc. (JAMA) ahead of schedule.

Reducing Emissions of PRTR-listed Substances

Thanks to efforts to improve the paint thinner recovery ratio and coating efficiency, in FY2010 the amounts of substances designated under the Pollutant Release and Transfer Register (PRTR) Law released into the atmosphere and water system decreased by 61% from FY1998, to 1,075 tons. These figures are attributable to the Company's introduction of the Aqua-Tech Paint System and measures to reduce paint-thinner use.

Mazda will continue working to reduce emissions of VOCs and PRTR-designated substances.

*1 International Material Data System

Management and Reduction of Substances with Environmental Impact Additional information

Volume of PRTR-designated Pollutants Emitted and Transferred in FY2010

Items marked with an asterisk (*) are class 1 designated chemical substances of which 500 kg/year or more are handled.
Other items are class 1 designated chemical substances of which 1,000 kg/year or more are handled.

Hiroshima Plant

Substance No.	Substance group	Amount handled	Volume emitted			Amount consumed	Amount disposed	Amount transferred Waste products	Amount recycled	
			Air	Water	Soil					
1	Water-soluble zinc compounds	19,157	0	302	0	302	15,397	0	3,458	0
37	4,4'-isopropylidenediphenol	4,313	0	0	0	0	0	4,313	0	0
53	Ethyl benzene	151,988	77,638	0	0	77,638	43,043	28,104	0	3,203
80	Xylene	611,285	246,876	0	0	246,876	179,998	113,978	0	70,433
87	Chromium and trivalent chromium compounds	103,172	0	0	0	0	102,146	0	1,026	0
88*	Hexavalent chromium compounds	2,508	0	0	0	0	1,482	1,026	0	0
258	1,3,5,7-tetraazetoricyclo [3.3.1.1 ^{3,7}] decane	135,542	0	0	0	0	0	135,542	0	0
277	Triethylamine	320,847	1,926	0	0	1,926	0	318,921	0	0
296	1,2,4-trimethylbenzene	183,830	13,699	0	0	13,699	113,043	57,088	0	0
297	1,3,5-trimethylbenzene	56,301	25,165	0	0	25,165	5,219	13,722	0	12,195
300	Toluene	957,773	287,726	0	0	287,726	405,666	248,364	0	16,017
309*	Nickel compounds	2,793	0	337	0	337	962	0	1,494	0
349	Phenol	771,619	19	23	0	42	0	771,577	0	0
355	Bis (2-ethylhexyl) phthalate	14,511	0	0	0	0	14,076	435	0	0
374	Hydrogen fluoride and its water-soluble salts	4,152	0	664	0	664	0	0	3,488	0
392	n-Hexane	141,754	355	0	0	355	113,906	27,493	0	0
400*	Benzene	28,748	36	0	0	36	21,521	7,191	0	0
411*	Formaldehyde	216,077	2,301	0	0	2,301	0	213,776	0	0
412	Manganese and its compounds	255,129	0	305	0	305	253,072	0	1,679	73
438	Methylnaphthalene	15,399	0	0	0	0	0	15,399	0	0
448	Diisocyanate (methylene-bis [4,1-phenylene])	297,773	0	0	0	0	0	297,773	0	0
453	Molybdenum and its compounds	3,839	0	0	0	0	1,934	0	91	1,814
Total		4,298,510	655,741	1,631	0	657,372	1,271,465	2,254,702	11,236	103,735

Miyoshi Office (Including Plant)

Substance No.	Substance group	Amount handled	Volume emitted			Amount consumed	Amount disposed	Amount transferred Waste products	Amount recycled	
			Air	Water	Soil					
53	Ethyl benzene	4,249	0.48	0	0	0.48	0	4,249	0	0
80	Xylene	17,908	1.8	0	0	1.8	0	17,906	0	0
296	1,2,4-trimethylbenzene	11,481	0.44	0	0	0.44	0	11,481	0	0
297	1,3,5-trimethylbenzene	1,278	0.04	0	0	0.04	0	1,278	0	0
300	Toluene	47,433	17	0	0	17	0	47,416	0	0
392	n-Hexane	9,019	23	0	0	23	0	8,996	0	0
400*	Benzene	1,967	2.5	0	0	2.5	0	1,965	0	0
438	Methylnaphthalene	6,683	0	0	0	0	0	6,683	0	0
Total		100,018	44.78	0	0	45	0	99,973	0	0

Nishinoura District, Hofu Plant

Substance No.	Substance group	Amount handled	Volume emitted			Amount consumed	Amount disposed	Amount transferred Waste products	Amount recycled	
			Air	Water	Soil					
1	Water-soluble zinc compounds	17,290	0	272	0	272	15,151	0	1,867	0
53	Ethyl benzene	101,960	50,275	0	0	50,275	41,501	10,184	0	0
80	Xylene	381,052	144,530	0	0	144,530	174,293	37,414	0	24,815
296	1,2,4-trimethylbenzene	145,811	11,247	0	0	11,247	111,099	5,462	0	18,003
297	1,3,5-trimethylbenzene	35,996	12,786	0	0	12,786	10,981	3,202	0	9,027
300	Toluene	688,356	196,576	0	0	196,576	448,757	28,684	0	14,339
309*	Nickel compounds	3,392	0	410	0	410	1,169	0	1,813	0
355	Bis (2-ethylhexyl) phthalate	14,897	0	0	0	0	14,450	447	0	0
392	n-Hexane	95,069	238	0	0	238	92,476	2,355	0	0
400*	Benzene	19,969	25	0	0	25	19,523	421	0	0
411*	Formaldehyde	3,954	1,343	0	0	1,343	0	2,611	0	0
412	Manganese and its compounds	4,528	0	254	0	254	2,818	0	1,447	9
Total		1,512,274	417,020	936	0	417,956	932,218	90,780	5,127	66,193

Initiatives for Biodiversity Additional information

Initiatives to Preserve Biodiversity

Analysis of business activities and reduction of environmental impact

- Impact on biodiversity is considered when building new plants

Active contribution to nature restoration and other biodiversity initiatives

- Participation in Hiroshima-no-Morizukuri Forum (organizer: Hiroshima Prefecture)
- Implementation of Mazda-no-Mori forest protection initiatives (Hiroshima Prefecture)
- “Water-Supply Forest Development in Collaboration with Corporations” program (Yamaguchi Prefecture)
- Participation in the “How Far Does a Dragonfly Fly?” joint urban renewal project in Yokohama
- Creation of a biotope at Mazda R&D Center Yokohama
- Operation of the Save Our American Resources (SOAR) program in cooperation with the SCA (Student Conservation Association)
- Protection of the kiwi bird, an endangered bird that is also the national bird of New Zealand
- Protection of sick and injured members of indigenous species in New Zealand
- Support for nature-preservation activities in South Africa through the Mazda Wildlife Fund

Measures to recycle resources, such as energy saving, resource saving, and promotion of the three Rs

- Development: development and adoption of parts and materials that are easy to recycle
- Production: advancement of recycling of byproducts and waste products; zero landfill
- Logistics: advancement of the three Rs in packaging and wrapping materials
- End-of-life vehicles: reuse of bumpers and material recycling of bumpers (“bumper-to-bumper”)

Learning from nature and predecessors

- Ongoing examination of the structures and functions of living things (example: drawing on the structures that generate color in insects’ wings to develop vehicle painting technologies)

Development and use of technologies that promote biodiversity

- Advancement of R&D in vehicle parts materials with the aim of commercializing bioplastics that do not compete with food supplies

Environmental education for employees

- Level-based employee education at Mazda (education related to biodiversity as part of educational programs on the environment)

Environmental education for the general public

- Addition of discussion related to preserving biodiversity in the revised version of Mazda’s Green Purchasing Guidelines
- Environmental education focused on biology as part of the “Science is Fun” joint projects between the Mazda Foundation and Hiroshima University

PREVENTING AIR AND WATER POLLUTION

To preserve air and water quality, Mazda has specified voluntary emission standards stricter than the legal requirements and is ensuring appropriately low emissions of pollutants.

Air Pollution Prevention

Establishment of Voluntary Standards Stricter than Legal Requirements

Mazda has defined its own standards, which are stricter than legally stipulated standards, for the emission of sulfur oxides (SOx), nitrogen oxides (NOx), particulate matter, finely ground waste, vapors, and volatile organic compounds (VOCs), and is continuing efforts to reduce such emissions.

In addition, Mazda is shifting the use of fuel oil to that of city gas and makes other efforts to actively adopt materials that reduce the environmental burden.

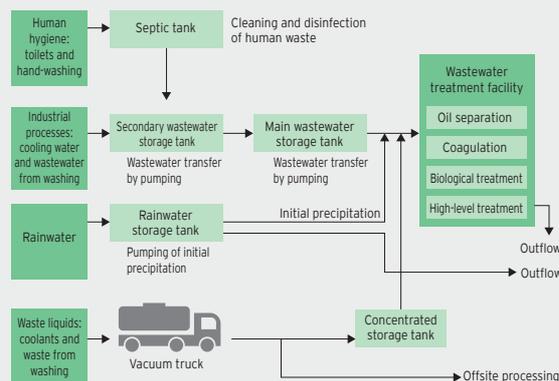
Conservation of Water Resources

Efforts to Clean Wastewater and Make Effective Use of Water Resources

When discharging wastewater to public waterworks, Mazda maintains voluntary standards stricter than the legal requirements, and manages discharge daily. The Company also ensures wastewater cleanliness by properly treating water used for industrial processes, human hygiene, and other purposes.

With the exception of its Miyoshi Plant, nearly all the water Mazda uses in production processes at the plants and offices in Japan is water for industrial use. The Company does not use subsurface water, as this may cause ground subsidence. Mazda also makes effective use of water by collecting and storing rainwater for use in the Miyoshi Plant.

Overview of Wastewater Treatment System (Hiroshima Plant)



Environmental Data by Site: Atmospheric Pollutants

Hiroshima Plant

Atmospheric pollutants		Unit	Regulation	Actual (max.)
NOx	Boilers	ppm	180	87
			150	62
	Drying ovens	ppm	250	59
			230	31
	Melting furnaces	ppm	180	130
	Diesel engines	ppm	950	770
			200	31
			180	51
			150	63
	Heating furnaces	ppm	130	42
220			25	
Ash	Boilers	g/m ³ N	0.30	0.0018
			0.10	0.0015
	Drying ovens	g/m ³ N	0.40	0.0061
			0.35	0.0042
			0.20	0.004
			0.15	0.0066
	Melting furnaces	g/m ³ N	0.40	0.054
			0.20	0.08
	Diesel engines	g/m ³ N	0.10	0.0082
			0.10	0.023
	Heating furnaces	g/m ³ N	0.40	0.0018
			0.25	0.015
Roasting furnaces	g/m ³ N	0.20	0.015	
		0.10	0.0015	
SOx	K-value regulation	-	7	1.36
VOC	Painting facilities	ppm	700	282
	Washing facilities	ppm	400	124

Miyoshi Office (Including Plant)

Atmospheric pollutants		Unit	Regulation	Actual (max.)
NOx	Boilers	ppm	250	180
Ash	Boilers	g/m ³ N	0.30	0.057

Nishinoura District, Hofu Plant

Atmospheric pollutants		Unit	Regulation	Actual (max.)
NOx	Boilers	ppm	150	80
			130	89
Drying ovens	ppm	230	140	
Ash	Boilers	g/m ³ N	0.10	0.002
			0.35	0.07
			0.30	0.015
Drying ovens	g/m ³ N	0.20	0.01	
SOx	K-value regulation	-	4.5	0.001
	Total pollutant load control	m ³ N/h	46.38	0.014
VOC	Painting facilities	ppm	700	330

Nakanoseki District, Hofu Plant

Atmospheric pollutants		Unit	Regulation	Actual (max.)
NOx	Melting furnaces	ppm	180	39
Ash	Heating furnaces	g/m ³ N	0.25	0.006
			0.20	< 0.002
Melting furnaces	g/m ³ N	0.20	0.008	
SOx	K-value regulation	-	4.5	0.03
	Total pollutant load control	m ³ N/h	17.47	0.78

Water Pollutants

Hiroshima Plant (Wastewater Drainage Destination: Enko River and Kaita Bay)

Water pollutants	Unit	Regulation	Actual		
			Max.	Min.	Avg.
pH (freshwater)	-	5.8-8.6	7.6	6.5	7.1
pH (seawater)	-	5.5-9.0	7.7	6.8	7.3
BOD	mg/L	120	4	ND	<1.5
COD	mg/L	15	9	1.6	3.8
SS	mg/L	150	7	ND	<2.6
Oil	mg/L	5	ND	ND	ND
Copper	mg/L	3	ND	ND	ND
Fluorine (freshwater)	mg/L	8	0.2	ND	<0.1
Fluorine (seawater)	mg/L	15	6.1	0.1	2.3
Zinc	mg/L	2	0.36	ND	<0.09
Soluble iron	mg/L	10	0.2	ND	<0.1
Soluble manganese	mg/L	10	0.8	ND	<0.3
Total nitrogen	mg/L	60	11	1.9	5
Total phosphorus	mg/L	8	0.7	ND	<0.06
Coliform groups	colonies/cm ³	3,000	110	<10	<16
Phenol	mg/L	5	0.02	ND	<0.02
Chromium	mg/L	2	0.04	ND	<0.01
Boron (freshwater)	mg/L	10	0.32	0.09	0.21
Boron (seawater)	mg/L	230	1.8	0.13	1.0
Ammonia, ammonium, nitrous acid, and nitrous acid compounds	mg/L	100	4.3	1.1	3.0

The following substances were not detected: cadmium, cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, PCBs, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, cis 1,2-dichloroethylene, 1,1,1-trichloroethane, 1,1,2-trichloroethane, 1,3-dichloropropene, thiuram, simazine, thiobencarb, benzene, and selenium.

Miyoshi Office (Including Plant) (Wastewater Drainage Destination: Basen River)

Water pollutants	Unit	Regulation	Actual		
			Max.	Min.	Avg.
pH	-	5.8-8.6	7.7	7.2	7.5
BOD	mg/L	70	3.5	0.8	1.9
SS	mg/L	70	5.0	0.8	2.3
Oil	mg/L	5	ND	ND	ND
Fluorine	mg/L	8	0.2	0.2	0.2
Zinc	mg/L	2	ND	ND	ND
Soluble manganese	mg/L	10	0.6	ND	<0.3
Total nitrogen	mg/L	60	2	2	2
Total phosphorus	mg/L	8	0.02	0.02	0.02
Coliform groups	colonies/cm ³	3,000	<10	<10	<10
Boron	mg/L	10	0.03	0.03	0.03
Ammonia, ammonium, nitrous acid, and nitrous acid compounds	mg/L	100	0.3	0.3	0.3

The following substances were not detected: cadmium, cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, PCBs, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, cis 1,2-dichloroethylene, 1,1,1-trichloroethane, 1,1,2-trichloroethane, 1,3-dichloropropene, thiuram, simazine, thiobencarb, benzene, selenium, phenol, copper, soluble iron, and chromium.

Nishinoura District, Hofu Plant (Wastewater Drainage Destination: Oumi Bay)

Water pollutants	Unit	Regulation	Actual		
			Max.	Min.	Avg.
pH	-	5.0-9.0	7	5.9	6.8
COD	mg/L	40	10.3	3.4	7.1
SS	mg/L	30	ND	ND	ND
Oil	mg/L	2	ND	ND	ND
Zinc	mg/L	2	0.29	0.08	0.2
Total nitrogen	mg/L	60	7.7	1.1	4.4
Total phosphorus	mg/L	8	3	0.01	1
Coliform groups	colonies/cm ³	3,000	42	0	21
Boron	mg/L	230	ND	ND	ND
Fluorine	mg/L	15	1.3	0.27	0.79
Ammonia, ammonium, nitrous acid, and nitrous acid compounds	mg/L	100	3.4	2.2	2.8

The following substances were not detected: cadmium, cyanogen, organic phosphorus, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, PCBs, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, cis 1,2-dichloroethylene, 1,1,1-trichloroethane, 1,1,2-trichloroethane, 1,3-dichloropropene, thiuram, simazine, thiobencarb, benzene, selenium, phenol, copper, soluble iron, soluble manganese, and chromium.

Nakanoseki District, Hofu Plant (Wastewater Drainage Destination: Oumi Bay)

Water pollutants	Unit	Regulation	Actual		
			Max	Min	Avg.
pH	-	5.0-9.0	7.8	6.3	7.5
COD	mg/L	40	11.2	4.6	6.9
SS	mg/L	30	13	ND	<5.3
Oil	mg/L	2	ND	ND	ND
Zinc	mg/L	2	0.1	0.06	0.08
Soluble manganese	mg/L	3	0.2	ND	<0.1
Total nitrogen	mg/L	60	14.2	1	6.1
Total phosphorus	mg/L	8	0.58	0.02	0.12
Coliform groups	colonies/cm ³	3,000	180	0	<90
Boron	mg/L	230	0.2	0.1	0.2
Fluorine	mg/L	15	0.11	0.1	0.11
Ammonia, ammonium, nitrous acid, and nitrous acid compounds	mg/L	100	8.5	2.9	5.7

The following substances were not detected: cadmium, cyanogen, lead, hexavalent chromium, arsenic, mercury, alkyl mercury, trichloroethylene, tetrachloroethylene, dichloromethane, carbon tetrachloride, 1,2-dichloroethane, 1,1-dichloroethylene, cis 1,2-dichloroethylene, 1,1,1-trichloroethane, 1,1,2-trichloroethane, 1,3-dichloropropene, thiuram, simazine, thiobencarb, benzene, selenium, phenol, copper, soluble iron, and chromium.

ENVIRONMENTAL COMMUNICATION

Mazda actively communicates with its stakeholders to enable cooperative implementation of environmental initiatives.

Key Topics

- Held the Mazda Environmental Technology Forum 2011
- Participated in Eco-Products 2010

Mazda Environmental Technology Forum 2011

For three days in March 2011, Mazda held the Mazda Environmental Technology Forum 2011 at the Mazda R&D Center in Yokohama.

The Company has been hosting these forums, which are attended by the general public, shareholders, and students, every year since 2007. This year a total of 193 people participated.

Program Outline (Events for General Public)

- Mazda's approach to CSR and the environment
- Introduction to SKYACTIV TECHNOLOGY and discussions with Mazda engineers (see p. 20 for details)
- Taking attendees along on test drives of hydrogen rotary engine vehicles
- Test driving Axela, Biante, and Premacy equipped with the i-stop system



Introducing Mazda's approach to CSR and the environment



Test-drive of a hydrogen rotary engine vehicle

Participation in Environmental Exhibits and Events

Mazda is an active participant in various environment-related exhibitions and events. These opportunities enable Mazda to gain stakeholders' understanding regarding its environment initiatives and to exchange information and opinions with them. Mazda adopts a wide range of approaches to communicate about the environment, such as introducing its advanced environmental technologies at motor shows and offering test-drives of its hydrogen rotary engines at various events.

At the Eco-Products 2010 event in December, as part of the Company's environmental education efforts for children, Mazda introduced its initiatives to reduce CO₂ emission during manufacturing.



Environmental education using a picture-story show



Exhibit of SKYACTIV TECHNOLOGY display panels

Disclosure via the Sustainability Report and the Mazda Global Website

The Mazda Sustainability Report, Mazda's annual report on environmental and social contribution activities, is published for the general public in four formats—booklet, PDF, online as part of the Mazda website and, an e-book format that is newly available in May 2011—as part of Mazda's active information disclosure efforts.

Aside from the Sustainability Report, information on Mazda's latest environmental technology, updates on the Company's latest social contribution efforts, and other information is made available on Mazda's website.



Website for Mazda's CSR, environmental and social contribution activities:
<http://www.mazda.com/csr>



Website for Mazda's environmental technologies:
<http://www.mazda.com/mazdaspirit/env/>

In-House Awareness-Raising Activities

Mazda is conducting a wide range of activities to raise environmental awareness among its employees, including the following.

Eco Walk Commuting Program

In order to raise employees' environmental consciousness and encourage them to take better care of their health, employees who walk two kilometers or more as part of their daily commute to work are rewarded with an addition of ¥1,500 per month to their commuting allowance.

Lunchtime Lighting Halved

During lunch breaks, lighting in Mazda offices and plants is being reduced to half the normal level. Furthermore, during June, which is "Environment Month" in Japan, employees are taking part in the "Lunchtime Lights Off" program, in which they shut off as much lighting as possible during lunch break. Overall, 84% of departments and Group companies participated in this program (including cases in which only a portion of department/company members participated).

Soliciting Ideas to Preserve the Environment

During Environment Month in Japan (June), the Company solicited from employees ideas that could be useful in preserving the environment, conferring awards for the most outstanding submissions and sharing them within the company. In FY2010, Mazda made participation available to both employees and their families (resulting in 1,812 total submissions, a 63% increase from the previous year).



Awards ceremony for winning environmental preservation ideas

President's Messages during Environment Month

The president transmitted messages to the entire Company during Environment Month (June), emphasizing the importance of thinking about and taking action for the environment.



Participation in environmental events

Environmental Communication Additional information

■ Participation in Environment-Related Events (FY2010)

Event	Sponsor	Dates	Target Audience	Details
Hiroshima Dream Energy Seminar	Hiroshima City	February 11	General	Exhibit: Premacy Hydrogen RE Hybrid Seminar: "CSR and Environmental Initiatives at Mazda: Introduction to Experimental New-Generation Education Methods"
Eco-Romantic Parking 2010	Metropolitan Expressway Co., Ltd.	December 18-19	General	Exhibit / Test-Ride: Premacy Hydrogen RE Hybrid
Eco Products 2010	Japan Environmental Management Association for Industry, Nikkei Inc.	December 9-11	Elementary school students, general	Exhibit / Test-Ride: New Premacy with i-stop system Panel Exhibit: SKYACTIV TECHNOLOGY, i-stop technology, CO ₂ reduction initiatives, etc. Stage: Explanation of Mazda's CO ₂ reduction initiatives
Ecology Car Festival	Okayama Prefecture, Mimasaka City, others	November 6-7	General	Exhibit / Test-ride: RX-8 Hydrogen RE, Premacy Hydrogen RE Hybrid
EV Festival	Japan EV Club	November 3	General	Exhibit / Test-ride: Premacy Hydrogen RE Hybrid Test Drive: Axela with i-stop system
Stop Global Warming! Fair in Hiroshima 2010	Regional Conference on Global Warming Countermeasures in Hiroshima City, Hiroshima Prefecture, Hiroshima City, others	October 31	General	Panel Exhibit: SKYACTIV TECHNOLOGY, i-stop technology, Hydrogen RE
Yamaguchi Iki-Iki Eco-Fair	Kirara Product and Exchange Fair 2010 Committee	October 9-10	General	Panel Exhibit: Long-term vision for technology development, Hydrogen RE, etc. Exhibit: Premacy Hydrogen RE Hybrid Test-ride: Axela with i-stop system, etc.
Ebikan Environmental Learning Summer School	Designated Director from Ebina Cultural Center	July 25	Elementary school students, general	Exhibit: RX-8 Hydrogen RE Seminar / Lab Session: Measurement of actual CO ₂ emissions produced by an environmentally friendly vehicle
Hiroshima Environment Day	Hiroshima Prefecture	June 6	General	Exhibit: Premacy Hydrogen RE Hybrid, RX-8 Hydrogen RE, Axela (20S), Demio (13C-V) Panel Exhibit: Four information panels on Mazda's environmental technology Stage: Introduction to Premacy's environmental technology
Eco Car World 2010	Ministry of the Environment, Environmental Restoration and Conservation Agency, City of Yokohama	June 5-6	General	Exhibit: New Premacy (first exhibit of Japanese model), Premacy Hydrogen RE Hybrid, Axela with i-stop system, Biante Test-ride: Axela with i-stop
Automotive Engineering Exposition 2010	Society of Automotive Engineers of Japan	May 19-21	General (with focus on people related to the auto industry)	Exhibit: New Mazda5 (European specifications) Seminar: Introduction to award-winning technologies (Society of Automotive Engineers of Japan Awards), which include i-stop technology, single-nanocatalyst technology, and road-noise-absorbing technology

ENVIRONMENTAL MANAGEMENT

Mazda is establishing an environmental management system throughout its supply chain, including Group companies, suppliers, dealerships, and others.

Key Topics

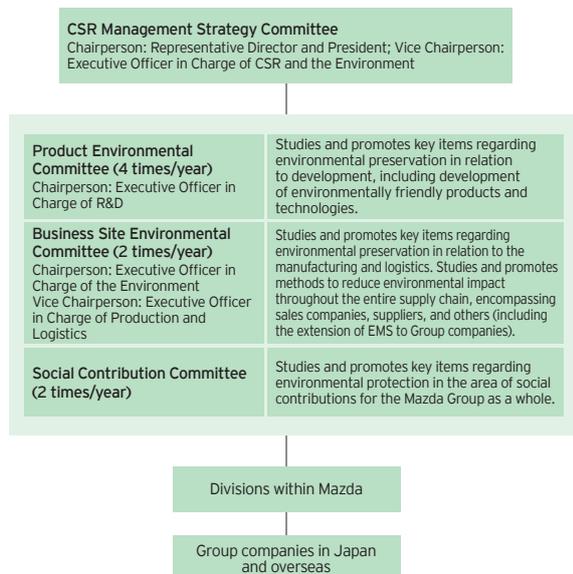
- Mazda North American Operations (MNAO) headquarters building received 2010 ENERGY STAR® certification

Environmental Management Framework

Mazda has established three committees under the CSR Management Strategy Committee, chaired by the president of the Company, to promote environmental management throughout the Mazda Group. These are the Product Environmental Committee, the Business Site Environmental Committee, and the Social Contribution Committee.

Targets are set, and the results and progress of each committee monitored, under the "Mazda Green Plan 2020" mid-term environmental plan.

Mazda Environmental Promotion Framework (As of March 31, 2011)



Environmental Management System

Mazda is promoting the establishment of environmental management systems (EMS) across its entire supply chain and in all Group companies. The purpose of the EMS is to carry out more environmentally friendly business activities in a more effective manner, based on ISO 14001 and other standards.

Progress Status

- Mazda and 13 other Group manufacturing companies in Japan and overseas have completed certification under ISO 14001.
- Mazda is progressively certifying all dealerships in Japan under EcoAction 21 (EA21)*1, an environmental management system. As of March 2011, six consolidated dealerships have been certified under EcoAction 21.
- Mazda has completed introduction of an exclusive Mazda EMS to four vehicle parts companies in Japan.

*1 Simplified EMS established by the Ministry of the Environment, for application at companies of various scales, such as small-to-medium-sized companies.

Promoting Green Purchasing

To reduce the environmental burden throughout its entire supply chain, Mazda released the "Mazda Supplier CSR Guidelines" in July 2010 and revised the "Green Purchasing Guidelines" to better reflect current environmental trends.

Through these two sets of guidelines, Mazda requires all of its suppliers worldwide to undertake measures to reduce the burden on the environment, in all areas from development of products to manufacturing and delivery. The guidelines also make it clear that Mazda will give preference in purchasing to suppliers who implement such environmental measures.

Support for Suppliers in Establishing Environmental Management System

Mazda requires its suppliers of parts, materials, and industrial equipment and tools to obtain ISO 14001 certification, and supports their establishment of EMS by providing information and other assistance. Currently, all major suppliers involved in Mazda vehicle development and manufacturing have obtained ISO 14000 certification.

Implementation of Environmental Auditing

To confirm that the environmental management system is operating effectively, internal and external audits of the Hiroshima district and Hofu Plant are carried out. The 2010 internal audit revealed no serious compliance issues.

The results of the audits were reported to management and problems were swiftly rectified.

Compliance with Environmental Law and Risk Management

To minimize environmental risks in business activities and prevent pollution and other incidents, Mazda complies with all related laws and conducts environmental risk assessments according to its own stringent criteria. Mazda also has a variety of preventative strategies in place.

TOPICS

MNAO Headquarters Building Receives 2010 ENERGY STAR® Certification

The headquarters building of MNAO (Mazda North American Operations), head of operations in the region, has received 2010 ENERGY STAR®^{*2} certification. Achievement of this certification recognizes that the MNAO headquarters building's energy consumption is at least 35% less than the standard consumption of buildings in the same evaluation class.



*2 A project operated jointly by the Environmental Protection Agency (EPA) and the Department of Energy of the United States. Prevention of global warming is one of the project's goals.



Status of Implementation of Environmental Auditing, Eliminating Sensory Pollution, Environmental Education / Education Program Structure, Routine Environmental Activities

Environmental Management Additional information

Status of Implementation of Environmental Audits

External Audits

Audit by an external agency
 Auditing agency: A registered ISO 14001 auditing agency
 Description: Regular or update audits based on ISO 14001
 Frequency: Once a year

External Audit Results

		FY2006	FY2007	FY2008	FY2009	FY2010
Items identified	Serious noncompliance issues	0	0	0	0	0
	Minor noncompliance issues	2	1	0	1	0
	Observation issues	9	6	9	7	5

Internal Audits

Auditor: Internal auditor (an employee who has received training from an external auditing agency and is qualified to perform audits)
 Description: Items required in each division/department
 Frequency: Once a year (Hiroshima district), twice a year (Hofu Plant)
 Other: To ensure a more objective and effective audit, the audit is conducted on an interdepartmental basis, rather than sector-by-sector.

Internal Audit Results

		FY2006	FY2007	FY2008	FY2009	FY2010
Items identified	Serious noncompliance issues	0	0	0	0	0
	Minor noncompliance issues	20	21	21	11	8
	Observation issues	142	139	107	96	119

Trend in Number of Internal Auditors

		FY2006	FY2007	FY2008	FY2009	FY2010
Number of internal auditors	Hiroshima district	467	481	527	523	517
	Hofu Plant	144	161	161	117	123
	Total	611	642	688	640	640

Eliminating Sensory Pollution

Sensory pollution comprises noise, vibration, and odors that have a sensory or psychological impact on people. Mazda recognizes that clearing legal regulations may not be enough to prevent noise, vibration, and odors from annoying neighborhood residents. For this reason, Mazda is systematically stepping up measures to alleviate the causes of such pollution, as well as measures to improve noise insulation and odor removal.

Specific Measures in Environmental Risk Management

- Regular training is conducted at each plant and office to prepare for response in the event of accidents that adversely affect the natural environment.
- Environmental monitoring, including monitoring of air and water pollution, is conducted regularly.

Environmental Monitoring

Environmental monitoring item	Target of monitoring	Items monitored	Monitoring frequency
Air quality	Boilers, melting furnaces, heating furnaces, drying furnaces, etc.	4 items: sulfur oxides, nitrogen oxides, soot, volatile organic compounds	Approx. 350 times per year
Water quality	Treated wastewater	42 items: cadmium, cyanide, organophosphates, lead, hexavalent chromium, etc.	Approx. 1,800 times per year
Noise and vibration	Site boundaries	1 item: noise level	Approx. 10 times per year
Odor	Site boundaries	1 item: odor index	Approx. 10 times per year
Waste products	Slag, sludge, soot, etc.	24 items: cadmium, cyanide, organophosphates, lead, hexavalent chromium, etc.	Approx. 340 times per year

Legal Violations and Complaints (FY2010)

		Number of incidents	Response
Legal violations, guidance from national government		1	Mazda received acknowledgment concerning its efforts to rectify odor-related problems. Mazda identified the causes and implemented suitable countermeasures.
Complaints	Noise	2	Mazda replaced parts that were broken or malfunctioning and implemented driving restrictions to reduce noise pollution.
	Odor	5	Thorough operational controls are being implemented, and well-planned measures are being taken to eliminate odors.

List of ISO 14001 Certified Domestic Production and Business Sites

Environmental Management: ISO 14001 Certified Domestic Production and Business Sites

Hiroshima district	Hiroshima Plant	June 2000
	Miyoshi Plant	
Hofu Plant	Nishinoura	September 1998
	Nakanoseki	September 1999

ISO 14001 Certified Overseas Production Sites

AutoAlliance (Thailand) Company Limited (AAT)	May 2000
AutoAlliance International, Inc. (AAI) (USA)	June 2000

Five ISO 14001 Certified Domestic Consolidated Group Companies (Excluding Sales Companies)

Mazda Engineering & Technology Co., Ltd.*	June 2000
Toyo Advanced Technologies Co., Ltd.*	June 2000
Mazda Ace Co., Ltd.*	June 2000
MALOX Co., Ltd.*	June 2000
KURASHIKI KAKO CO., LTD.	December 2001

* Companies marked with an asterisk (*) have been certified as part of the Hiroshima district

ISO 14001-Certified Equity-method Group Companies

In Japan	Japan Climate Systems Corporation	May 2000
	Yoshiwa Kogyo Co., Ltd.	April 2002
	MCM Energy Service Co., Ltd.	September 1998
Overseas	Changan Ford Mazda Automobile Co., Ltd.	December 2008
	Changan Ford Mazda Engine Co., Ltd.	February 2009

Status of Establishment of Environmental Management Systems (EMS) at Suppliers

- All major suppliers with which the Company does continuous business (approximately 400 companies) have completed certification (as of FY2006 fiscal year-end).
- 100% of major suppliers continue to maintain certification, including new suppliers (FY2010).
- Through primary suppliers, EMS are being established at secondary suppliers as well.
- Self-diagnoses are carried out at certain suppliers and affiliates of local enterprise cooperatives by using a specific check sheet.

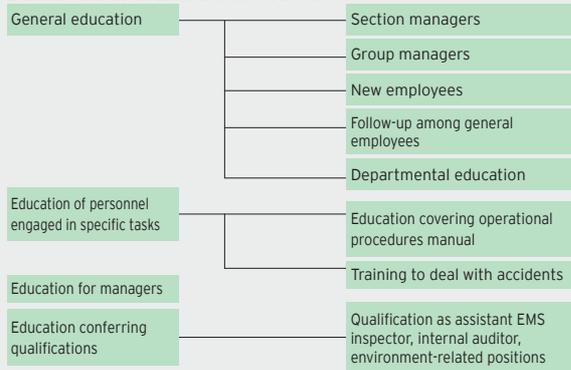
Environmental Education / Education Program Structure

Mazda conducts environmental education as part of its EMS and encourages employees to obtain environment-related public qualifications such as those listed below.

In addition, Mazda offers support for employees working toward qualification as energy attorneys, including financial support through the Mazda Flex Benefit program (see p. 56-2 for details).

- Energy attorney
- Head supervisor of pollution control
- Supervisor of air pollution control
- Supervisor of dust and particulate pollution control
- Supervisor of water pollution control
- Supervisor of noise- and vibration-related pollution control
- Special managing supervisor in charge of industrial waste disposal

Environmental Education Structure



Number of Employees Receiving Environmental Education

	FY2006	FY2007	FY2008	FY2009	FY2010
Managers	80	81	81	76	90
Section managers	258	187	134	118	130
Group managers	81	77	76	86	44
New employees	677	1,005	923	705	360

* In addition to the above, environmental education is provided to general employees in each department.

Routine Environmental Activities

Reducing Paper Use

Mazda continually endeavors to reduce the amount of paper used for office tasks through digitalization of documents, ledger sheets and other forms. As part of its recycling

efforts, the Company also reuses waste paper (shredder dust) as packaging material for shipping parts, and is increasing efforts to separate paper by type during disposal.

Reducing Energy Use

Through regular initiatives, including purchasing of low-power-consumption office equipment and furniture, and turning off lights and computers when they are not in use, Mazda makes continual efforts to reduce energy use.

Furthermore, Mazda implements a "Cool Biz" program during the summer season every year, setting internal room temperatures at 28°C (82.4°F) on a standard basis. During the winter season when electricity consumption is particularly high, energy-saving measures are implemented through adjustment of climate control systems (heating set at 20°C), lighting, office automation equipment, etc.

Use of Renewable Energy

Mazda uses renewable energy sources*1 as follows.

- At the Hofu Plant, solar-powered units have been introduced in some corridor lighting.
- Mazda Motor Logistics Europe N.V. contracts with AlpeEnergie to purchase energy from renewable sources supplied by that company.
- At Hiroshima Municipal Stadium, for which Mazda has acquired the naming rights as "Mazda Zoom-Zoom Stadium Hiroshima," night games are illuminated through the purchase of environmentally-friendly green electricity (renewable electricity). In FY2010, its electricity consumption of 136,000 kWh was equivalent to a reduction of 92 tons of CO₂.
- Green electricity is supplied to the all-star games in Japanese professional baseball (presented by Nippon Professional Baseball), of which Mazda is the main sponsor. The green electricity is provided using the Green Electricity Certificate System. At the Mazda All-Star Games 2010, Mazda presented Nippon Professional Baseball with a Green Electricity Certificate for approximately 12,000 kWh of illumination for night games. This gift was equivalent to a reduction of 6.6 tons in CO₂ emissions.

*1 Refers to natural energy sources that can be used continuously without being depleted, such as electricity generation using solar, wind, geothermal, hydroelectric or biomass power, or direct solar heating. These types of energy generate zero or negligible CO₂ emissions.

Life Cycle Assessment (LCA)

Mazda is actively working to reduce its environmental burden across the entire product life cycle. Having established a proprietary LCA*3 system and conducted careful assessment of environmental impact at every phase, Mazda has confirmed the benefits of clean-energy vehicles and newly introduced vehicles with current gasoline engines.

In FY2010, Mazda recognized total emissions for the new Demio (Japanese model) were reduced in comparison with older models through implementation of an LCA for the vehicle. Mazda intends to steadily expand implementation of LCA to new vehicles.

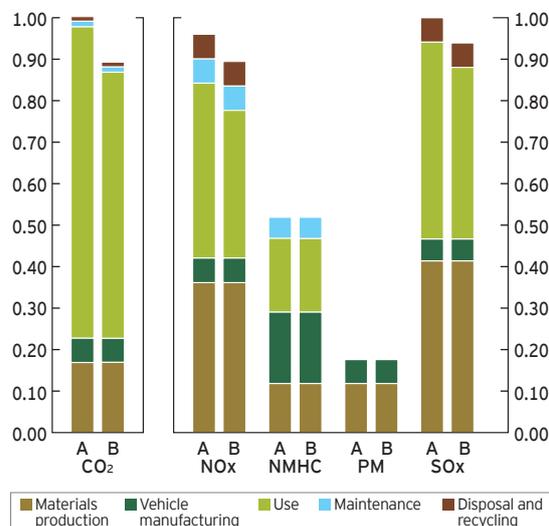
Environmental Accounting

Mazda is carefully assessing the costs and benefits of its environmental activities and is working constantly to improve their efficiency.

Data collection period: April 1, 2010, through March 31, 2010 (FY2010)
Basis of data collection: Data for Mazda on an unconsolidated basis is calculated according to Environmental Accounting Guidelines. The amounts do not include depreciation expenses.
Scope of data collection: Mazda Motor Corporation, five domestic consolidated Group companies (Mazda Engineering & Technology Co., Ltd., Kurashiki Kako Co., Ltd., Toyo Advanced Technologies Co., Ltd., Malox Co., Ltd., Mazda Ace Co., Ltd.), four domestic equity-method Group companies (Yoshiwa Kogyo Co., Ltd., Japan Climate Systems Corporation, MCM Energy Service Co., Ltd., Mazda Processing Chugoku Co., Ltd.), five overseas consolidated Group companies (Compañía Colombiana Automotriz S.A., Mazda Motor (China) Co., Ltd., Mazda Australia Pty. Ltd., Mazda Motors of New Zealand Ltd., PT Mazda Motor Indonesia) and five overseas equity-method Group companies (Auto Alliance International, Inc., Auto Alliance (Thailand) Co., Ltd., Changan Ford Mazda Automobile Co., Ltd., Changan Ford Mazda Engines Co., Ltd., FAW Mazda Motor Sales Co., Ltd.).

LCA for the New Demio (Japanese model)

A: Previous model B: New model



* Calculated assuming a vehicle lifetime running distance of 100,000 km (10 years) and running under certain conditions.
* Results of evaluations are shown as an index. Figures for CO₂ refer to metric tons; all other figures refer to amounts in kilograms. Indices are shown separately. In the graph above, all indices are based on an index of 1 for the SO_x emission volume of the previous model (A).
NO_x: Nitrogen oxide
NMHC: Non-methane hydrocarbons
PM: Particulate matter
SO_x: Sulfur oxide

Environmental Protection Costs

(Millions of yen)

Category	Major activities	Mazda (parent company only)			Mazda Group		
		Investment	Cost	Total	Investment	Cost	Total
Business area	Preventing pollution	1,138	968	2,106	2,139	2,142	4,281
	Protecting the global environment	653	532	1,185	754	785	1,539
	Recycling resources	29	1,559	1,588	72	3,432	3,504
Upstream/downstream	Container recovery, recovery of end-of-life vehicle bumpers	0	107	107	0	123	123
Management activity	Employee environmental education, creating and operating environmental management systems, monitoring and measurement of environmental impact, other activities	24	1,111	1,135	28	2,808	2,836
Research and development	R&D for products, production methods and distribution, contribution to reduced environmental impact	1,219	32,958	34,177	1,275	34,026	35,301
Social activities	Greening, beautification, and environmental improvement; support of community residents and organizations; information disclosure; and other activities	0	82	82	0	86	86
Environmental damage	—	0	0	0	0	0	0
Total		3,063	37,317	40,380	4,268	43,402	47,670

Overall Environmental Protection Effects

Category			Mazda (parent company only)		Economic effect (millions of yen)	Mazda Group Economic effect (millions of yen)
			Environmental protective effect			
Protecting the global environment	Global warming prevention	All domestic facilities	CO ₂ emissions volume (on unit sales basis)	3.43 (t-CO ₂ /¥ billion)	-	79
		Distribution	Annual shipping volume	448,350,000 (tons/km/year)	-	-
Recycling resources	Effective use of resources, recycling	Shell sand	37,661 (tons/year)	26	3,822	
		Steel scrap	85,495 (tons/year)	3,796		
Upstream/downstream	Product recycling	Number of discarded bumpers collected	82,491 (bumpers/year)	-	56	
Other	Sale of items with commercial value	Metals	116,773 (tons/year)	3,925	29	4,307
		Paint thinner, effluent	702 (tons/year)			
		Empty drums, wheels, discarded tires	19,495 (units/year)			
		Recovered sand, plastics, cardboard scraps	3,510 (tons/year)			
		Wooden pallets	515 (tons/year)			
Total				7,776	8,264	

*3 A method for calculating and evaluating the environmental impact of a product across its entire life cycle, from purchasing of materials through manufacturing and use to recycling and final disposal

MAZDA'S CORPORATE ACTIVITIES AND IMPACT ON THE ENVIRONMENT

Mazda tracks ecological data to help reduce the environmental burden of its corporate activities in all areas.

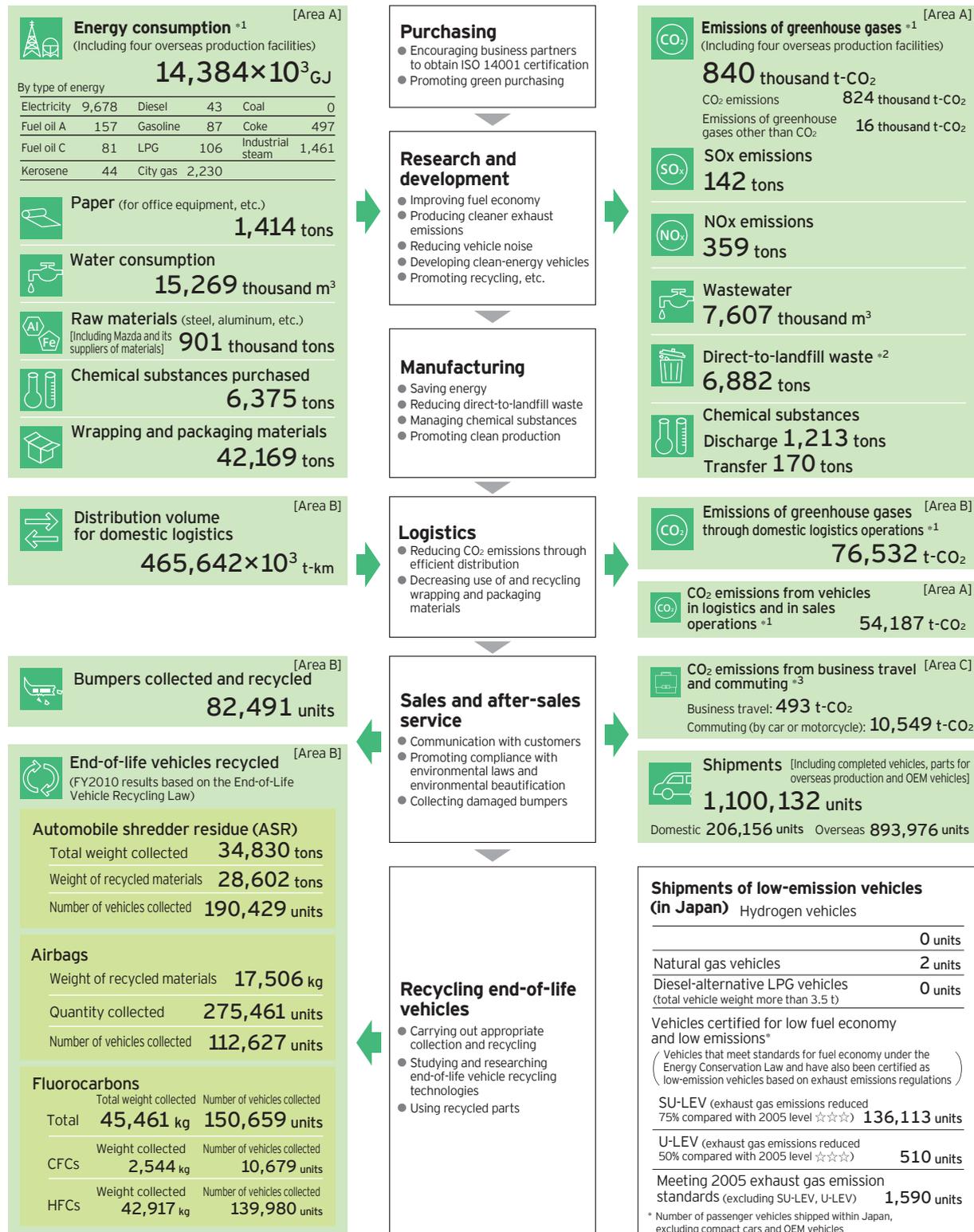
Period covered: FY2010 (April 2010 to March 2011)

Scope of data collection: Area A: Mazda Motor Corporation, 22 domestic and eight overseas consolidated Group companies, and nine domestic and five overseas equity-method Group companies

Area B: Mazda Motor Corporation, 22 domestic consolidated Group companies and nine domestic equity-method Group companies

Area C: Mazda Motor Corporation

[WEB](#) List of Companies Covered



⁺¹ Energy consumption, greenhouse gas emissions, and distribution volumes are calculated on the basis of the Law Concerning the Rational Use of Energy (2008) and The Greenhouse Gas Emissions Calculation and Reporting Manual, Ver. 3.2 (2011). Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda. CO₂ emissions resulting from power consumption by overseas companies are calculated by applying the coefficient used in CO₂ Emissions from Fuel Combustion (2010 Edition) published by International Energy Agency (IEA).

⁺² In the previous year's report, an annual total volume of direct-to-landfill waste was erroneously published as 298,050 tons. The correct figure was 6,462 tons.

⁺³ CO₂ emissions are calculated as 165 g-CO₂/person-km for private automobiles, 18 g-CO₂/person-km for railways, 48 g-CO₂/person-km for buses, and 110 g-CO₂/person-km for aircraft, based on Carbon Dioxide Emissions in the Transport Sector, Ministry of Land, Infrastructure, Transport and Tourism. Source (Japanese language): http://www.mlit.go.jp/sogoseisaku/environment/sosel_environment_tk_000007.html

SOCIAL CONTRIBUTIONS



Key Topics

- Established Social Contribution Committee in May 2010
- Redefined "Basic Policy on Initiatives" in accordance with societal changes

Basic Policy on Initiatives

Basic Principles

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

Plans for Future Activities

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

Three Pillars

Mazda promotes activities that are strongly rooted in local communities. Its social contribution activities are underpinned by the three pillars of environmental and safety performance, human resources development, and community contributions.



Promotion Framework

In May 2010, Mazda established the Social Contribution Committee. The role of this committee, which meets regularly (twice a year), is to discuss issues facing the entire Mazda Group and share information, based on the policy decided by the CSR Management Strategy Committee. The details of actual activities will be considered by working groups formed in related divisions. Hereafter, Mazda will enhance activities in this area from a global and Group standpoint.

- * In Japan, North America, Australia, New Zealand, and Colombia, the Mazda Foundation in each country separately executes various activities.

Promotion Framework



Volunteering by Employees

Mazda offers support to help employees become actively involved in volunteer activities.

- Providing volunteer opportunities (Specialist Bank, Volunteer Center, etc.)
- Subsidizing part of the cost of activities (Mazda Flex Benefits, etc.)
- Enabling employees to take leave for activities (volunteer leave such as the Special Warm Heart leave system, etc.)

Major Activities in Japan

Additional information on 33 topics can be viewed on the Company's website.



Teaching Children about the Environment through Automobiles

Environment Human resources
Community

Objective To provide support for environmental education at elementary schools

Initiatives / FY2010 Results

In response to requests from elementary schools in Hiroshima City, Mazda began holding classes on the environment for elementary school students from 2009. In FY2010, classes were held at elementary schools and community centers (12 locations in all), and students were given easily understandable explanations of automobile-related environmental issues and Mazda's environmental initiatives, as well as a demonstration of a hydrogen rotary engine vehicle. Employees were also dispatched to junior high schools, high schools, and universities to teach classes and lecture on the environment.



Public Service at the Mine Proving Ground

Safety Human resources
Community

Objective To contribute to community traffic safety by opening the proving ground as a venue

Initiatives / FY2010 Results

Mazda's Mine Proving Ground in Yamaguchi Prefecture features a 3.33-kilometer circuit, which was used in cooperation with a Yamaguchi Prefectural Police traffic safety training program. This training program was undertaken seven times at the Mine Proving Ground in light of the upcoming National Sports Festival of Japan, which will be held in 2011 in Yamaguchi Prefecture for the first time in 48 years, and a total of 118 police officers took part.



Mazda 90th Anniversary Activities to Contribute to Local Communities

Environment Community

Objective To coexist with local communities, and to contribute to community activities

Initiatives / FY2010 Results

In FY2010, in celebration of the 90th anniversary of Mazda's establishment, many employees expressed their gratitude to the community through regional volunteer cleanups and recyclables collection campaigns in cooperation between management and labor.

Regional Volunteer Cleanups

In FY2010, a total of approximately 7,000 Mazda Group employees and their families took part in volunteer cleanup campaigns.

- Hiroshima Area: Monthly cleanups of area around Head Office (12 times) and of areas around Mazda Stadium and Hiroshima Station (12 times), cleanup campaigns led by local governments (4 times)
- Hofu Area: Cleanup of areas around Hofu Station and Shin-Yamaguchi Station
- Miyoshi Area: Monthly cleanups of area around Miyoshi Office (9 times) and combined cleanup of Mt. Ozeki and cormorant fishing pier
- Yokohama Area: Major cleanup of the Minato Mirai 21 area

Collection of recyclables

430 kg of aluminum cans, 877 postcards, and 880,000 plastic bottle caps (the equivalent of vaccines for 1,100 people) were collected.

Environment Initiatives contributing to environmental preservation

Safety Initiatives contributing to safety

Human resources Initiatives aimed at fostering the next generation

Community Community-based initiatives

Mazda Foundation Initiatives via Mazda Foundation

*In the Hiroshima region, where the Mazda Head Office is located, certain initiatives are implemented, in an organized fashion, by the Mazda Community Services Committee.



Opening of Facilities for Public Events Community

Objective To promote interaction with communities by opening plant grounds for events

Initiatives / FY2010 Results

Mazda opens the grounds of its plants and other facilities for events, welcoming members of the community and promoting interaction. In May 2010, the Hofu Plant grounds were opened to the public for the Mazda Festival in Yamaguchi, an event for the whole community. The event included a bus tour of the plant periphery, on-stage performances, a bazaar, and food stalls. Approximately 6,700 people attended, including Mazda Group employees, employees' families, and members of the community.



Social Contribution Activities at Mazda Stadium Environment Community

Objective To promote community development that makes use of Mazda Stadium

Initiatives / FY2010 Results

Mazda acquired the naming rights for the Hiroshima Municipal Baseball Stadium (now known as Mazda Zoom-Zoom Stadium Hiroshima), and publicizes both the Company and the city of Hiroshima while conducting social contribution activities through support for the stadium.

- Mazda purchases green electricity for use in the lighting of night games at the stadium. Each year, 136,000 kWh of green electricity is used, reducing CO₂ emissions by approximately 92 tons.
- For each one million stadium visitors, Mazda donates one Mazda vehicle designed for special needs to a social welfare organization. In April 2010, the cumulative number of visitors reached two million, and in August topped three million. Vehicles were donated accordingly.

Mazda Foundation Activities

Environment Human resources Community Mazda Foundation

Mazda established the Mazda Foundation charitable organization in 1984 to "conduct activities to promote science and technology and the sound development of youth, to share prosperity with the people of the world, and to build a society where people can lead rich and fulfilling lives."

As of March 31, 2011, the Mazda Foundation has completed 1,554 projects, providing assistance totaling ¥1,328,800,000.

WEB Mazda Foundation website



Junior high school students conduct full-scale science experiments such as extracting elements from familiar everyday materials and measuring the speeds of chemical reactions

Activities of the Mazda Foundation (Japan) in FY2010

Area	Details
Promotion of science and technology	Support for research ¥30 million supporting 26 basic and applied research projects in science and technology at universities and research facilities across Japan.
	Support for operations ¥1.3 million supporting 13 projects related to science education, including "Scientific Experience" events developed by universities and research facilities in Japan's Chugoku region for elementary through high school students.
	"Science is Fun" projects Hosting events that bring the excitement of science to elementary through high school students, including a junior science seminar on "Chemistry All Around Us."
Youth health and education	Support for research ¥4 million supporting five practical research projects at universities and research facilities across Japan, aimed at stimulating citizen activism regarding the health and education of today's young people.
	Support for citizen activism ¥8 million supporting 31 projects rooted in Hiroshima and Yamaguchi prefectures to support the wholesome growth of today's youth. Mazda Foundation provides comprehensive support encompassing funding, human resources, and expertise.
	Lectures Takeshi Yoro, Professor Emeritus at Tokyo University, was invited to Hiroshima to deliver a lecture on "Power for Living," and 1,350 attendees listened to his insights on giving children the power to grow up strong and respect the sanctity of life.

Contributing to Communities in Many Ways

Mazda provides funds for various activities. The Company contributes to the activities of regional communities in areas from academic, educational, cultural, and artistic pursuits to international exchanges and sports.

In FY2010, Mazda provided funds totaling approximately ¥154,000,000 to a wide range of projects, including the Mazda Foundation, which was established to promote science, technology, and sound youth development, as well as to public organizations. (Funds included relief aid for the Great East Japan Earthquake.)

Domestic Activities by Group Companies



Activities Aimed at Raising Traffic Safety Awareness Safety Community

Objective To reduce the number of traffic accidents by promoting traffic safety

Initiatives / FY2010 Results

Malox Co., Ltd., which is engaged in shipping of automobiles and parts, conducted a joint traffic safety campaign with the Malox Freight Association in October 2010 aimed at stamping out drunk driving and promoting the wearing of seat belts. This campaign has been conducted regularly since 1983, and 13 employees took part in FY2010 to encourage drivers and fellow employees to boost their safety awareness. Also, the staff of Tokai-Mazda Co., Ltd., a dealership in Aichi Prefecture, stood guard at safety checkpoints to boost safety awareness on "No Traffic Accidents Day" in cooperation with other neighboring companies, neighborhood associations, and police in the area.



International Friendship Community

Objective To promote friendship between Japanese and non-Japanese

Initiatives / FY2010 Results

Japan Climate Systems Corporation (JCS), which manufactures and sells automotive parts, has formed a team of non-Japanese employees that play in the Higashihiroshima City International Friendship Futsal League as a means of promoting international exchange through sports. In addition, since the foundation of the league in 2007, JCS has provided financial and other assistance to run the league through its Higashihiroshima Mazda-kai, an organization in which JCS serves as chair and secretariat.

Major Activities in Japan Additional information

Activities of the Mazda Head Office

● Mazda Specialist Bank

Environment Safety Human resources Community

■ Objective:

To make a contribution to the community using the expertise and skills of Mazda employees

■ Initiatives / FY2010 Results:

The Mazda Specialist Bank is an organization in which current and former employees of the Mazda Group with specialist knowledge and abilities and skills, as well as specialized talents and unique interests built up over many years, are registered and are dispatched in response to requests from local communities. This organization got its start in 1994 as a human resources bank to supply personnel needed to assist with the Hiroshima Asian Games. Specialists' activities range from delivering lectures at schools and putting on magic shows at community events to providing sports and recreation leadership. In FY2010, a total of 137 specialists were dispatched to 117 community or school events in Hiroshima and Yamaguchi prefectures.



A lecture at a high school

● The Mazda Volunteer Center

Environment Human resources Community

■ Objective:

To contribute to the community through Mazda Group human resources

■ Initiatives / FY2010 Results:

Established in 1996, the Mazda Volunteer Center registers current and former Mazda Group employees, and their family members who wish to become involved in volunteer activities, so they can respond to requests from local groups (primarily in Hiroshima Prefecture) for volunteer assistance. In FY2010 the Center dispatched 92 volunteers for 39 volunteer projects including helping out with events for people with special needs, nursing care, welcoming of home stay guests, participation in other international friendship activities, and assistance at local events and festivals.



Supporting recreational activities

● Lectures and Seminars on Topics Including CSR and Environmental Technologies

Environment Human resources Community

■ Objective:

To contribute to development of human resources in communities

■ Initiatives / FY2010 Results:

Based on requests from universities and local governments, Mazda holds lectures and seminars on CSR initiatives, environmental technologies, and other topics.

In FY2010, 37 events were held in all, including lectures on topics such as specialized automotive technologies and R&D, and seminars on CSR initiatives, primarily at universities in Hiroshima Prefecture. Mazda plans to continue these activities to contribute to development of human resources in communities and deepen public understanding of the automotive industry's environmental initiatives.



Seminar on CSR at a university

● Support for the Collaborative Keihin Afforestation Project

Environment Community

■ Objective:

To contribute to the preservation of biodiversity

■ Initiatives / FY2010 Results:

In Yokohama City, the Keihin Afforestation Project has been carried out since 2005, aiming to increase and utilize green space on corporate properties or facilities open to the public in the Keihin district (Tokyo-Yokohama) through joint efforts by corporations, residents, and local governments. Mazda has joined the project and is cooperating in restoration of natural habitats and planting of greenery. In June 2009, Mazda R&D Center Yokohama (MRY) transplanted indigenous wild water plants to create a biotope based in a pond on the premises. In June 2010, six people worked to plant additional water plants and expand the biotope.



Transplanting wild water plants (biotope)

● "How Far Does a Dragonfly Fly?" Forum

Environment Community

■ Objective:

To contribute to biodiversity, coexistence with the local community, and participation in community activities

Major Activities in Japan Additional information

■ Initiatives / FY2010 Results:

Mazda R&D Center Yokohama (MRY) has been participating in a collaborative forum implemented by corporations, residents, and specialists, entitled "How Far Does a Dragonfly Fly?" MRY has been conducting surveys since 2004 of dragonflies caught around the pond or in green spaces on the premises, tracking their species, conditions of arrival, and travel between survey points. In FY2010, a total of 14 people took part in a three-day study in August of dragonfly flight patterns. Henceforth, the biotope will be available for nearby elementary school students' integrated learning activities and be otherwise put to use to foster harmonious coexistence with the local community and contribute to community activities.



Studying dragonfly flight patterns

● Studying Community Issues

Environment Community

■ Objective:

To contribute to regional vitalization

■ Initiatives / FY2010 Results:

One of the ways Mazda Technical College contributes to the community is by investigating familiar community problems and building on the results to contribute to regional vitalization. Students canvass the opinions of local residents, identify community concerns, and seek solutions. In FY2010, eight teams worked on eight issues including preservation of Deai Shimizu (a natural spring in Hiroshima Prefecture), reduction of automobile theft, and prevention of littering.

Although it is listed as one of Japan's "100 remarkable waters," the Deai Shimizu spring is suffering from deteriorating water quality. The team focusing on this issue, with the cooperation of a local neighborhood association, did cleanup work on four occasions and strengthened bonds with the people of the community. The neighborhood association launched the Committee to Protect Deai Shimizu and is engaged in ongoing preservation activities.



Deai Shimizu spring

● 12th Mazda Car Carrier Loading Field Trip

Human resources Community

■ Objective:

To support children's education by offering a chance to observe an industrial process

■ Initiatives / FY2010 Results:

Children in the fifth grade of elementary school study

Japan's automotive industry in their social studies classes, and since 1996, Mazda has provided them with a fascinating learning opportunity by holding events where they can observe the loading of vehicles onto ships. The event makes effective use of the fact that the plant and dedicated docks are located on the Mazda Head Office premises. Each year, many participants gather to see vehicles loaded onto large-scale dedicated car carriers, a sight they cannot see ordinarily. In FY2010, the event was held in late July during students' summer vacation, and a total of 78 people, composed of children ranging from fourth grade to junior high school and their parents and guardians, observed the vehicle-loading process.

Participants were impressed with the way vehicles were packed into the large, 5,000-vehicle-capacity ship with a high degree of precision, with only about 30 centimeters separating them at the front and back and about 10 centimeters at the sides. In conjunction with this event, an observation tour was held at the Mazda Museum, giving visitors a chance to see the entire process from manufacturing to shipping at close hand.



Large-scale dedicated car carrier



Cars secured in place with belts

● 12th Social Studies Support and Training Seminar

Human resources Community

■ Objective:

To provide support for local education via training for elementary school teachers

■ Initiatives / FY2010 Results:

For the benefit of teachers of fifth-grade classes learning about Japan's auto manufacturing industry, since 1999 Mazda has presented these seminars in response to requests from teachers seeking a deeper understanding of the automotive industry. In FY2010, Mazda held a training seminar in August, and 25 elementary school teachers from Hiroshima Prefecture took part. In addition to touring the Mazda Museum and press and chassis plants, participants experienced aluminum plate metalworking hands-on through the process of making dustpans, and increased their understanding of manufacturing operations.



Hands-on metalworking with an aluminum plate

Major Activities in Japan Additional information

● Hands-on Manufacturing Experience (Hiroshima and Hofu)

Human resources Community

■ Objective:

To foster the next generation of children, who will uphold the future, through hands-on manufacturing experiences

■ Initiatives / FY2010 Results:

With the goal of encouraging children to think and dream about the automotive society of the future and discover the joy of creating things, Mazda offers hands-on manufacturing experiences at its Hiroshima Plant and Hofu Plant.

At the Hiroshima Plant, a summer holiday study session for parents and children has been held since 2007 in conjunction with the city of Hiroshima. In FY2010, the session was held in August, with a total of 50 participants, including children ranging from fifth grade through junior high school and their parents and guardians. They toured the Mazda Museum, visited the WorldSkills Competition training ground, viewed welding robots and other facilities, and then tried their hands at aluminum plate metalworking, making dustpans alongside competitors in the WorldSkills Competition.

The Hofu Plant has conducted hands-on manufacturing tours since FY2009, and in FY2010 hosted 11 tours during spring vacation. There were three courses, covering the topics of "welding," "painting," and "assembly," and events included a live piano performance by a welding robot (welding), creation of an original plate made by spraying color from a paint gun (painting), and hands-on experience with attaching doors (assembly). There was also a plant tour. A total of 540 people (elementary school students and their guardians) were able to see the manufacturing facilities firsthand.



A wide range of hands-on manufacturing experiences

● Sports Coaching

Human resources Community

■ Objective:

To contribute to promotion of sports, propagation of various sporting activities, and elevation of athletic ability

■ Initiatives / FY2010 Results:

Mazda supports in-house sporting activities, including a track and field team (founded 1993), rugby squad (1963), and volleyball team (1980), which are collectively nicknamed the Blue Zoomers. In response to requests

from local governments and athletic organizations, active Blue Zoomers athletes have been leading mobile sports-coaching classrooms for more than 10 years. In FY2010, 14 sessions were held, including track and field lessons, rugby clinics, and volleyball lessons. A total of 1,500 people, primarily elementary and junior high school students from Hiroshima Prefecture, received coaching from current Blue Zoomers members.

Participants gave positive feedback such as, "Coaching from currently active athletes was very specific, detailed, and easy to understand."



A rugby clinic

● Volunteer Visits to Social Service Facilities

Human resources Community

■ Objective:

To build regional solidarity and harmony

■ Initiatives / FY2010 Results:

Volunteers from the Mazda Group have been visiting social-service facilities since 1986, helping to build solidarity and harmony with the local community. In FY2010, a total of 101 present and former Mazda Group employees and their family members volunteered at four facilities, including work facilities for people with special needs and nursing facilities for the elderly. The volunteers performed tasks such as working in farm fields and cutting grass, and enjoyed their interaction with people in the facilities.



Volunteers working in a farm field

● Let's Feel the Joy of a Convertible! 2010

Human resources Community

■ Objective:

To communicate the joy of automobiles to children

■ Initiatives / FY2010 Results:

In November 2010, children residing at child welfare institutions in Yokohama and Kawasaki cities were invited to Mazda R&D Center Yokohama (MRV) for an event that conveys the excitement of cars and driving. This community event has been held since 2007 with the cooperation of participating Mazda Roadster owners. Children took part in activities such as riding in the Roadster with the top down, and playing games that are fun for all ages. Children who attended expressed their gratitude and gave feedback such as, "When I grow up, I want to drive a Roadster."



Riding in a Roadster

Major Activities in Japan Additional information

■ Participation in "Santa's Come to Town! 2010"

Human resources Community

■ Objective:

To interact with children in orphanages

■ Initiatives / FY2010 Results:

Mazda and owners of Mazda vehicles take part in the "Santa Project" for children in orphanages in Yokohama City. This project was launched jointly by corporations and organizations primarily in Kanagawa Prefecture. In FY2010, approximately 300 volunteers joined in the activities.

In December 2010, with the cooperation of 32 Mazda owners who responded to requests for participation, Mazda Roadster and Demio vehicles were decked out with Christmas decorations, and drivers and passengers changed into Santa Claus and reindeer costumes. Participants were split into "driving Santa" and "visiting Santa" teams. The driving Santas took passengers from the Yokohama City Foster Parents Association on a drive from Minato Mirai 21 to Yamashita Park. The visiting Santas loaded their cars with presents and paid visits to four orphanages in Yokohama City. Approximately 100 children were handed presents individually and enjoyed activities such as balloon art and singing Christmas songs.



"Santa's Come to Town! 2010"

■ Participation in Kids Engineer 2010

Human resources

■ Objective:

To boost children's interest in science and manufacturing

■ Initiatives / FY2010 Results:

Mazda participated in the Kids Engineer 2010 event, the third time the event has been held (hosted by the Society of Automotive Engineers of Japan at the Pacifico Yokohama venue). A total of 160 children took part in eight sessions of the educational program.

The Mazda theme was "Kids' Lab: Mysteries of Air." A team of four instructors, primarily made up of young Mazda R&D Center Yokohama (MRY) researchers, explained properties of air such as weight and resistance, illustrated by experiments. They also explained the relationship between air and automotive design. Children avidly took part in experiments and reacted with surprise and



Preparing for an experiment using balloons

awe at results that differed from their expectations. Instructors and children enjoyed the hands-on learning experience.

■ 27th Mazda / YFU Scholarship Summer Activities

Human resources

■ Objective:

To promote international exchange

■ Initiatives / FY2010 Results:

The Mazda / YFU Scholarship Program is an exchange and home stay program for high school students that has been conducted jointly since 1984 by Mazda Foundation USA and US-based international exchange foundation YFU (Youth For Understanding). Every summer, 10 American high school students stay for six weeks with Japanese host families and attend Japanese schools, gaining firsthand experience with the Japanese lifestyle and culture. In addition to Mazda employees volunteering as home stay hosts, during their stay the Company invites students and their host families to the Head Office for a day of Summer Activities including a discussion with top management and hands-on experiences with vehicle manufacturing.



Hydrogen station on the Hiroshima Head Office premises

● 2010 Activities

1. Discussion with Masazumi Wakayama, Senior Managing Executive Officer in charge of Global Marketing
2. Viewing of a hydrogen station (including a ride in a hydrogen engine vehicle)
3. Visiting the Mazda Museum

■ Participation in the 2010 Hiroshima Flower Festival

Community

■ Objective:

To foster a more lively community through active participation in community events

■ Initiatives / FY2010 Results:

Mazda took part in the 2010 Hiroshima Flower Festival, held in early May. Mazda has participated in the event since its first holding in 1977. In FY2010, the Company celebrated 90 years in business by hosting a special Mazda Zoom-Zoom Plaza booth introducing the past and future of Mazda, as well as joining in a parade of vehicles of the past, present, and future.

Major Activities in Japan Additional information

Mazda Zoom-Zoom Plaza

- Display of the R360 Coupe, the first passenger car sold by Mazda, and the Premacy Hydrogen RE Hybrid, equipped with a hybrid system with hydrogen rotary engine
- Mazda 90th anniversary quiz booth for parents and kids, and a crafts booth (crafting paper to make a car powered by rubber bands)
- On-stage singing and dancing performances, a Mazda trivia quiz session, etc.



Mazda Zoom-Zoom Plaza

Car Parade

To express Mazda's gratitude for 90 years of support from the public, Company employees and their family members joined in the festival parade as volunteers along with 18 Mazda vehicles. These included a three-wheeled truck from the 1950s, the R360 Coupe, the Cosmo Sport, and other historic vehicles (past); the Axela, RX-8, and other current models (present); and a hydrogen engine vehicle (future).



Car Parade

● Mazda Ekiden Road Relay Race (Hiroshima, Hofu)

Community

■ Objective:

To promote interaction with the community by opening plant grounds for public events

■ Initiatives / FY2010 Results:

Mazda has hosted the Ekiden Road Relay Race using a route mapped out across the grounds of its plants – open to Mazda employees as well as members of the general public – at the Hiroshima Head Office and Plant since 1981 and at the Hofu Plant since 1984. Participants include both children and adults, and some come from as far away as Kyushu and the Tokai region. They not only compete for the best times, but also enjoy coming up with original ways to make their teams stand out. Approximately 2,100 runners in 348 teams joined the race at the Head Office and Plant in March 2011, and around 1,400 in 93 teams ran at the Hofu Plant in February of the same year, making the number of participating teams in FY2010 the highest ever.



Participants running with all their might on the plant grounds

● Support for Sanfrece Hiroshima Mazda Day / ACL Uniform Sponsorship

Community

■ Objective:

To promote community sports through support for the local professional soccer team

■ Initiatives / FY2010 Results:

As a shareholder in Sanfrece Hiroshima, the Mazda Group works together as one to support this soccer team. In September 2010, as a Mazda Day event, Mazda employees and management co-sponsored the match between Sanfrece Hiroshima and Vissel Kobe, held at the Hiroshima Big Arch Stadium. Also, in FY2010, Sanfrece Hiroshima made an appearance in the AFC Champions League 2010 (ACL 2010), and Mazda was the uniform sponsor for the team during the tournament.



Mazda Day, September 2010

● Participation in the 18th Love Hofu Flea Market

Community

■ Objective:

To contribute to community vitalization through active participation in local events

■ Initiatives / FY2010 Results:

In October 2010, Hofu in Yamaguchi Prefecture was the site of the Love Hofu Flea Market, a bustling event with 140,000 visitors and one of western Japan's largest street flea markets. On the day of the flea market, a team of 300 volunteers, primarily employees from the Hofu Plant, helped out. In the main tent, the Mazda KIYORA concept car was on display and attracted large numbers of photo-snapping visitors. Another familiar element of the event is the diverse collection of food stalls manned by Mazda employees, offering udon noodles, the chance to



A food vending stall

Major Activities in Japan Additional information

pound sticky rice for rice cakes, and other favorites made from local ingredients. A portion of the proceeds was donated to the Hofu City Social Work Council.

■ Participation in Traditional Community Events: the Hadakabo Festival

Community

■ Objective:

To contribute to community vitalization through active participation in local events

■ Initiatives / FY2010 Results:

Mazda aims to promote community vitalization by actively participating in traditional events in Japan. The divine Gojinko Festival of Hofu Tenmangu Shrine, known more commonly as the Hadakabo Matsuri ("half-naked man festival"), was held in late November 2011. Among the numerous sparsely clad participants were 181 employees of the Hofu Plant, who offered prayers for the continued progress and safety of the plant. Throughout Japan, employees at Mazda business locations participate in or support other traditional events of each region.



Hadakabo Festival

■ Participation in the 18th Miyoshi Commerce and Industry Festival

Community

■ Objective:

To contribute to community vitalization through active participation in local events

■ Initiatives / FY2010 Results:

The 18th Miyoshi Commerce and Industry Festival (hosted by the Miyoshi Commerce and Industry Festival Planning Committee), a familiar autumn event in the city of Miyoshi, took place in October 2010. Forty-four Mazda Group employees, primarily from the Miyoshi Office, volunteered to help run the event, and 18 volunteers from the Miyoshi Office operated a Mazda Group booth with the cooperation of local Mazda dealerships and Miyoshi Kyoshin-kai.

To celebrate Mazda's 90 years in business, there was also a special display of a GDZA three-wheeled truck from 1955.



Mazda GDZA three-wheeled truck

Onlookers expressed nostalgia for olden days they felt upon seeing the exhibit.

■ Participation in the 21st and 22nd Roadster Charity Flea Markets

Community

■ Objective:

To provide support for voluntary social contribution activities by Mazda owners

■ Initiatives / FY2010 Results:

Mazda provides the Mazda R&D Center Yokohama (MRY) as the venue for the Roadster Charity Flea Market held each spring and autumn under the auspices of participating Mazda owners and the Company. Mazda presents a booth staffed by volunteer employees. The proceeds from the flea market are used to fund social contribution activities by Mazda owners in Kanagawa Prefecture and elsewhere in the Tokyo region, or are donated to welfare organizations.

The FY2010 events were held in April and October, with a large number of visitors attending both. Volunteers from MRY, the Tokyo Head Office, and the Hiroshima Head Office assembled and joined in the event, selling Mazda merchandise and daily articles gathered with the help of employees, as well as *okonomiyaki*, a popular savory pancake in Hiroshima.



Roadster Charity Flea Market

■ 20th Hokkaido Kenbuchi Proving Ground Open Facility Event

Community

■ Objective:

To get to know people in the community and convey the company's gratitude

■ Initiatives / FY2010 Results:

In the town of Kenbuchi in Hokkaido is Mazda's Hokkaido Kenbuchi Proving Ground, where each winter automotive winter cold resistance tests are conducted. At this proving ground, every year since 1990 the Mazda staff thank the people of Kenbuchi, who warmly welcome the staff each winter, by opening the facility to the public and inviting local residents to attend a community event. The FY2010 event was held in January 2011, and 350 residents took part.

- A wide variety of winter activities were held (including a gymkhana race in the snow, games with a giant hammer and discs, and a tug-of-war with a Mazda Demio)

Major Activities in Japan Additional information

- Panels displaying information on SKYACTIV TECHNOLOGY and the Company's environmental initiatives were exhibited
- Hiroshima specialties such as oyster hotpot and savory *okonomiyaki* pancakes were provided free of charge



Greeting town residents



Tug-of-war with a Mazda Demio

■ Mazda Hospital

Community

■ Objective:

To contribute to the community through medical care

■ Initiatives / FY2010 Results:

Mazda Hospital, founded on the principle of "providing the best and most up-to-date medical care, and contributing to society with warmth and kindness of heart," is a general acute-care hospital functioning as a core community hospital in eastern Hiroshima City, and contributes to the community by providing medical care and health counseling, and by acting as a welfare facility benefiting Mazda employees and their families. Since 2000, the hospital has held medical lectures, open and free of charge to the public, by Mazda Hospital doctors each month at a nearby community center. Twelve lectures were held in FY2010, with approximately 500 people attending.



Mazda Hospital

In addition to the above, Mazda implements a wide range of other activities including cooperating with disaster mitigation measures and providing funding and personnel to regional economic organizations.

Initiatives by Group Companies

■ Supporting Non-Japanese Trainees' Participation in Community Events

Microtechno Corporation

Human resources Community

■ Objective:

To promote exchange between non-Japanese trainees and the local community (through participation in community events)

■ Initiatives / FY2010 Results:

At Microtechno Corporation, which manufactures and

sells automotive parts, non-Japanese trainees take active part in local events, aiming to interact with the community and experience Japanese culture, and helping to vitalize the community at the same time. Since 1996, trainees from the Tamari Plant in Takehara City, Hiroshima Prefecture, have participated in the Bon dance festival held in August by the local Tamari neighborhood association. In FY2010, ten non-Japanese trainees wore *yukata* summer kimonos and danced side by side with local residents, deepening their bonds of friendship.

Microtechno also helps to run community events by providing venues for general meetings of the local neighborhood association and children's associations as well as offering use of broadcasting equipment.

■ Donating Vehicles for People with Special Needs

Mazda Engineering & Technology Co., Ltd. (Mazda E&T)

Community

■ Objective:

To contribute to society by donating Mazda E&T products

■ Initiatives / FY2010 Results:

Mazda Engineering & Technology Co., Ltd. (Mazda E&T), which engages in the development and manufacture of specially equipped vehicles, developed and manufactured Japan's first vehicle featuring a ramp for wheelchair access, and marked the production of its 30,000th such vehicle in March 2011. To mark the occasion, Mazda E&T donated this 30,000th vehicle (the AZ Wagon-i) to Sanshikai Otagawa Gakuen, a Hiroshima welfare organization for persons with intellectual disabilities.

Mazda E&T conducts other activities as well, including participation in cleanups led by the Mazda Group and donations to community organizations.



Vehicle presentation ceremony

■ Promoting Development of Young People to Strengthen Hiroshima as a Manufacturing Base

Toyo Advanced Technologies Co., Ltd.

Human resources Community

■ Objective:

To contribute to the vitality of Hiroshima Prefecture as a manufacturing base by promoting the development of young human resources

■ Initiatives / FY2010 Results:

Toyo Advanced Technologies Co., Ltd., which engages in the manufacture and sale of machine tools, accepts high school and university student interns for a two-week period during summer vacation every year. The program for university students, involving practical

Major Activities in Japan Additional information

training in design, development, sales, and other fields, has been operated for more than 10 years. The high-school student program was launched in 2007 in conjunction with the company's membership in the joint industrial, academic, and governmental project: the Committee to Promote Cooperation on Development of Human Resources for Manufacturing. It entails practical training for local technical high school students in the use of lathes and milling machines, and helps to imbue trainees with a sense of professionalism.

Other activities include participation in Hiroshima Prefecture's campaign to encourage the handing down of skilled techniques. Several employees who are certified Mazda Meisters of certain special skills recorded demonstrations on video, which are then posted on the prefecture's website. The company also plays a part in the Hiroshima Prefecture Skilled Manufacturing Internship Program by dispatching engineers to universities in the prefecture to deliver lectures on the latest R&D advances to science and engineering students, and otherwise contributing to the vitality of Hiroshima Prefecture as a manufacturing base.

Toyo Advanced Technologies also offers the use of its premises for local events and sporting activities, along with other community-based efforts.

● Collection of Recyclables

Mazda Parts Sales Co., Ltd.

Environment Community

■ Objective:

To contribute to society through collection of recyclable materials

■ Initiatives / FY2010 Results:

Mazda Parts Sales Co., Ltd., which engages in the sale of automotive parts, has been collecting a wide variety of recyclable items since FY2009, including used stamps and prepaid cards, mistakenly inscribed postcards, lotus coupons, and plastic bottle caps. This initiative helps to foster a sense of meaningful social contribution among employees and their family members.



Collecting plastic bottle caps

● Volunteer Bamboo Grove Maintenance

Malox Co., Ltd.

Environment Community

■ Objective:

To protect local green space

■ Initiatives / FY2010 Results:

Since FY2009, Malox Co., Ltd., which ships automobiles and parts, has contributed to the community and the environment by supporting Hiroshima City's community woodlands program aimed at preserving local green

spaces. In this program, citizen volunteers handle the maintenance and upkeep of privately owned green space in order to preserve the beauty of the rural landscape and ensure people have opportunities to encounter nature. In February 2011 at the community woodland on Mt. Ogonzan in Kusuna-cho, Minami Ward, Hiroshima City, 15 employees of Malox led by Hiroshima City forestry staff did upkeep work in a bamboo grove. The participants thinned out overgrown stands of bamboo, restoring them to beauty and gaining a tangible sense of the importance of their work.

The activity also helped forge a bond between local residents and Malox employees. Malox will continue with such activities to provide opportunities for people to encounter nature and for company employees to bond with local residents.

Malox also conducts a wide variety of other activities to benefit the community, including participation in Mazda Group-led cleanups, participation in the Hiroshima Prefectural Police Department's workplace crime-prevention leader model program and donations for local revitalization.



Volunteers work in a bamboo grove

● Renewal of a Partnership Agreement for Community Revitalization

Yoshiwa Kogyo Co., Ltd.

Community

■ Objective:

To contribute to the mutual growth and benefit of the company and the community through partnership

■ Initiatives / FY2010 Results:

Yoshiwa Kogyo Co., Ltd., which manufactures and sells automotive parts, concluded in June 2007 an agreement called "Community and Business Partnership (One Village, One Company: Shimane)" with the town of Yoshika in Shimane Prefecture, where its plant is located. The agreement is meant to boost interaction between the company and community and jump-start the regional economy, providing for preferential treatment at local tourist facilities to encourage employees and their families to patronize them, as well as promotion of sales of local products, cooperation on local events, social contribution activities that benefit the community, and employment measures.

For the town of Yoshika, where the population continues to decrease in number and increase in age, this partnership is expected to promote interaction between Yoshiwa Kogyo employees and the community, boost local industries in an economic ripple effect, expand the market for local products, and provide a stimulus for employment. Meanwhile, for Yoshiwa Kogyo, benefits include business development utilizing community resources, a safe and secure food supply for employees, welfare benefits for the families of

Major Activities in Japan Additional information

employees, and employment stability. The agreement truly provides mutual benefits for both parties.

Other activities by Yoshiwa Kogyo include offering plant tours, opening of training facilities for community events, cleanups of the company vicinity, and participation in local environmental beautification campaigns, among others.

■ Interacting with Children from Social Service Facilities

Japan Climate Systems Corporation

Human resources Community

■ Objective:

To interact with the community by engaging children from social service facilities in activities

■ Initiatives / FY2010 Results:

Japan Climate Systems Corporation (JCS), which carries out the manufacture and sale of automotive parts, has since 2008 invited children from a social service facility in Higashihiroshima City (home to JCS) to join in a sweet potato digging event at a local farm through Higashihiroshima Mazda-kai, an organization composed of Higashihiroshima companies in which JCS serves as chair and secretariat. About 50 kids were invited to the FY2010 event, held in October. The sweet potatoes dug up were roasted, steamed, and simmered in soup that day, making seasonal treats for all the participants. This event will continue to be held regularly to foster interaction with the community.

JCS also pays visits to social service facilities and assists with holding local events through Higashihiroshima Mazda-kai.



Sweet potato digging

■ Support for Social Studies

Mazda Processing Chugoku Co., Ltd.

Human resources Community

■ Objective:

To promote understanding of the automotive industry

■ Initiatives / FY2010 Results:

Mazda Processing Chugoku Co., Ltd., which carries out accessory installation and pre-delivery inspection of vehicles, has been making active efforts to welcome fifth-grade elementary school students for plant tours to supplement their studies of Japan's automotive industry. In October 2010, approximately 150 fifth graders from Seno Elementary School in Hiroshima City toured the company's plant. After the tour, there was a question-and-answer session, and students wrote enthusiastically about their impressions of the tour. In addition, employees paid a follow-up visit to the school at a later date and taught a portion of social studies class to enhance children's understanding.

Mazda Processing Chugoku carries out other efforts such as cleanups around the company premises and offering the company parking lot as a venue for daily radio calisthenics during summer vacation in response to a request from a local residents' association.



Plant tour



Children's written impressions and expressions of gratitude

Initiatives at Dealerships

■ Social Contribution Activities by Dealerships

Environment Safety Human resources Community

■ Objective:

To promote social contribution activities by dealerships across Japan, tailored to the needs of communities

■ Initiatives / FY2010 Results:

Mazda dealerships throughout Japan are engaged in various social contribution activities rooted in the communities where they do business.

Examples of initiatives

- Raising traffic safety awareness
- Accepting young people for workplace hands-on learning and internship programs
- Support for local events
- Collecting recyclable items
- Holding cleanups around dealership locations
- Designating dealerships as "Kids 110 Houses" (displaying signs as shelters for children in case of crime or emergency)



Welcoming interns (Hakodate Mazda)



On-site traffic safety awareness campaign (Hakodate Mazda)



Collection of used stamps and plastic bottle caps (Keiji Mazda)



Major Overseas Activities

Additional information on 50 overseas topics can be viewed on Mazda's website.

Europe



SOS Children's Village

Human resources Community

Objective To support the activities to protect children who are unable to live with their own families

Initiatives

Mazda Motor Europe (MME) supports SOS Children's Villages, a non-profit organization that helps children and young people who are unable to live with their own families.

FY2010 Results

- In this year, Mazda Automoviles Espana (MAE) newly joined the Mazda support team for SOS Children's Village.
- MAE donated the money to support the BSOS campaign, which aims to help 20,000 children in Spain, Latin America and Africa to receive shelter in an SOS Children's Village, and handed over two Mazda5 cars for transportation purposes to the Children's Village in San Lorenzo de El Escorial, near Madrid.
- MME and distributors in Austria, Belgium/Luxemburg, Croatia, Czech, Germany, and Hungary have already started to support the organization since 2008. The SOS activities in other countries are shown on the web/PDF version.

South Africa



Mazda Wildlife Fund (MWF)

Environment Community

Objective To protect and preserve South Africa's rich and irreplaceable wildlife heritage for generations to come

Initiatives / FY2010 Results

This year, Mazda Wildlife Fund (MWF), supported by Ford Motor Company of Southern Africa, Mazda's distributor in the country, celebrated its 20th anniversary. Driven by the spirit of commitment to protect and preserve South Africa's rich heritage, Mazda continues to support the annual Sunset Serenade, which took place in September 2010. The event, staged at the Kruger National Park, aimed to highlight the importance and prominent work of the Honorary Rangers of the Counter Poaching, Veterinary Wildlife, and Ranger Support Services. This year, MWF has produced a short film of some of the projects where it makes a difference. This film has been online since February 2011.

Environment Initiatives contributing to environmental preservation

Safety Initiatives contributing to safety

Human resources Initiatives aimed at fostering the next generation

Community Community-based initiatives

Mazda Foundation Initiatives via Mazda Foundation

China



Primary Sponsorship of the Mazda Cup Shanghai Youth TV Program Hosting Contest

Safety Human resources

Objective To discover young people with a talent for hosting TV programs and to increase awareness and encourage a sense of responsibility regarding traffic safety by adopting traffic safety as a theme

Initiatives

In the Mazda Cup Shanghai Youth TV Program Hosting Contest primarily sponsored by Mazda Motor (China), participants act as "Junior Traffic Directors" and experience for themselves the importance of traffic safety, then make a speech on the topic of "Traffic Safety and Me."

FY2010 Results

In December 2010, a final competition, after one week of first- and second-round screening, was held to select champions in the junior high school and high school divisions.

Taiwan



Zoom-Zoom Hug

Community

Objective To warm the hearts of children who live in remote districts

Initiatives

Zoom-Zoom Hug is an outdoor activity for children who live in remote districts. Volunteers from Mazda Taiwan, dealers and fan clubs join this event.

FY2010 Results

Zoom-Zoom Hug activity members visited Yunlin Tsauo-Ling elementary school and Miaoli Mei-Yuan elementary school with clothes, books, food and money donated by Mazda Taiwan. All children enjoyed the events with the members.

Thailand



Back to Employees' Schools

Human resources Community

Objective To make contributions to the regions where employees came from and to strengthen bonds among employees

Initiatives

Since 2004, AutoAlliance (Thailand) (AAT), in cooperation with Mazda Motor Corporation and the Mazda Workers' Union, has continued donations of cash, stationery supplies and sports equipment to employees' former elementary schools. It has been a strong motivator for the children to understand the importance of learning by witnessing the involvement of former students of their schools in these activities.

FY2010 Results

In December 2010, employees made visits to Ban Koh Poh, Wat Plaeng Yao and Ban Jed Nern schools.

Canada



Canadian National Canoe/Kayak Team

Community

Objective To support the development of world-class athletes and coaches

Initiatives / FY2010 Results

Mazda Canada (MCI) has been a corporate sponsor of the Canadian National Canoe/Kayak Team since 1995. As part of national team athlete development activities, MCI loaned the team five vehicles (CX-7s and CX-9s) for transporting their canoes and kayaks, and sponsored a number of competitions throughout the year.

United States



Student Conservation Association (SCA)

Environment Human resources Mazda Foundation

Objective To support environmental conservation and youth education

Initiatives / FY2010 Results

The Mazda Foundation USA, in partnership with the Student Conservation Association (SCA), a US student environmental conservation organization, operates the Save Our American Resources (SOAR) program aiming at advancing environmental conservation and youth education. In the 13 years since the program was established, 600 student interns have taken part in conservation activities in over 200 natural resources management areas in all 50 states and the District of Columbia. These interns have spent a total of over 410,000 hours on these conservation activities.

Australia



Sponsorship for Opera

Community

Objective To support arts and culture

Initiatives / FY2010 Results

Mazda Australia (MA) has provided support for Opera Australia for seven consecutive years, sponsoring free-of-charge outdoor performances. In FY2010, MA donated A\$500,000, and an audience of approximately 500,000 people attended performances held in Sydney and Melbourne.

United States



Juvenile Diabetes Research Foundation (JDRF)

Human resources Community

Objective To support the health of children

Initiatives / FY2010 Results

AutoAlliance International (AAI) employees continue to support Juvenile Diabetes Research Foundation International (JDRF), founded in 1971 with the aim to find a cure for diabetes and its complications, by participating in a walk for charity. \$7,700 was raised for JDRF.

New Zealand



Whangarei Native Bird Recovery Centre

Environment Mazda Foundation

Objective To support the activities for conservation of biodiversity in New Zealand

Initiatives / FY2010 Results

The Whangarei Native Bird Recovery Centre provides help, treatment and rehabilitation for injured and ill native birds before they can be returned to the wild. The centre is run by volunteers and is also used for educational purposes and cares for up to 1,200 birds each year. The Mazda Foundation New Zealand (NZ) has previously provided grants to the recovery centre and the latest grant is for facility maintenance work.

Colombia



Supporting Education, Culture and Arts

Human resources Community Mazda Foundation

Objective To encourage the development of education, culture and the arts in Colombia

Initiatives / FY2010 Results

In FY2010, as part of education support efforts, the Mazda Foundation Colombia awarded scholarships to 29 university and graduate school students of physics, mathematics, and music. In addition, the foundation holds music concerts each year. There were six concerts in FY2010, featuring guests, including musicians from other countries, and a special concert to celebrate the 20th anniversary of the Mazda Foundation. The participation for the six concerts in total was 4,300 people.

Overseas Activities primarily covers the period from January 2010 through December 2010, although some activities after January 2011 are included.

Major Overseas Activities Additional information

NORTH AMERICA

● Aid to the Hispanic Scholarship Fund (HSF)

Human resources Mazda Foundation

■ Objective:

To award scholarships to Latino students in California

■ Initiatives:

Since 1990, Mazda Foundation USA has maintained a partnership with the Hispanic Scholarship Fund (HSF)

■ FY2010 Results:

In FY2010, Mazda Foundation USA awarded scholarships to five Hispanic students studying Computer Science, Business Administration, and Mechanical Engineering. Ninety-five percent of the students awarded scholarships were first-generation college students.*1

● Mazda / YFU Scholarship Program

Human resources Mazda Foundation

■ Objective:

To promote cross-cultural relationships between the USA and Japan

■ Initiatives:

Mazda scholarship funding provides an opportunity for ten high-school-aged students to spend six weeks in Japan each summer. Students live with a Japanese host family, learn to speak and write Japanese and immerse themselves in daily life.

The Mazda / YFU Scholarship Program is a joint program conducted by Mazda Foundation USA and Youth For Understanding (YFU), a US-based international exchange foundation. This program was initiated in 1984.

■ FY2010 Results:

In the summer of 2010, ten American high school students stayed for six weeks with Japanese host families. Over the last 26 years, a total of 255 students have visited Japan through this program.



Homestay in Japan

*1 The first-generation college student refers to those relating to a person or persons whose parents did not attend college, therefore making the children the first generation to attend college.

● Scholarship Funding for Dillard University

Human resources Mazda Foundation

■ Objective:

To support this historically black college by funding the Mazda Scholars Program

■ Initiatives:

Dillard University, a historically black, private liberal arts college, located in the heart of New Orleans, Louisiana, has partnered with the Mazda Foundation USA since 1998 to fund the Mazda Scholars Program, which provides scholarships to students who are majoring in Business and International Business.

■ FY2010 Results:

Scholarships were awarded to 24 students in 2010.

● Providing Clothing and Shoes for Children

Human resources Mazda Foundation

■ Objective:

To promote the development of self-esteem among children from economically disadvantaged households

■ Initiatives / FY2010 Results:

By providing funding for the Californian non-profit organization Shoes That Fit, Mazda Foundation USA supplies new shoes and clothes to children from economically disadvantaged households, and helps nurture their self-esteem.

Mazda Foundation USA has supported this organization since 2005, allowing children to participate with pride in a wide range of school events.



Children smiling



● Support for Disadvantaged Students and Ethnic Minorities

Human resources Mazda Foundation

■ Objective:

To advance cross-cultural understanding by providing top-class educational opportunities to disadvantaged students and ethnic minority groups

■ Initiatives / FY2010 Results:

The University of North Carolina (UNCP) is an institution with a long and rich history of providing excellent education to minority groups and other disadvantaged students. This program has helped to foster cross-cultural



Students who received the scholarship

Major Overseas Activities Additional information

understanding. In FY2010, Mazda Foundation USA donated \$68,750.

● Training for Volunteers Who Work with Child Advocacy Cases Court Appointed Special Advocates for Children (CASA)

Human resources Mazda Foundation

■ Objective:

To support and protect children who have been abused, abandoned, or neglected

■ Initiatives:

The Mazda Foundation USA supports Court Appointed Special Advocates for Children (CASA). CASA trains and dispatches volunteers to support and protect children who have been abused or abandoned.

■ FY2010 Results:

In FY2010, a total of 892 children in the community were aided by these volunteers.

● "Project Access" Educational Support Program for Children

Human resources Mazda Foundation

■ Objective:

To support a learning environment for children in the affordable housing community in Orange County, California

■ Initiatives:

Project Access is an after-school activities program aimed at helping students with their studies and providing them with a wide variety of opportunities, ranging from computer, Internet and educational games to imaginative activities like reading and arts and crafts, and sports and other club activities, as well as snacks.

■ FY2010 Results:

Funding provided by Mazda Foundation USA allowed 1,300 students to take part in this program in FY2010. Students who attended an average of three times per week showed signs of improved study habits, communication skills, problem solving, academic self-esteem and self-confidence.



Children participating in Project Access

● Support for Automotive Research at Clemson University

Human resources Mazda Foundation

■ Objective:

To provide educational opportunities for students interested in automotive engineering

■ Initiatives:

In 2008, Mazda became the first Asian automaker to enter into a research partnership with the Clemson University International Center for Automotive Research (CU-ICAR). Clemson University is the home of the southeastern United States' top-level automotive research facility.

■ FY2010 Results:

In FY2010, scholarships were awarded to three students who had completed the graduate program in automotive engineering at the Campbell Graduate Engineering Center.



Students studying automotive engineering at Clemson University

● Support Aimed at Boosting Children's Literacy

Human resources Mazda Foundation

■ Objective:

To provide aid to second-graders at New Orleans public elementary schools who require improved literacy

■ Initiatives:

For 24 years, Start the Adventure in Reading (STAIR) has offered one-on-one instruction at no charge for second-graders at New Orleans public elementary schools that are in need of literacy skills.



Children learning

Major Overseas Activities Additional information

● Aid for a Food Bank

Community Mazda Foundation

■ Objective:

To support food distribution programs by the Second Harvest Food Bank

■ Initiatives:

Since 2000, Mazda Foundation USA has supported the activities of the Californian non-profit organization Second Harvest Food Bank of Orange County. This organization is a food bank supplying food to charitable organizations in approximately 400 separate regions.

■ FY2010 Results:

1. \$10,000 was donated to the Brown Bag for Seniors program, which distributes food to senior citizens.
2. Food was distributed to around 3,000 people in 36 locations throughout Orange County, on a twice-monthly basis.
3. \$5,000 was donated to the Kids' Café Club.
4. A \$10,000 donation to Operation Gobble, which provides meals on Thanksgiving, helped 6,000 families with food boxes this holiday season.



Participants of the food bank program

● Mission Hospital

Community Mazda Foundation

■ Objective:

To improve the health and quality of life of people in the communities

■ Initiatives:

The Mazda Foundation USA supports Mission Hospital. It aims to continually improve the health and quality of life of people in the communities. Their vision is to provide compassionate care, to promote health improvement and to create healthier communities.

■ FY2010 Results:

The Mazda Foundation USA announced to donate \$50,000 (first installment of three-year, \$100,000 commitment) to Mission Hospital. It helps the addition of two over-sized and enhanced operating rooms for complicated surgical procedures at the Mission Viejo location.



Mission Hospital

● Cultivating the Next Generation through Scholarships and Mentoring

Human resources Community

■ Objective:

To promote the education of young people and to help cultivate the next generation

■ Initiatives:

Downriver Career Technical Consortium (DCTC), founded in 1965, offers a way for nine local school districts to participate in vocational education programs. AAI supports DCTC's initiative to provide sophisticated training experiences to local high school students.

■ FY2010 Results:

AAI awarded scholarships to four Downriver High School students, providing each student with \$1,000. In addition, AAI collaborated with DCTC to provide skilled trades training and technical training for the students.



Students taking technical training

● Helping Families in Need

Human resources Community

■ Objective:

To support impoverished families

■ Initiatives:

AAI and United Auto Workers (UAW) continue to support various programs aimed at providing aid to families in need, including the Adopt-A-Family program, the Toys for Tots program, and the Flat Rock branch of the Harvest for Hunger program.

■ FY2010 Results:

In FY2010, AAI and UAW raised \$1,022 in donations for underprivileged people during the holiday season. In addition, AAI and UAW gave gifts to 40 families

Major Overseas Activities Additional information

and provided support to facilities that store and distribute gifts. AAI employees also brought toys to underprivileged children.



Gathered gifts (Toys for Tots program)

● Relaying for Cancer Research and Life

Human resources Community

■ Objective:

To help promote cancer research

■ Initiatives:

AAI continues to participate in Flat Rock's Relay for Life event, an American Cancer Society fundraiser charity race, in order to promote cancer research.

■ FY2010 Results:

In FY2010, AAI employees donated \$10,090 to Relay for Life.

● Walking for Charity

Human resources Community

■ Objective:

To support the health of infants

■ Initiatives:

To help prevent premature births and infant deaths, and to promote the health of infants, AAI continues to participate in March of Dimes charity walks.

■ FY2010 Results:

In FY2010, AAI employees donated \$6,122 to the March of Dimes.



The March of Dimes

● Assisting Children with Lunch

Human resources Community

■ Objective:

To help cultivate the next generation

■ Initiatives:

AAI supports the Lunch Bunch program, a lunch program designed for children adjusting to the divorce of their parents or to other major changes in their home environment.

■ FY2010 Results:

In FY2010, AAI donated \$12,000 to provide funding for the Lunch Bunch program.

● Supporting Jefferson High School Baseball Team

Human resources Community

■ Objective:

To support local high school athletics

■ Initiatives

AAI supports the baseball team at Jefferson High School.

■ FY2010 Results:

In FY2010, AAI donated 22 secondhand ergo mats for use on the school's dugout benches.

● Dining with Senior Citizens

Community

■ Objective:

To provide holiday entertainment to the elderly people of Downriver

■ Initiatives:

AAI and UAW support the senior citizens of Downriver by sponsoring an annual dinner event.

■ FY2010 Results:

Joint AAI/UAW funds provided \$1,000 to sponsor the event. In addition, employees from both AAI and UAW volunteered by serving the dinner.

CANADA

● Charitable Donations Collection by Employees

Human resources Community

■ Objective:

To support charitable organizations

■ Initiatives / FY2010 Results:

MCI provides support for two charitable organizations, the Hospital for Sick Children (SickKids) providing support for sick children, and the Canadian Cancer Society providing support for cancer patients, in the form of donations collected by MCI and its employees.

In FY2010, MCI also conducted fundraising for Haiti Relief to support earthquake relief efforts. In FY2010, a total of C\$21,000 was donated.



Charity barbecue

Major Overseas Activities Additional information

● Cycle for Sight

Community

■ Objective:

To support charitable organizations

■ Initiatives / FY2010 Results:

MCI sponsored a one-day fundraiser in support of the Foundation Fighting Blindness. MCI provided vehicles and a financial contribution.



Cycle for Sight

EUROPE

● SOS Children's Village (continued)

■ FY2010 Results (in other countries):

Germany

Mazda Motors (Deutschland) (MMD) supported the SOS Children's Village training centre in Nuremberg again and paid for a single apprentice's complete training. Additionally they displayed the SOS Children's Village special-edition Mazda, which ran in the MX-5 Open Race and at the world-record parade in Essen.

Austria

In March 2011, Mazda Austria continued its support of the crisis group home Barbakus, following up a donation of a Mazda2 for use as a Barbakus vehicle.

Czech Republic

In addition to covering the patron fee for every new Mazda2 owner for one year, Mazda Motor Czech (MMCZ) employees "adopted" one SOS child for a day and showed them their daily work. At the same time, MMCZ invited two teenagers to visit a Czech news magazine, where they wrote an article. Afterward, MMCZ employees provided a small party for all participants.

Belgium/Luxemburg

Mazda Motor Belux (MMB) funded the holidays of all SOS Children's Villages Belgium children, sending them on a holiday with their SOS mother, to an SOS camp or to a sports camp. In addition, the employees at MMB conducted an Easter chocolate auction for the organization.

Hungary

Mazda Motor Hungary (MMH) employees renovated the playground of the SOS Children's Village in Köszeg in

April 2010. In addition, MMH also funded the village's fuel costs for one year starting in September 2010 and loaned the village a new Mazda5 twice a year for when the children have holidays and need transportation.

Croatia

In February 2011, Mazda Motor Croatia donated a Mazda3 to the SOS organization in Croatia, fulfilling the transport needs of the children and young people from the two villages. In addition, a cooking event was held. A Croatian celebrity chef was present and helped the kids and Mazda Croatia's team members.

Pan-European

Mazda Motor Europe (MME) generally supports by selling Christmas and greeting cards in the canteen, raising awareness with displays and brochures in the headquarters and at a pan-European dealer meeting in December 2010.



Various supporting activities for SOS Children's Village

Major Overseas Activities Additional information

United Kingdom: Supporting UK Charity Committee

Human resources Community

Objective:

To support various organizations

Initiatives:

Mazda Motors UK (MMUK) participates in numerous activities, including a monthly Dress-Down Day on which employees go to work in casual clothing, and charitable donations are collected on this day by organizing fundraising activities such as cake sales, tombola, competitions and "Zoom Zoom" challenges. Other activities include Mazda-organized events such as the London to Brighton Bike Ride and a Bungee Jump event.

FY2010 Results:

Through the London to Brighton Bike Ride, a team of 25 Mazda "Zoom Zoomers" raised almost £5,000 in aid for British Heart Foundation, a national charity, while the Bungee Jump raised several hundred pounds in aid for Comic Relief. In addition to the employee events, MMUK also pledged £500 to BEN (the motor industry Benevolent Fund). Other charities MMUK raised funds for in the past year include Pancreatic Cancer Awareness, Alzheimer's Society, The Elenor Hospice, Leukaemia Research Foundation, Hounds for Heroes, Joshua Deeth Foundation, and the Emaan Foundation.

Austria: Providing Social Sponsoring for Families in Need

Human resources Community

Objective:

To support families in need

Initiatives:

Mazda Austria aims to provide support for Austrian families in need.

FY2010 Results:

In cooperation with PULS4 TV station and Tiroler Tageszeitung newspaper, Mazda Austria is providing two families in need with a car for one year from December 2010.

Italy: Helping Children to Fly with the Peter Pan Association

Human resources Community

Objective:

To protect children affected by cancer

Initiatives:

The Peter Pan Association, a non-governmental organization, began in Rome in 1994 and aims to provide shelter to children diagnosed with cancer and to their families as they visit Rome's specialized hospital for treatment, sometimes for long periods of time. Mazda Motor Italia (MMI) has supported this association, which has hosted more than 450 children in the last ten years, since 2002.

FY2010 Results:

To allow the children from the Peter Pan Association to "fly" faster in the terrible traffic of Rome, MMI has provided the organization with a Mazda5.

Belgium/Luxemburg: Riding to Support Cancer Research

Human resources Community

Objective:

To support cancer research

Initiatives:

In June 2010, the longest cycling tour in Flanders took place. The Fight against Cancer event, now in its second year, is the campaign of the Flemish League against Cancer, covers 1,000 kilometers, and involves a number of celebrities. MMB has participated in this event since its inception.

FY2010 Results:

To participate in Fight against Cancer, each team must pay a 5,000 euros entry fee, and the foundation collected a total of 750,000 euros in 2010. Funds for the Mazda team's fee were raised through a quiz event that took place at Mazda Motor Logistics Europe (MLE) a few weeks before the tour, and thanks to the contributions made by International Service employees from MLE, MME and MMD. Each team had to cycle 1,000 kilometers in four days, and they all succeeded in mastering this challenge. MMB and MME also provided the vehicles that drove in front of and behind the Mazda cycling teams.



Mazda cycling teams



Charity party

Major Overseas Activities Additional information

● Turkey: Supporting Turkey's Earthquake Victims

Human resources Community

■ Objective:

To be part of the community

■ Initiatives:

Mazda in Turkey quickly responded to needs of victims following the devastating earthquake that killed more than 40 people in the province of Elazig in March 2010.

■ FY2010 Results:

Mazda in Turkey donated two 2010 BT-50 4WD pickups to the Civil Defense and Red Crescent in order to support the logistics effort and transport of aid to the region.

● Malta: Cleaning Up Malta One Tree at a Time

Environment Community

■ Objective:

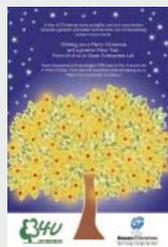
To offset carbon emissions created by vehicles

■ Initiatives:

Since 2005, the Tree for You (34U) campaign has planted nearly 44,000 trees in various areas of Malta in an attempt to reverse the drastic reduction in vegetation caused by centuries of human activity. Gasan Enterprises Ltd., Mazda distributor of Malta, was the first local car importer to join the 34U campaign in 2007. The company still believes that, as a car importer, it is obliged to contribute its share toward offsetting carbon emissions created by cars.

■ FY2010 Results:

Gasan Enterprises pledged to plant 1,000 trees at dar Frate Jacobe in Wied il- Ghajn, which is currently the only proper practitioner of sustainable living and permaculture in Malta.



The Tree for You (34U) campaign

CHINA

● Holding of Shanghai Youth Art Show called "Dream car, Our future"

Environment Safety Human resources

■ Objective:

To raise awareness of "traffic safety" and "environmental conservation"

■ Initiatives:

To promote awareness of traffic safety and environmental conservation in line with "Mazda Cup Shanghai Youth TV Program Hosting Contest," primarily sponsored by Mazda, young people were asked to send their original pictures with the theme of "Dream car, Our future" and then the excellent ones were chosen for display at an exhibition.

■ FY2010 Results:

Among the original pictures submitted as above, 50 excellent works (including 1 special prize, 2 first prizes, 3 second prizes and 10 third prizes) were chosen. In November 2010, the award ceremony for prize winners and the opening ceremony for the exhibition of these excellent pictures were held in Shanghai.



Pictures sent in from children

● Continuation of the Mazda Traffic Safety and Victims' Relief Fund

Safety Community

■ Objective:

To support disabled people suffering from the aftereffects of traffic accidents

■ Initiatives:

Long-term support for disabled people and their families suffering from the aftereffects of traffic accidents and further development and improvement of traffic safety awareness in Shanghai

■ FY2010 Results:

In addition to a charitable donation of 100,000 yuan to the Shanghai Red Cross, Mazda Motor (China) visited the Shanghai Tenth People's Hospital and donated 30 wheelchairs, considering the needs of the hospital.



Donation ceremony

Major Overseas Activities Additional information

Assistance for the Areas Affected by Earthquake, Drought and Flood

Community

Objective:

To assist rehabilitation for the areas affected by earthquake, drought and flood

Initiatives / FY2010 Results:

FAW Mazda Motor Sales (FMSC) donated over 800,000 yuan in total to the areas affected by the Yushu earthquake in Qinghai, China, the Yunnan drought and the Jilin flood. As for the Yushu earthquake in Qinghai, FMSC also contributed clothes, books and toys to the affected children.

Thailand

Charitable Activities for a Wide Variety of Causes

Human resources Community

Objective:

To facilitate youth development, support for orphans and children with disabilities, cultural exchange, contribution to communities, etc.

Initiatives / FY2010 Results:

AAT is engaged in charitable activities for a wide variety of causes.

- AAT donated blankets to people in the North and Northeastern areas to help and prevent them from cold weather. (approx. 25,000 baht)
- All AAT employees raised funds and necessary goods to support Thai people who were impacted with the big flood. (approx. 50,000 baht)
- AAT donated 100,000 baht to the Sriracha Japanese Festival 2010.



Support for the victims of natural disasters

Donation to Thailand-Japan Institute of Technology

Human resources Community

Objective:

To support development of students in Thailand

Initiatives:

The Thai-Japan Institute of Technology is an academic institute focusing on creating and developing Thailand's people, a resource for creating new

knowledge and a channel for disseminating knowledge to society, especially in the industrial sector. AAT donates scholarship funds for the students.

Safety at School and HIV/AIDS Social Responsibility

Human resources Community

Objective:

To support activities related to social responsibility and the Safety and Health Policy of AAT, with the aim of promoting safety and health awareness in its employees and communicating its visions to local community

Initiatives / FY2010 Results:

The Occupational Health and Safety Committee cooperates with AAT's Hope Club to continue the "Safety at School Project," and also supports the community for HIV/AIDS at House of Grace Child Foundation, Chanthaburi, which is the workhouse for taking care of children affected by HIV/AIDS.

Activities include:

- Donation of cash, stationary supplies, and sport equipment
- Preventive maintenance of electrical equipment by the AAT maintenance team
- Lunch program to support healthy life
- School education program through a safety mini-walk rally (i.e., safety, health, environment, team building)



AAT's Hope Club

Support Internship Programs

Human resources

Objective:

To support development of students in Thailand

Initiatives:

AAT has been recognized for its education initiatives since 1998, with an ongoing "internship program" for around 20 undergraduate students from each university during the March-May period of each year. This allows the students an opportunity to observe how AAT's production process operates.

AAT collaborates with many universities to provide on-the-job training, in line with the academic programs under Ministry of Education regulations. AAT is a company that helps produce highly qualified graduates

Major Overseas Activities Additional information

who are able to contribute to the development of Thailand.

■ FY2010 Results:

In FY2010, AAT offered an opportunity for 21 students from universities in Thailand to gain real work experience through an internship. The company arranged for appropriate training and encouraged the students to prepare a project before completing their internship program.



Students participating in internships at AAT

AUSTRALIA

● Supporting Solar Vehicle Development

Environment Human resources Community Mazda Foundation

■ Objective:

To support environmental initiatives

■ Initiatives / FY2010 Results:

The Mazda Foundation Australia sponsors the efforts of the Aurora Vehicle Association to develop practical solar vehicles. The association participated in the World Solar Challenge, and Mazda donated A\$20,000 and a BT-50 vehicle.

● Supporting the Reach Foundation

Human resources Community Mazda Foundation

■ Objective:

To promote development of young people and volunteer activities among employees

■ Initiatives:

The Mazda Foundation Australia has supported the Reach Foundation for six years running. The Reach Foundation provides a variety of programs such as teacher workshops and youth camps to help young people realize their dreams, regardless of their social or economic standing. MA employees serve as volunteers in the Heroes workshop once a year, where they have the opportunity to work together with young people.

■ FY2010 Results:

MA donated A\$100,000, lent two vehicles, and provided employees as volunteers for the Heroes workshop. One of employees who attended this workshop said, "It's an amazing program! It provides so much value and has the power to help young people see things differently, feel good about themselves and think about their future."

● Supporting the Royal Children's Hospital

Human resources Community

■ Objective:

To contribute to local health care and give employees the opportunity to participate in local volunteer activities

■ Initiatives / FY2010 Results:

MA supports the Royal Children's Hospital through the "Run For the Kids" running event held by the hospital every year in April. The money raised by this event goes toward vital research, facilities and equipment at the hospital. MA employees participate in and help run the event as volunteers. MA donated A\$10,000 and vehicles.



Mazda employees' team



"Run For the Kids" running event

● Casual Dress Days

Human resources Community

■ Objective:

To contribute to the local community and promote employee participation in volunteer activities

■ Initiatives / FY2010 Results:

At MA, employees come to work in casual clothing and participate in a fundraiser as part of "Casual Dress Day," which is held every two weeks. Money raised is donated to the Royal Children's Hospital, the Victorian Bushfire Appeal of the Australian Red Cross, the "Movember" charitable campaign to raise awareness of cancers specific to men, and other local charity groups.

● Sponsorship for Art Exhibitions Australia

Community

■ Objective:

To support arts and culture

■ Initiatives / FY2010 Results:

MA has supported Art Exhibitions Australia for 11 years as a premium sponsor. MA held dealer events at galleries, and invited customers.

The art exhibition, "Valentino Retrospective: Past/Present/Future," was held at the Gallery of Modern Art, Brisbane and explored the work of the celebrated Italian fashion house Valentino. The exhibition encompassed the haute couture collection.

Major Overseas Activities Additional information

● Sponsorship for Sports Promotion

Community

■ Objective:

To promote sports

■ Initiatives / FY2010 Results:

MA cosponsors the North Melbourne Football Club Australian rules football team and the New South Wales Waratahs rugby team.

MA donated A\$2.2 million and lent 45 vehicles.

North Melbourne Football Club:

- Open training sessions for customers
- Prematch games for dealers
- Corporate seats

New South Wales Waratahs:

- Corporate seats

NEW ZEALAND

● Dawson Primary School

Environment Human resources Community Mazda Foundation

■ Objective:

To assist in the school teaching children how to grow and prepare fresh produce

■ Initiatives / FY2010 Results:

The Mazda Foundation NZ provided the grant to the school to buy equipment and seeds as part of the school program "Grow, cook and eat." The Mazda Foundation NZ grant was specifically used to fund the construction of two large vegetable gardens and the purchases of soil and seeds. The new garden will be an innovative way to incorporate environmental education into the curriculum and educate children about healthy eating and maintaining resources.



Vegetable harvest in "Grow, cook and eat"

● NZ Land Search & Rescue

Human resources Community Mazda Foundation

■ Objective:

To assist in training volunteer rescuers

■ Initiatives / FY2010 Results:

The Mazda Foundation NZ provided a grant to LandSAR to run a New Zealand land search and rescue camp for leading tracking practitioners to further hone their skills. The course is over four days and the objective is to ensure LandSAR groups possess the range of skills, local knowledge of terrain conditions, and experience for local search and rescue incidents.

LandSAR is the national volunteer organization within NZ providing land search and rescue services to the police and public of New Zealand.



Land Search & Rescue

● Auckland SPCA

Human resources Community Mazda Foundation

■ Objective:

To assist in the redevelopment of the website

■ Initiatives / FY2010 Results:

The grant from the Mazda Foundation NZ was provided to assist in Auckland SPCA's IT system and the redevelopment of their website. The focus of the upgrade is to allow young people to learn more about animals and the SPCA in a fun way through stories, images and video. The new IT system and the upgraded website went online in early 2011.



Learning about animals

Major Overseas Activities Additional information

● Hamilton Group Riding for the Disabled

Human resources Community Mazda Foundation

■ Objective:

To support the resurfacing of the riding arena

■ Initiatives / FY2010 Results:

The Mazda Foundation NZ support was for the Hamilton organization, which is one of 56 members of the riding for the disabled organization. The group provides horse riding for the disabled community for therapeutic educational purposes. The grant was used specifically to reseal the riding arena used by approximately 140 children and young adults with disabilities for horse riding for rehabilitation and to boost confidence and independence.

● South Auckland Health Foundation

Human resources Community Mazda Foundation

■ Objective:

To assist in the funding of the Kids First Children's Hospital ongoing needs

■ Initiatives / FY2010 Results:

The Mazda Foundation NZ provided a grant to the South Auckland Health Foundation, which is seeking to raise \$1 million for a fund that will support 115,000 children under the age of 15 who use the hospital services. The hospital has been providing services for children with chronic illnesses for ten years. The hospital also offers some regional dedicated services such as orthopedics and plastic reconstructive surgery and a national service for children with burns.

● Kiwi Kids Life Skills Trust

Community Mazda Foundation

■ Objective:

To support golf scholarships for financially disadvantaged children

■ Initiatives / FY2010 Results:

The Mazda Foundation NZ support was for golfing scholarships to financially disadvantaged children. This initiative is led by the First Tee organization, supported by Kiwi Kids Life Skills Trust. The First Tee organization, first established in the US, works toward helping children grow their potential of being productive, fulfilled adults who will make a contribution to society. The golf classes improve confidence, social and communication skills and attitude toward responsibility while also teaching them how to play golf.

● Royal New Zealand Foundation for the Blind (RNZFB)

Community Mazda Foundation

■ Objective:

To assist in upgrading the library resources from a tape format to a digital format

■ Initiatives / FY2010 Results:

The RNZFB library currently caters to their members who are unable to access mainstream libraries and provides more than 6,100 audio and Braille entertainment titles, which have been in cassette format. This technology is outdated and needs to be updated to a digital format, which will be done by the utilization of the Mazda Foundation NZ grant.

● South Taranaki District Museum Trust

Community Mazda Foundation

■ Objective:

To support the commission of an art piece for the museum foyer

■ Initiatives / FY2010 Results:

South Taranaki Museum is undergoing a redevelopment project and the Mazda Foundation NZ grant is to be used to commission a piece of glass art by a local Maori glass artist to display in the foyer of the museum and enable visitors to learn more about the history of the area.



South Taranaki Museum

Major Overseas Activities Additional information

● **Aphasia Association of New Zealand**

Community Mazda Foundation

■ **Objective:**

To support a resource library for sufferers of aphasia

■ **Initiatives / FY2010 Results:**

The Aphasia Association of New Zealand is a national organization and registered charity providing support education, information and advocacy for the estimated 16,000 New Zealanders living with aphasia. The Mazda Foundation NZ grant is for resources for a library for educational and training programs.

■ Mazda Foundation overseas

Mazda Foundation USA

Established in September 1990, Mazda Foundation USA has been providing funds to various initiatives, including education, environmental conservation, social welfare, and cross-cultural understanding.

Mazda Foundation Australia

Established in August 1990, Mazda Foundation Australia has been providing funds to various initiatives, including education, environmental conservation, technology promotion, and welfare.

Mazda Foundation New Zealand

Established in November 2005, Mazda Foundation New Zealand has been providing funds to various initiatives, including education, environmental conservation, and culture.

Mazda Foundation Colombia

Established in December 1990, Mazda Foundation Colombia has been providing funds to various initiatives, including education and culture.

CUSTOMER SATISFACTION



SAFETY INITIATIVES

Mazda's aim is to achieve a safe and accident-free automotive society from three viewpoints of vehicles, people, and roads and infrastructure.

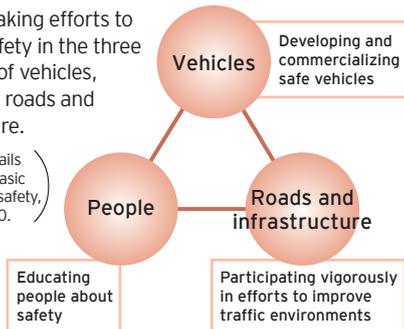
Key Topics

- Mazda Premacy earned a total of six stars from the Japan New Car Assessment Program (JNCAP)
- Mazda3 was chosen as an Insurance Institute for Highway Safety (IIHS) 2011 Top Safety Pick in the United States
- SKYACTIV TECHNOLOGY, which enhances environmental and safety performance, was introduced

Basic Approach to Safety

Mazda is making efforts to enhance safety in the three viewpoints of vehicles, people, and roads and infrastructure.

(For more details on Mazda's basic approach to safety, see pp. 29-30.)



Initiatives in Vehicles

Research and Development toward Creating Safer Automobiles

In order to comply with safety standards in countries around the world and to meet the criteria of New Car Assessment Programme (NCAP)*¹ safety assessment tests, Mazda carries out numerous evaluation tests such as crash tests, rollover tests, and roof strength tests. The Company's goal is to develop safer vehicles by minimizing damage in the event of an accident.

*1 A program that conducts official crash tests for new vehicles in major countries around the world, tests in which new vehicles are collided and evaluated for their safeness.

Active Safety Technologies

Active safety technologies help drivers anticipate and avoid accidents. Mazda is undertaking development of various related technologies and implementing them from a range of perspectives.

Pre-Crash Safety Technologies

In order to reduce injury to the driver and passengers as much as possible, this technology helps vehicles minimize the impact and damage from a collision when it cannot be avoided.

Passive Safety Technologies

Passive safety technologies help mitigate injuries of the driver and passengers if an accident should occur. Mazda does much more than simply comply with the laws of each country and region; the Company also conducts tests for various types of potential collisions that may occur on the road, and has made steady progress in developing passive technologies to better protect passengers and drivers.

Support for the User's Sense of Security and Safety

Mazda G-BOOK ALPHA is a cutting-edge telematics network support service for boosting automobile users' sense of security and safety.

- HELPNET: In the case of an accident or sudden illness, the simple touch of a button will automatically send the vehicle's location as well as other information to an operator, who will promptly connect with the appropriate local police station or fire station.
- G-Security: The vehicle's owner will be notified via e-mail or telephone of suspicious engine starts when they are away from the vehicle, and a security staff member may be sent to check on the vehicle if necessary. The operator can also search for the vehicle's location if it has been stolen.

Initiatives with People

Safety Education (in Japan)

Mazda is endeavoring to raise safety awareness among adults and children alike through safety-related exhibitions at the Mazda Museum in the Hiroshima Head Office, through the “Kids’ Quiz on Traffic Safety” website for children, and other projects.

Initiatives in Roads and Infrastructure

Initiatives toward Realizing a Safe Automotive Society with ITS (in Japan)

Intelligent transport systems (ITS) use telecommunications technology to bring together vehicles, people, and the traffic

environment. ITS has potential for easing traffic congestion and reducing the number of accidents throughout Japan.

As an automotive maker, Mazda is actively participating in Japan’s ITS project in cooperation with national government and local government bodies as well as related companies and the community in order to achieve a safe automotive society for everyone. By expanding the ITS Spot services*2 system mainly on the expressways throughout Japan by March 2011, Mazda and other automakers are working together with the Ministry of Land, Infrastructure, Transport and Tourism to promote widespread use of the system.

Furthermore, Mazda is involved in the “Smart Traffic Flow Control” project*3 from not only a safety perspective, but also from an environmental protection perspective.

Mazda’s Safety Initiatives and Primary Safety Technologies

Category	Accident Prevention: Active Safety Technology	Accident Mitigation: Pre-Crash Safety Technology	Minimizing Damage from Accidents: Passive Safety Technology	Support for Users’ Sense of Security and Safety
Vehicles	<p>Alerts drivers to potential danger:</p> <ul style="list-style-type: none"> Monitoring systems for vehicles approaching from behind on either side: Blind Spot Monitoring (BSM), Rear Vehicle Monitoring (RVM) system Emergency Signal System (ESS) <p>Measures to avoid danger:</p> <ul style="list-style-type: none"> Brake assist and EBS 4-wheel antilock braking system (4W-ABS) Dynamic Stability Control (DSC) Brake Override System (BOS) <p>Provides driving support:</p> <ul style="list-style-type: none"> Parking assist system Intelligent-Drive Master (i-DM) <p>Supports both safety and comfort:</p> <ul style="list-style-type: none"> Inter-car distance control feature (Mazda Radar Cruise Control System) Adaptive Front Lighting System (AFS) Power windows with function to help prevent injury Water-repellent window glass 	<p>Minimizes the impact and damage in an accident:</p> <ul style="list-style-type: none"> Smart Brake Support (SBS) 	<p>Helps to protect passengers in accidents:</p> <ul style="list-style-type: none"> Highly rigid and safe vehicle body, Mazda’s Advanced Impact energy Absorption and Distribution System Curtain and front side airbags Soft interior to absorb impacts Seats designed to reduce impact on the neck (whiplash injury), and rear seats that resist against luggage flying forward Pretensioners and load-limiter seatbelts Crushable brake pedal ISO-FIX-compliant child seat anchoring point Horizontally-moving impact-absorbing steering column 	<p>Automatically sends information about current location (Mazda G-BOOK ALPHA):</p> <ul style="list-style-type: none"> HELPNET G-Security
	Tech-nologies	<p>SKYACTIV TECHNOLOGY (SKYACTIV-BODY)*</p> <ul style="list-style-type: none"> Straightening and a continuously bonded framework for the vehicle body structure Ring structure design Lightweight, high-tensile steel with superior strength and rigidity Structure featuring multiple load paths 		
People	<p>Safety Education</p> <ul style="list-style-type: none"> Safety-related exhibitions at the Mazda Museum Traffic safety awareness quiz website for children 			
Roads and Infra-structure	<p>Initiatives for a Safe Society</p> <ul style="list-style-type: none"> Intelligent Transport Systems (ITS) Smart Traffic Flow Control ITS Spot services 			

* For more details, visit Mazda’s global website at: SKYACTIV TECHNOLOGY: <http://www.mazda.com/mazdaspirit/skyactiv/>

TOPICS

Premacy Awarded Six Stars by JNCAP; Mazda3 Chosen as an IIHS 2011 Top Safety Pick

In April 2011, the Premacy (Japanese model specifications; Mazda5 overseas) was awarded a total of six stars, the highest rating by the Japan New Car Assessment Program (JNCAP),*4 as a result of crash testing evaluating occupant safety for the vehicle (awarded based on Japanese model specifications).

In March 2011, the US-based Insurance Institute for Highway Safety (IIHS)*5 evaluated the Mazda3 (Axela in Japan) through crash testing, and chose it as a 2011 Top Safety Pick in small cars, a top honor (awarded based on American model specifications). The Mazda3 received the top rating of “Good” in the crash-test categories of frontal collision, side

collision, whiplash (neck) injury prevention, and roof strength during a rollover accident, achieving safety performance that is among the best in the world.



Premacy (Mazda5 overseas)



Mazda3 (Axela in Japan)

*2 This system has been mainly built on the highway in 1600 spots throughout Japan and started its service by March 2011. The system provides a wide range of information, including traffic information and images by using high-speed and large-capacity road-vehicle communication, in which signals are transmitted between the car navigation system and ITS spots on the road infrastructure.

*3 A traffic flow management system that utilizes intelligent vehicle driving control to promote safety while ensuring a smooth, continuous flow of traffic.

*4 A vehicle safety performance-testing program operated by the National Agency for Automobile Safety and Victim’s Aid (NASVA). By evaluating safety performance of commercially available vehicles through testing and making the results public, NASVA strives to create an environment in which users can choose safe vehicles and in which safer vehicles become more widespread.

*5 A nonprofit organization active in the US insurance industry that performs safety evaluations.

Safety Initiatives Additional information

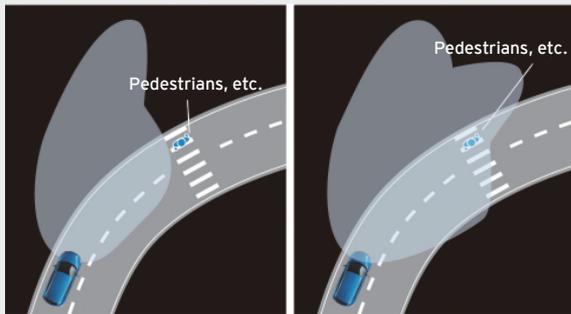
Initiatives in Vehicles

Primary Active Safety Technologies

Adaptive Front Lighting System (AFS) Directs Headlights in the Direction of the Car's Motion

Mazda's AFS automatically adjusts the angle of the vehicle's headlights according to the steering angle and vehicle speed. When cornering or approaching intersections at night, the beam of the headlights illuminates the path the vehicle will actually follow, thereby enhancing driver safety. Axela/Mazda3, Atenza/Mazda6 and MPV (Japanese model specification) have been equipped with AFS.

How AFS Works



Vehicle not equipped with AFS Vehicle equipped with AFS

Emergency Signal System (ESS) Provides Warning to Following Vehicles

If the driver suddenly brakes when traveling at high speeds (50 km/h or over), the ESS automatically triggers hazard lamps that blink at high speed, warning the following vehicle of danger. This system is highly effective in helping to prevent rear-end collisions. Axela/Mazda3 released in July 2009 have been equipped with ESS.

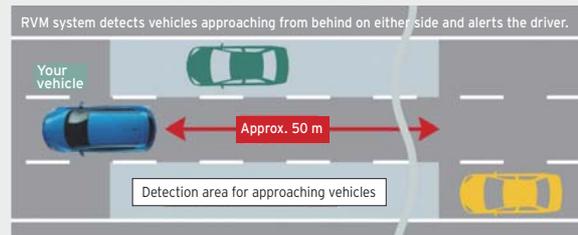
How ESS Works



Rear Vehicle Monitoring (RVM) System Alerts the Driver of Vehicles Approaching from Behind

When traveling at high speeds, the RVM system uses radar to detect vehicles approaching from behind on either side. Warning signals alert the driver if he/she attempts to change lanes when there is a risk of collision. Axela/Mazda3 and Atenza/Mazda6 have been equipped with the RVM system.

How RVM System Works



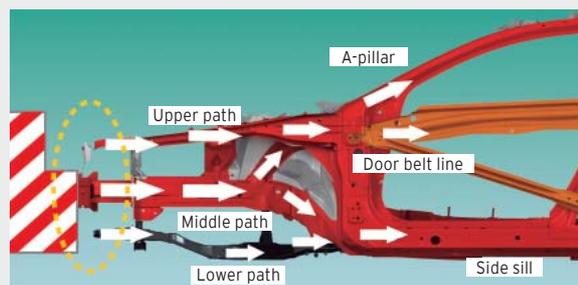
Primary Passive Safety Technologies

Multi-Load Paths in the SKYACTIV-BODY

A "multi-load path structure," which disperses the load from an impact in multiple directions for efficient shock absorption when a crash occurs, has been adopted as part of the SKYACTIV-BODY technology.

For example, in the event of a front-end collision, the impact is dispersed along three continuous paths passing from the front frame to the A-pillar, door belt line and side sill, effectively absorbing the impact. Similar constructions effectively absorb side and rear collision impacts as well.

The same design method has also been applied to individual parts in order to raise energy absorption efficiency, enabling major improvements in safety performance.



Multiple load paths

Initiatives in Roads and Infrastructure

ITS Projects that Mazda Participates in

Project	Description	Organizer
Smart Way	Research and preparation of next-generation road systems using ITS technology, linking people, vehicles, and roads by means of information, mainly for expressways and toll roads.	Road Bureau, Ministry of Land, Infrastructure, Transport and Tourism
DSSS (Driving Safety Support Systems)	Research and development of driving safety support systems utilizing road-vehicle communication, in which signals are transmitted between vehicles and the road infrastructure, as well as systems to enable smooth traffic flow.	National Police Agency; Universal Traffic Management Society of Japan (UTMS)
ASV (Advanced Safety Vehicle)	Research and development of driving safety support systems utilizing inter-vehicle communication, in which signals are transmitted between vehicles.	Road Transport Bureau, Ministry of Land, Infrastructure, Transport and Tourism

COMMITMENT TO CUSTOMERS

To boost customer satisfaction, Mazda works to develop better products and provide an ownership experience that exceeds customer expectations.

Approach to Boosting Customer Satisfaction

Based on the four pillars described below, Mazda makes every possible effort to ensure uncompromising quality and customer satisfaction.

Four Pillars for Increasing Customer Satisfaction



1. Products: Creating Appealing Products

Mazda will build products that enable all its customers to experience driving pleasure as well as outstanding environmental and safety performance.

2. Quality: Improving Product Quality

Mazda will make products whose quality exceeds customer expectations, by collecting and analyzing customer opinions and reporting the results to relevant departments in a timely manner.

3. Sales: Improving Customer Satisfaction in Sales

Mazda aims to achieve a top level of customer satisfaction in the automotive industry by taking concrete steps to make improvements based on what Mazda customers want, as expressed in questionnaires.

4. After-Sales Service: Improving the Quality of After-Sales Service

Mazda will improve the quality of after-sales service for its customers so they feel safe while driving, and if a problem occurs with a customer's vehicle, the Company will try to fix it properly the first time to ensure satisfaction.

Products

Key Topics

- Development of intelligent-Drive Master (i-DM)

Approach to Manufacturing Products

Mazda develops products that embody the attributes of its Zoom-Zoom brand message (see p. 1). In line with the principles of "Sustainable Zoom-Zoom," the Company has developed SKYACTIV TECHNOLOGY (see p. 31), which brings customers driving pleasure as well as outstanding environmental and safety performance, for commercial release in 2011.

Intelligent-Drive Master (i-DM)

A new technology that embodies the principles of Sustainable Zoom-Zoom

Mazda has developed i-DM, a driver support system that encourages enjoyable, safe, and eco-friendly driving. This technology is featured in the facelifted Demio (Japanese model).

Unlike conventional eco-friendly systems that regulate the driver, i-DM allows drivers to enjoy driving their own way, improves passenger comfort, and encourages safe and economic driving. Specifically, i-DM separately

analyzes operation of the gas pedal, brake pedal, and steering wheel in real time and displays an evaluation of the driver's inputs on a dashboard monitor.



Three-color display (green, blue, white) on the dashboard indicates driving status

Developing Vehicles for People with Special Needs

In 1995, Mazda became the first Japanese automaker to launch a vehicle (the Carol i) that featured a ramp for wheelchair access, which was developed with top priority "placed on ease of use and comfort for both givers and receivers of care." The Company has expanded the i-Series lineup as outlined below.

i-Series lineup (as of July 2011)

- Vehicles with a lift-up passenger seat: MPV, Biante, Premacy
- Vehicles with a powered lift-up passenger seat that elevates and rotates
- Vehicles with a lift-up second row passenger seat: MPV, Biante
- Vehicles with a second row passenger seat on the left side that elevates and rotates
- Auto-step vehicles: MPV, Biante
- Vehicles enabling easy entry and exit from the rear
- Wheelchair-ramp-equipped vehicle: AZ-Wagon I
- Vehicle with a ramp that enables people in wheelchairs to get in and out of the vehicle while remaining in their wheelchairs

In FY2010, Mazda exhibited at the International Home Care & Rehabilitation Exhibition in Osaka (April), Nagoya (May), and Tokyo (September-October).

The Company takes advantage of such events to listen to customer feedback in order to apply it to further product development.



Mazda exhibited at the 37th Home Care & Rehabilitation Exhibition (H.C.R. 2010)

TOPICS

Mazda Hands-on Design Seminar

In February 2011, as part of a series of design events by Hiroshima-based corporations and academic societies, Mazda held the Mazda Hands-on Design Seminar in Hiroshima City. Mazda designers and modelers demonstrated freehand drawing and created clay models for participants, who then got a chance to try these techniques for themselves. Approximately 90 participants of all ages came to the venue and had the valuable opportunity to experience Mazda design firsthand.



Freehand car design drawing



Clay model fabrication demonstration



Aiming to Build Cars that are Easy for Anyone to Use, Visual IT Presentation (VIP) Tools to Explain Product Features through Video and Computer Graphics, The Web Tuning Factory: Purchase a Car Customized to Your Specifications; others

Commitment to Customers Additional information

Products

Aiming to Build Cars that are Easy for Anyone to Use

Mazda believes that easy-to-use vehicles make a contribution to excellent safety performance, and the Company develops such vehicles based on the principles outlined below.

- Driving position unaffected by physical stature, etc.
- Cars designed to be easy to drive regardless of arm or muscular strength

Four principles

Comfortable posture and movement
Simple and easy controls
Ergonomically and functionally comfortable design
Controlled safety

Examples of Commercial Applications

- Sliding armrest (Axela/Mazda3)
- Door-grip indirect lighting (Axela/Mazda3)
- Contoured seats (Premacy/Mazda5)

Visual IT Presentation (VIP) Tools to Explain Product Features through Video and Computer Graphics

Mazda has introduced Visual IT Presentation (VIP) computer software, which is used at dealerships in Japan to provide customers with easily understandable explanations of products' features and functions. The VIP tool uses video and animated computer graphics to clarify driving performance, safety performance, and other characteristics that are often difficult to explain adequately through oral communication in the showroom, and has earned accolades from customers.

VIP was broadly introduced in Japan in October 2005, and it has been introduced in 768 Mazda dealerships in 61 sales companies in Japan (including 14 Mazda Autozam dealerships) as of March 31, 2011. It is available for the entire lineup of passenger vehicles, and is updated for new models on an as-needed basis.



The Web Tuning Factory: Purchase a Car Customized to Your Specifications

The Mazda Official Website features a Web Tuning Factory site, which enables customers to specify whatever combination of options they may desire for a vehicle and purchase it online. As of July 2011, models available numbered 23, including special editions and compact cars.



The website also enables customers to do the following:

- Request detailed estimates
- Make appointments for talks or consultations at Mazda dealerships
- Dealer search service helps customers to find their nearest Mazda dealership
- The "Simple estimate" service enables customers to create estimates easily at time of purchase

Customizing Mazda Vehicles to Meet Specific Customer Needs

Believing that the development of vehicles serving people with specific needs is essential to a more open and accessible automotive society, Mazda produces a wide range of vehicle types, as described below.

- Passenger vehicles: Mazda has developed special accessory parts in response to the diversifying, highly personalized needs and preferences of customers. These accessories are released at the same time as new models.
- Commercial and specially equipped vehicles: To respond to the diversifying needs of modern businesses, Mazda E&T is applying Mazda vehicle mass-production technology to produce the TESMA line of high-quality specially equipped vehicles. The Company also adapts the Bongo Van and Titan Truck for use as dry van trucks, refrigerator and freezer trucks, etc.
- Instructional vehicles: Mazda offers instructional vehicles that are user-friendly and comfortable for both driving students and instructors.

Supporting Overseas Motorsports

Mazda vehicles are a favorite among motorsports enthusiasts the world over, and Mazda is delighted to support motor sporting events according to the needs and tastes of each region. Through partnerships with overseas operations in the United States, Europe, Australia, and South Africa, Mazda supports an assortment of programs aimed at enabling customers to participate in the exciting world of motorsports.

Initiatives in FY2010

- United States: In the Grand-Am GT, the RX-8 won the GT race series championship for the 2010 year in the mass-produced vehicle class.
- Australia: The Mazda3 won the Targa Wreast Point Rally (mass-produced vehicle class).



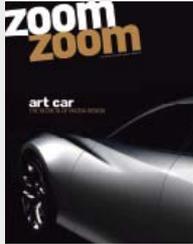
United States
Grand-Am GT



Australia
Targa Wreast Point Rally

Publication of the Zoom-Zoom Magazine

Mazda launched the customer magazine *Zoom-Zoom* in October 2007 and has been regularly distributing it to customers in 13 countries ever since. The magazine shares driving pleasure that Mazda vehicles bring and explores the exciting lifestyles of Mazda vehicle users. The magazine is packed with information based on a variety of themes in order to build stronger emotional ties between Mazda and its customers.



Spring 2011 issue of customer magazine *Zoom-Zoom*

Responding to Diverse Customer Needs

At its R&D centers in North America, Japan, Europe, and China, Mazda gathers information about markets and customers around the globe. Through local testing, Mazda develops products and services to suit its customers' wide-ranging needs.

Research and Planning Conducted from a Woman's Perspective

A team composed of female members from various departments both in Japan and overseas conducts research from a woman's point of view on car-related products that are convenient for themselves to use.

Examples of Commercial Applications

Axela/Mazda3

- A modified rear bumper design that helps to prevent soiling of clothing and improve rear access (Europe, Japan)
- Enhanced MID (Mazda Information Display) content
- Improved visualization of i-stop operating status (energy flow)
- Display of causes when i-stop does not operate (warning)
- Display of driving performance evaluation results and advice (i-DM score, advice) (only in models equipped with SKYACTIV TECHNOLOGY)
- Display of EcoDrive support information (changes in fuel economy values)

Basic Approach to Product Information, Display, and Advertising

In terms of the accuracy of product information provided, displayed, and advertised, Mazda not only complies strictly with each country's laws and regulations, but also places strong emphasis on safety, human rights, environmental issues, and ethical standards, giving careful attention to information display and expression appropriate for a company that manufactures and sells automobiles.

Quality

Key Topics

- Two initiatives were awarded the Quality Control Circle Kaoru Ishikawa Prize

Basic Approach

Mazda recognizes that enhancing customer satisfaction requires meeting customer needs and providing the industry's top-level quality in products, sales and service. To achieve this goal, the Company formulates a wide variety of quality improvement measures and implements them on a group-wide basis under its quality policy.

Quality Policy

We will do our work faithfully and unceasingly, so that we may offer products and services that will please our customers.

Mazda Quality Activities

Mazda launched its first QC (quality control) circle activities in 1962 with quality improvement measures, and in 1978 the Company broadened these initiatives as "Mazda Quality Activities" to encompass the quality of all products and services as well as business processes throughout the Company.

Mazda Quality Activities

Mazda is engaged in ongoing activities to improve the five categories of Mazda quality based on the Mazda Way (see p. 53), which include quality of human actions, work, management, work environment, and everything that is provided to customers.

Specific Measures

- Proactive adoption of quality improvement activities: By proactively incorporating world-renowned methods and approaches in quality improvement activities, including quality engineering, and by retooling its business processes, Mazda has achieved improvements in product quality, service quality, and costs.
- Quality education and quality awareness-raising activities: A message from the president is transmitted company-wide during Quality Month (November), and quarterly quality meetings are held in each workplace.
- The Mazda QC Circle Competition is held annually. In the first half of FY2010, two initiatives were awarded the Quality Control Circle Kaoru Ishikawa Prize at the National QC Circle Convention.

Mazda Quality Activities in Japan and Overseas

Mazda deploys QC circle activities at its affiliated plants in the United States and Thailand to raise quality worldwide.

To improve quality among suppliers in Japan, Mazda formed the Mazda Group QC Circle Committee for Hiroshima Prefecture and the surrounding area, and the Mazda Group QC Circle Liaison Group for the Hofu City area. These organizations hold workshops dealing with issues such as problem-solving and process management techniques, factory tours of member companies, and meetings to share best practices.



Specific Examples of Mazda Quality Activities at Overseas Business Locations, Supporting Quality Management at Overseas Business Locations, Boosting Quality through Reviews, Results of Mazda QC Circle Activities

Quality Management System

In 1994, Mazda became the first Japanese automaker to receive ISO 9002 certification.*1 In 1996, the Company received ISO 9001 certification,*2 which covers design to R&D, production and after-sales service.

This entails steady improvement of procedures in every sector, with internal quality inspections held every year (conducted 176 times in FY2010) to ensure compliance and effectiveness of procedures. The Company's quality management system is thus administered steadily and effectively.

Evaluation Initiatives at Production Sites

In the late 1980s, Mazda began introducing TPM*3 activities, and in 1991 the Hofu Plant's Nakanoseki district introduced TPM in earnest. Since that time, the plant has consistently pressed forward with the development of high-efficiency production lines, developing and deploying technologies that reduce losses in all processes from materials to assembly. In FY2007, the plant earned the Award for World Class TPM Achievement in the TPM Excellence Awards for TPM results at business locations in Japan and overseas.

Only 14 production facilities worldwide have attained this honor—two of which, the Nakanoseki district of the Hofu Plant and Powertrain Production Department No. 2 of the Hiroshima Plant, are Mazda facilities.

Handling of Recalls

Mazda prioritizes quality above all, and the quality of safety features is its highest priority. The Company continually collects quality information about defects from its dealerships worldwide, investigates any problems swiftly and thoroughly, and implements suitable and sustained quality improvement efforts. When a product is recalled (product returned or sent in for free repairs), Mazda responds in accordance with all applicable laws and regulations of each country and region.

Detailed information on recalls in Japan is immediately disclosed on the Company's official website. A search engine for recalls has been added to this website to make it as user-friendly as possible for customers.

Recall procedures (overview)

- Registration with authorities in each jurisdiction, according to the laws and regulations of each country and region
- Disclosure to customers via direct mail, telephone, newspaper advertisements and other methods, and explanations at dealerships
- Disclosure of information on recalls on the website (within Japan)

*1 ISO 9002: International standard for product and service quality assurance

*2 ISO 9001: International standard for quality maintenance and assurance

*3 TPM: Total Productive Maintenance. TPM is a series of activities in which production plants strive to prevent production line losses of every type, achieving zero accidents, zero defects, zero failures, etc., throughout the production system lifecycle, advocated by the Japan Institute of Plant Maintenance.

Commitment to Customers Additional information

Quality

Specific Examples of Mazda Quality Activities at Overseas Business Locations

Overseas QC circle activities (small-group quality improvement activities)

AAT (AutoAlliance Thailand) deploys SGAs (small-group activities)

Deployment of SGA (Small Group Activity)

- Participants: Each circle consists of about 10 onsite members who take part in QC activities. In FY2010, about 2,300 people (327 groups), more than half of AAT's employees, took part in QC activities.
- Content: Each team identifies a particular issue at its worksite and makes relevant quality improvements. At in-house assemblies, circles compete to achieve the best results in terms of quality and teamwork, and the ones that achieve outstanding results present them at a TPA QC Convention in Thailand hosted by the Technology Promotion Association (Thailand-Japan) (TPA).

In-house training for QC promoters

AAT carries out in-house training for QC promoters (executives) as well as circle members (on-site employees), raising quality throughout the AAT organization.

Annual commendations are presented to outstanding QC circles and promoters

Annual commendations for outstanding QC circles and promoters are given by AAT independently, contributing to the promotion of higher levels of quality.

AutoAlliance International (AAI)

Deployment of VQTs (Vehicle Quality Teams) as small-group circle activities

- Participants: Each circle consists of about eight onsite members who take part in QC activities. In FY2010, about 70 people took part in QC activities.
- Content: Each circle develops activities to solve specific issues given beforehand, on the basis of Six Sigma, a well-known process improvement approach to reducing product and service irregularities based on the define, measure, analyze, improve, control (DMAIC) work methodology.

Participation in Ford quality training

Because AAI handles the production of Ford as well as Mazda vehicles, staff members attend Ford Motor Company training as well, further elevating their skill levels.

Supporting Quality Management at Overseas Business Locations

Mazda implements a quality management system in connection with the establishment of business facilities overseas as well as for newly introduced products at overseas production sites.

- In the interim between establishment and full-scale production: Mazda participates in building local quality management systems. Additionally, through education and training, the Company helps staff to improve their quality assessment abilities by supporting skills training related to production technologies, quality assurance, and product quality evaluation.
- After full-scale local production begins: Mazda makes proposals on how to address quality issues and provides support for the swift resolution of quality problems so as to ensure the effective administration of a local staff-led quality management system.

Boosting Quality through Reviews

Mazda thoroughly examines its design drawings at the development stage, reviewing all aspects of each design from individual parts to entire systems. This review process includes identifying and solving problems, thereby achieving steady improvements in quality.

Results of Mazda QC Circle Activities

Event	Dates	Results	Themes	Participating Circles	Department
National QC Circle Convention (Beppu)	February 17-18, 2011	-	Designing people-friendly plants: challenge to achieve optimal cyclic processes	Fire Circle	Vehicle Production Department No. 4
National QC Circle Convention (Okinawa)	December 9-10, 2010	QC Circle Most Impressive Award	No. 2 line: eliminating skip hoist equipment failures	Piranha Circle	Powertrain Production Department No. 3
		-	Achieving synchronized production: designing lines for maximum profit with minimal loss	Beauty Planet Circle	Powertrain Production Department No. 2
			Aim for dramatic improvements in efficiency. The 3D-measurement workflow revolution	Shintani Circle	Engineering Technology Department No. 2
			Eco-friendly water use through visualization of usage patterns. Effluent quality improvement at east wastewater treatment plant	Economy Circle	Plant Engineering Department
General Presentation Convention of Hiroshima Regional QC Circles	November 19, 2010	Regional Manager Silver Award QC Circle Most Impressive Award	Achieving synchronized production: designing lines for maximum profit with minimal loss	Beauty Planet Circle	Powertrain Production Department No. 2
Yamaguchi Regional QC Circle Western Block Convention	November 5, 2010	Regional Manager Award	Aim for dramatic improvements in efficiency. The 3D-measurement workflow revolution	Shintani Circle	Engineering Technology Department No. 2
Improvements Presentation Convention of Hiroshima Regional QC Circles	October 1, 2010	Regional Manager Silver Award	No. 2 line: eliminating skip hoist equipment failures	Piranha Circle	Powertrain Production Department No. 3
National QC Circle Convention (Matsuyama)	September 9-10, 2010	QC Circle Most Impressive Award	The story of the Aesop Circle, which underwent continuous challenges to transform plants in the Aesop spirit	Aesop Circle	Powertrain Production Department No. 2
		-	Improvements in unit storage usage rate	Cupid Circle	CS Parts Logistics Department
			Aiming for zero outflow of defective camshaft material	Materials Circle	Head Office Inspection Department
Chugoku & Shikoku Region Select QC Circle Presentation Convention	July 9, 2010	Regional Manager Outstanding Achievement Award	Young employees seize the day. Circle miraculously transformed by adopting the viewpoints of young people.	F-R Circle	Chassis Production Department
		Regional Manager Silver Award	Aim for the optimal sharpness. Prevent excessive sharpening of carbide step drills. Aim for a major breakthrough.	Fujishige Circle	Engineering Technology Department No. 2
		Regional Manager Silver Award	Elimination of damaged rear consoles	Bio Circle	Vehicle Production Department No. 4
Quality Control Circle Kaoru Ishikawa Prize	May 21, 2010	First-half FY2010 Quality Control Circle Kaoru Ishikawa Prize	Diamond chip flexible manufacturing: single-step processing with wire cutting	Youth Circle	PT Technology Department
		Quality Control Circle Kaoru Ishikawa Prize	Activities to eliminate intermittent breakdowns due to engine jig palette abnormalities	Hikari Circle	Powertrain Production Department No. 2

Sales

Key Topics

- "Mazda New Customer Satisfaction Web Survey" launched (in Japan) to collect customer opinions in a timely fashion

Basic Approach

Mazda cooperates with Group companies and distributors both in Japan and overseas to raise the level of customer satisfaction (CS) and fulfill its role as a company customers can continue to rely on. The Company grasps the needs of each country and region promptly and accurately based on customer feedback, and develops products and services tailored to each market. In addition, the Company strives to raise CS further through awards programs, training programs, and opportunities to share best practices.

Mazda Call Center

Mazda listens closely to its customer's voice because it believes this is the foundation for developing better products. To this end, Mazda has opened the following two channels to interface with its customers and stakeholders, and share the information among relevant divisions of the Company to incorporate valuable customer perspectives on product development, sales, and service. Specifically, the Company applied these efforts to improve operation manuals for car navigation systems and vehicle/optional equipment catalogs.

Mazda Call Center

To listen to inquiries and opinions, and consult with customers within Japan

Mazda Official Website

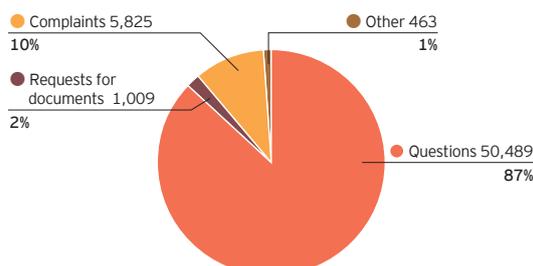
To listen to inquiries and opinions, and consult with customers both within Japan and overseas

The Mazda Call Center has set the following goals and is working day by day to boost the quality of services.

Targets and Results for FY2010

- Toll-free number connection rate: 95% target, 95.4% achieved
- Rate of response to customers within 10 days: 90% target, 93.3% achieved

FY2010 Breakdown of Mazda Call Center Customer Responses by Type (April 2010-March 2011)



VOICE

Aiming to Develop the Best Possible Products and Provide Optimum Services Based on the Frank Opinions and Suggestions of Our Customers



Yukio Higuchi
Staff Manager
Customer Relations Office

Customer opinions are conveyed swiftly and accurately throughout the Company and dealerships via the Company's Intranet and reports, and are used to implement improvements. Recently, customer concerns have been diversifying, and Mazda continues to earn customer trust by looking at things from the customer's perspective.

Questionnaires Given to Customers at Dealerships in Japan

Soliciting customer opinions through questionnaires, which are implemented in cooperation with dealerships, is the most important way to improve day-to-day customer service at dealerships.

Starting in FY2010, Mazda is employing a new questionnaire methodology, collecting opinions online with the Mazda New Customer Satisfaction Web Survey rather than mailing questionnaires. The Company plans to make timely operational improvements by analyzing customer survey responses and opinions more promptly.

Examples of Improvements

- Staff at dealerships work together to think of ideas for ways customers can spend time more comfortably at dealerships.

Sharing Best Practices among Group Companies and Distributors Overseas

Mazda cooperates with overseas Group companies and distributors to share best practices and improve customer satisfaction levels in various countries and regions.

Specific Examples of Initiatives in FY2010

Global (In regions under Overseas Sales Division jurisdiction: Asia, Oceania, Africa, the Middle East, the Caribbean, Central and South America, others)

- *CS/CRM News*: a bulletin to share CS/CRM*1 best practices in various countries, issued six times a year
- *CS Best Practices*: a bulletin aimed at sharing CS improvement best practices, issued six times a year

China

- At Mazda (China) training centers in three locations (Beijing, Shanghai, Shenzhen), presidents of dealerships and sales managers underwent training in basic CS promotion activities and improvement methods.

United States

- At the US dealers association, starting in 2010, "boosting customer satisfaction and strengthening owner loyalty" was made the top priority, with distributors and dealers cooperating to strengthen efforts in these areas.

*1 CRM: customer relationship management

Commitment to Customers Additional information

Sales

Evaluations and Awards for Overseas Group Companies and Dealerships

Regions: Those in regions under Overseas Sales Division jurisdiction (Asia, Oceania, Africa, the Middle East, the Caribbean, Central and South America, etc.)

1. Those who have achieved significant results in increasing sales of Mazda vehicles in terms of number of units sold, and rate of growth and/or share.
2. Those who have excelled in growth of service and/or parts operations, response to quality control issues, and other areas.
3. Those who have achieved the highest ranking in surveys of customer satisfaction in the sales and service fields.
4. Those who have performed successfully in CRM (customer relationship management) activities or shown superior performance in marketing activities.

Customer Satisfaction Initiatives Presentation Meetings to Share Best Practices in Japan

Mazda holds annual regional meetings, hosted by

Mazda-kai in each region, using examples of best practices from sales companies and dealerships, in order to boost the level of customer-satisfaction efforts throughout the Mazda Group within Japan.

In FY2010, 47 dealerships took part in these meetings held in eight regions in November.

Presentation of Outstanding Activities

- Tokyo Mazda “Hospitality for Customers”
A presentation was made of voluntary PDCA activities performed on the basis of customer opinions and self-analysis of issues at this dealership.

Communication with Dealerships in Japan

Mazda works to provide all its dealerships in Japan with information on mid- and long-term strategies, products, and services in a timely fashion, and makes proactive efforts to collect information from them. In order to cultivate relationships of trust, the Company also strives to deepen communication among dealerships, and between dealerships and Mazda, via the Mazda Dealership Association and Mazda Autozam Dealership Association.

Communication Opportunities with Dealerships in Japan

	Participants	Frequency	Objective/Contents
Conferences for representatives of dealerships	Representatives of dealerships and directors of Mazda	Two times a year	To communicate Mazda policies
Mazda Dealership Association in Japan Executive board of directors meeting	Mazda Dealership Association in Japan Executive board members and others (with Mazda representatives also attending twice yearly)	Four times a year	Information concerning product development, service and parts requests, quality concerns, and other topics is exchanged and discussed
Mazda Dealership Association in Japan Specialized committees	Committee members from Mazda Dealership Association in Japan and representatives from Mazda	As needed	
Conferences for divisional and departmental heads of dealerships	Representatives from each region and from Mazda	As needed	Meetings regularly convene for relevant departments of dealerships to exchange information and opinions on specific topics including new models, used models, customer service, insurance, etc.
Board meetings for Mazda Autozam Dealership Association in Japan	Mazda Autozam Dealership Association board members	Four times a year	Discussion of marketing plans and provision of opportunities for training and professional development, as well as exchange of information and opinions on topics such as requests related to Mazda Autozam services and parts, and quality concerns
Mazda Autozam Dealership Association specialized committees	Members of Mazda Autozam Dealership Association in Japan committees and representatives of Mazda and/or Mazda Autozam	Four times a year	

Training for Sales Staff Dealing with Newly Launched Models in Japan

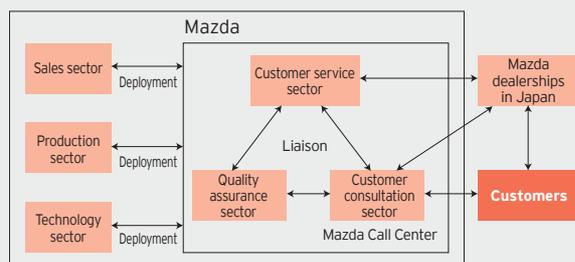
When a new model is launched, all sales staff should be able to provide customers with correct and detailed answers to any questions posed to them. To this end, sales staff undergo training before the new model is

introduced. In FY2010, approximately 6,200 sales staff at 92 venues throughout Japan underwent training at the introduction of the Mazda Premacy/Mazda5.

Communication Opportunities with Overseas Group Companies and Distributors

	Participants	Frequency	Objective/Contents
Product Launch Events / Brand Summit	Representatives from main overseas bases of operation such as the United States, Europe, China and Australia	Irregular (In general, twice a year)	Opinions are exchanged on a wide variety of fields including products, marketing, and brand strategies. The event was held twice in FY2010 at the Hiroshima head office, with approximately 70 attendees each time.
Global Distributor Meeting	Executives from Southeast Asia, Central and South America, the Middle East and Africa	Once a year	Discussions covering a wide range of topics including business, marketing, product launches, etc.
Southeast Asia Distributor Meeting	Staff (including some executives) in charge of sales and marketing in the Southeast Asia region	Once a year	Discussions covering product launch policies, marketing strategies, best practices, etc.
Caribbean and Central and South America Distributor Meeting	Staff (including some executives) in charge of sales and marketing in the Central and South American regions	Once a year	Discussions covering product launch policies, marketing strategies, best practices, etc.
Middle East Distributor Meeting	Staff (including some executives) in charge of sales and marketing in the Middle Eastern and African regions	Once a year	Discussions covering product launch policies, marketing strategies, best practices, etc.
4A CRM Distributor Meeting	Staff in charge of management and CS/CRM in Chile, Colombia, Venezuela, the UAE, Saudi Arabia, Kuwait, Oman, and other countries	As needed	Presentation of CRM activities in various countries, sharing of information about plans for future activities

Customer Service System



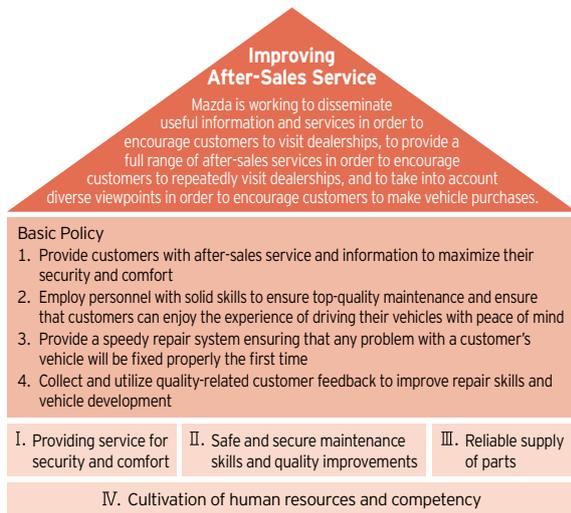
After-Sales Service

Key Topics

- Launch of "Mazda Service Operations Reform Program" at dealerships in Japan
- Four new call centers for parts opened throughout Japan to specialize in receiving parts orders
- "Mazda Service Skills Youth Competition" established for new staff (working at the Company for three years or less)

Basic Approach

Mazda strives to provide comprehensive after-sales service to its customers both in Japan and overseas, from vehicle purchase to end-of-life disposal, so that they can enjoy the experience of driving their vehicles with peace of mind.



I. Providing Service for Security and Comfort

Strengthening Customer Support Mazda Service and Operations Reform Program

The Mazda Service Operations Reform Program was launched at dealerships in Japan in April 2010 and is now in effect at approximately 80% of dealerships.

This program aims to provide customers with satisfactory service through the following four approaches:

- Shortening of maintenance wait times
- Satisfactory explanations and advice from professional maintenance staff
- Hospitality provided by all dealership staff
- Optimal maintenance tailored to vehicles' usage status

Service is evaluated through in-store surveys of operations at dealerships and customer satisfaction questionnaires.

II. Safe and Secure Maintenance Skills and Quality Improvements

Strengthening Service-Oriented Development Developing Maintenance- and Repair-Friendly Vehicles

In developing vehicles, Mazda listens to feedback from throughout the global market and streamlines its maintenance and repair operations by designing components and mechanisms that require regular inspection or frequent replacement to be easy to access and service.

For the new Mazda Premacy (known overseas as Mazda5), launched in 2010, the time taken to change the headlight bulbs and shock absorbers was cut in half.

III. Reliable Supply of Parts

Promotion of Supply Improvements: Establishment of Parts Call Centers

Previously, the Mazda supply system entailed 25 parts sales companies throughout Japan receiving orders from dealerships, but as of FY2010, order-receiving operations have been consolidated at four parts call centers (in Tokyo, Nagoya, Osaka, and Fukuoka). Order-receiving operations have been streamlined, and the speed and accuracy of parts supply has been improved.

In conjunction with the establishment of parts call centers, Mazda has reorganized its logistical structure, synergistically improving parts supply efficiency to minimize customer wait times.

- ① Fully operational on all dealership and supplier operating days
- ② Streamlining of order-receiving by consolidating operations into parts call centers
- ③ Enhancement of sales service resulting from consolidated order-receiving operations at parts call centers

IV. Cultivation of Human Resources and Competency

Cultivation of Service Staff: Mazda All-Japan Service Skills Competitions

Since 1963, as an opportunity for staff to compete in various skill categories, the Company has hosted annual Mazda All-Japan Service Skills Competitions for dealership service staff in Japan, aimed at cultivating a high level of professionalism in customer service skills and maintenance engineering. In FY2010, competitions were held for Mazda and Mazda Autozam dealership staff, with 98 people in 39



Mazda All-Japan Service Skills Competition (FY2010)

teams competing. In addition, the Mazda Service Skills Youth Competition has been established for new staff (working at the Company for three years or less.)

After-Sales Service

I. Providing Service for Security and Comfort

Contact with Customers (CRM: Customer Relationship Management)

To ensure that customers lead safe and comfortable automotive lifestyles, Mazda dealerships maintain regular contact through telephone calls, visits, and one-to-one direct mail.*1

- Inquiries about the operating condition of vehicles
- Information on automotive health checkups (reliable contact regarding mandatory vehicle inspections, maintenance, MSC*2)
- Requests for customers who purchase service-related products (Pack de Mente, Mazda Extended Protection Plan, etc.) to ensure they bring vehicles in for maintenance

Strengthening of Customer Relations: Safe and Secure Automotive Lifestyle Suggestions

Dealerships provide customers with appropriate suggestions regarding replacement parts, accessories, services, and other automotive matters, in accordance with the period of vehicle ownership.

- ① Dealerships provide maintenance (disposable parts replacement) suggestions based on each customer's data on disposable parts replacement history and driving tendencies (distance traveled, period of time).
- ② Prior to mandatory vehicle inspections, customers are provided with information for the purpose of comparing the cost of replacing parts and continuing to drive the current vehicle with the cost of purchasing a new one, so as to assist them in envisioning and planning their future automotive lifestyles.

Service-Related Products: Development and Proposal of Service Products

- High-quality maintenance using genuine Mazda parts
- Maintenance services, such as the "Pack de Mente," offering periodic inspections required for Mazda vehicles at affordable prices

Sufficient Dissemination of Information: Dissemination and Collection of Information

- Information made available via the after-sales service information website (Japanese only)
- Establishment of a special hotline to link with dealerships so as to respond promptly to technical inquiries
- Mazda reflects quality information, gathered from its customers through after-sales service, in improvements in maintenance skills and development of vehicles

*1 One-to-one direct mail: Direct mail offering suggestions tailored to customers' lifestyles and automotive use patterns.

*2 MSC: Mazda Safety Check. In addition to legally mandated annual inspections, these checks are performed every six months to ensure safer vehicle operation.

II. Safe and Reliable Maintenance Skills and Quality Improvements

Ensuring that Vehicles are Fixed Properly the First Time

① Developing Service Diagnostic Devices

Mazda has developed the Mazda Modular Diagnostic System (M-MDS), a proprietary service diagnostic device, and provides it to almost all Mazda dealerships in Japan and overseas. This system enables service staff to perform efficient diagnoses of primary electronic control systems. It is also compatible with the complex, sophisticated electronic control systems used in many of the Company's newer models.

② Distribution of Service Manuals

Since April 2005, Mazda has been distributing its service manuals in digital format as "Mazda Electronic Service Information" (MESI), so that the information needed for maintenance can be accessed quickly and accurately. Service manuals are currently provided in the following formats.

- Internet: Dealerships in Japan, North America, and Europe
- CD-ROM: Dealerships in other regions

Because the specifications and equipment, even if the model is the same, can differ depending on the year and grade, a vast and varied amount of information is required to carry out maintenance work. With this in mind, Mazda gathers and analyzes requests from dealerships, and collects data on the access to service manuals on the Internet, and uses them to conduct periodic updates. In addition, starting in FY2010, materials for models equipped with SKYACTIV TECHNOLOGY are being updated in cooperation with the development sector and dealerships.

Also, since April 2011, the Company has been working to expand the scope of regions to which manuals are distributed via the Internet to include Asia, the Middle East, and Latin America.

③ Distribution of Specialized Tools

In order to carry out swift and reliable service operations at dealerships in Japan and overseas, Mazda develops and supplies dedicated tools to dealerships.

In FY2009 in Japan and in FY2010 overseas, Mazda began providing dedicated tools used with high frequency to as many locations as possible, as well as their detailed explanations.



Example of a set of newly introduced dedicated tools: Multi-hole injector removal tools

Strengthening Service-Oriented Development: Supplying High-Quality Services

- Maintenance performed by nationally certified service staff
- Use of the latest diagnostic equipment, dedicated tools, and service manuals

III. Reliable Supply of Parts

Promotion of Supply Improvements: Reorganization of Parts Supplier Logistics

Supply of parts to 29 parts warehouses and 16 dealerships throughout Japan has been consolidated into three main depots (parts warehouses) in Hiroshima, Nagoya, and Chiba.

Thanks to this consolidation, wait times for parts have been reduced, and both service at dealerships and customer satisfaction have been improved. In addition, shipping of parts from Mazda has been made drastically more efficient.

Main Benefits of Consolidation

- ① Shortening of time spent waiting for parts to arrive
- ② Dispatch of parts management support personnel to dealerships
- ③ Reduction of dealerships' shipping costs, etc.

Enhancement of Supplying Capability: Efforts to Improve Delivery

In order to facilitate a more resilient supply of parts with reliability that satisfies customers, Mazda is working with suppliers to boost production efficiency, strengthen the overall system, and resolve production and delivery issues. Thanks to these efforts, in FY2010 suppliers met deadlines at a rate of 96.2%.

Specific Efforts

- (1) Sharing of targets and results for rate of meeting deadlines
 - Goal: Elimination of changes to times of deliveries to customers
 - Specific activities: Suppliers are informed of degree to which targets are met
 - Each supplier shares results with staff on the front lines and works to resolve issues
- (2) Delivery improvement meetings are held once a month

Activities are continued in partnership with suppliers until targets are met
- (3) Development and introduction of a status management system for deliveries of parts and accessories to customers
 - Creation of an environment for joint activities with suppliers
 - Online disclosure of rate of meeting deadlines (once per month): Information on the rates with which deadlines were met was previously distributed to 120 major suppliers in printed form, but is currently posted online
 - Acceleration of the PDCA cycle for delivery improvements: Rate calculations and detailed delivery data tracked on a day-to-day basis
 - Analysis data for delivery improvements distributed

to all suppliers: Previously, several companies were provided with data on an on-demand basis, but now data is provided to all companies every month

IV. Cultivation of Human Resources and Competency

Cultivation of Service Staff

① Training for Service Staff in Japan

Mazda provides the following two training programs for its dealership service staff in Japan:

- Technical training program to cultivate technical skills
- Customer service training program to improve customer service performance and management skills

Training for Service Staff in Japan

Training		Number of Participants in FY2010	Contents
Technical Training	Standard Training	Approx. 1,300	Training program to cultivate diagnostic skills, etc., tailored to each individual's existing skills and experience
Customer Service Training	Standard Training	Approx. 700	Training program to instill the customer-relations skills needed for boosting customer satisfaction, increasing profitability, and bolstering productivity

② Cultivation of Human Resources

- Promoting the deployment of Class A service engineers providing top-quality maintenance at all dealerships (achieved deployment at 83% of dealerships in FY2010)
- Creation of meticulous training programs to foster development of service advisers and service engineers

③ Training for Overseas Service Staff

Training is provided to service staff at overseas dealerships, as described below:

Initiatives in FY2010

- Technical Training
 - New model training: 52 trainees
 - Customer service training: 12 trainees
- Training and Certification Programs for Service Staff
 - Mazda Masters Program
 - Trainer competence training (introduced in FY2010): 24 trainees

④ Mazda Training Centers

Mazda has established training centers for service staff in Japan and overseas.

Japan

Mazda operates Mazda Training Centers in Hiroshima Prefecture and in Kanagawa Prefecture.

At these two centers, effective training is facilitated through the "blended training" style. The service staff have studied most of the technical materials by themselves as preparatory work through e-learning. Upon arrival, they undergo group training where they learn together, spending many hours training on actual vehicles and equipment.

Through role-playing and group practice, participants also learn professional customer relations. The Center

Commitment to Customers Additional information

trained approximately 700 people in two-day courses in FY2010.

At Mazda Training Center Taibi in Hiroshima Prefecture, 13 instructors belonging to associations of automobile maintenance operators learned about new technologies in FY2010. This training center aims beyond the Mazda Group to contribute to the spread of excellent vehicle maintenance techniques.



Mazda Training Center Taibi

Overseas

Mazda operates training centers in the Americas (North America, and Central America and South America), Europe (Germany), China, Southeast Asia (Thailand), and the Middle East (the UAE), with training conducted for trainers and service staff at dealerships in the various regions.

In China, the Company has established three centers for training of service staff in Beijing, Shanghai, and Shenzhen. In FY2010, a total of approximately 1,500 employees underwent training in sales, service, and other fields at these centers.



Mazda (China) Training Center in Shanghai

Overview of 2010 All-Japan Service Skills Competitions

Dates: October 2010

Attendance: 20 teams, 60 members (from Mazda)

19 teams, 38 members (from Mazda Autozam)

Service advisers: Knowledge-based competition, response competition, damaged vehicle cost-estimate competition (Mazda only)

Service engineers: Knowledge-based competition, vehicle repair competition

2010 Mazda Service Skills Youth Competition

Dates: First preliminary round in May, second preliminary round in June, main competition in October

Number of participants: 999 in first preliminary round, 121 in second preliminary round, 18 in main competition

Events: Knowledge-based competition (preliminary), practical skill competition (main competition)

RESPECT FOR PEOPLE

zoom-zoom
zoom-zoom
zoom-zoom



INITIATIVES WITH EMPLOYEES

In order to create a corporate environment in which employees can enjoy their work, Mazda promotes human development revolving around the principles of the Mazda Way.

Key Topics

- The Mazda Technical College holds an "Open College" program for teachers of technical high schools in Hiroshima (See p. 54)

Basic Approach to Human Resources

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who enjoy their work. To this end, the Company promotes human resource training based on the Mazda Way principles shared throughout the entire Mazda Group worldwide. Also, the Company has actively implemented a wide variety of measures and initiatives, including the Tobiuo (Flying Fish) Human Resources System, which is established to act as a platform for individuals to realize their potential for growth and success.

The Mazda Way

In FY2008, Mazda summarized seven basic principles and values handed down within the Company over time and defined these as the principles of the Mazda Way.

In FY2010, in order to raise awareness of the Mazda Way in each Mazda employee and promote related changes in behavior, approaches and past experiences that senior executives considered important were introduced through in-house newsletters. Mazda continues to promote measures to ensure that the Mazda Way can easily be put into practice by employees.

Seven Principles of the Mazda Way

- Integrity
- Basics/Flawless Execution
- Continuous Kaizen
- Challenger Spirit
- Self Initiative
- Tomoiku
- One Mazda



Employee Awareness Survey

Employee awareness surveys have been conducted on a continuing basis at Mazda since FY1987. Since FY 2008, these surveys have been expanded to include Group companies in Japan and overseas. (Respondents in FY2010: approx. 23,500 in Japan, approx. 3,300 overseas.)

Results of the FY2010 Survey (non-consolidated)

Employee willingness to work and desire to contribute to the Company were as high as in FY2009, and positive responses in relation to work efficiency increased somewhat. However, in reaction to increased employee workloads, there were calls for enhanced teamwork and more support from management.

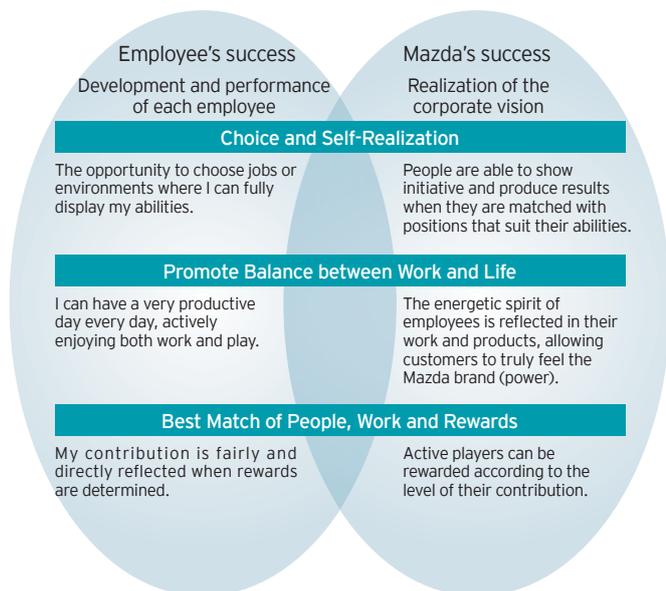
Results were analyzed within each department and, following feedback, action plans were formulated and implemented as part of continual improvements. With the aim of giving each employee the attention she/he needs and encouraging communication in the workplace, the Company is simultaneously introducing a system of on-the-job training coaches (see p. 12 for more details), promoting work in small groups, and moving forward with other measures throughout the entire Company.

Tobiuo (Flying Fish) Human Resources System

Mazda utilizes the Tobiuo Human Resources System to provide the appropriate jobs and environments where each employee can demonstrate their best performance.

In concrete terms, a wide variety of measures are actively deployed based on the system's three basic pillars of "Choice and Self-Realization," "Promote Balance between Work and Life," and "Best Match of People, Work and Rewards."

■ The Three Pillars of Tobiuo



Choice and Self-Realization

Mazda provides opportunities for each employee to set his or her own work goals. This is followed up with support from the Company and the employee's supervisors to help achieve the objectives.

Career Meetings

At Mazda, opportunities for formal communication are provided for all employees through one-on-one career meetings between supervisors and their staff, held four times a year. Specific targets and broad goals expected by supervisors are combined with employees' personal goals as well as things they hope and feel obligated to achieve, enabling supervisors and their staff to understand each other and proceed to set common targets. Based on the Mazda Way, they discuss their work accomplishments and personal initiatives and efforts in order to encourage personal development and successful performance.

Main Themes

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

Discussions to encourage successful performance:
Determine work-related targets, confirm progress toward meeting targets, share current and future issues

WEB Company-wide Competency Development System, Major Education and Training Programs

Toward a "Challenging Career" (In-House Recruitment and the "Free Agent" System)

Mazda provides career development assistance for employees through in-house recruitment and a free agent system. In FY2010, six employees used the in-house recruitment system and seven used the free agent system to play active roles in new positions.

In-house recruitment

In-house recruitment involves the Company publishing notices of the professional experience and skills required for positions, for which current employees who want to try these jobs may apply.

Free agent system

Involves an employee making a declaration of free agency that describes their abilities and career within the Company, and using their accumulated skills and experience to rise to the challenge of a job in a different field of work or department.

Education and Training

Mazda offers a range of education and training programs to assist employees in developing their careers and improving their skills. In particular, to ensure that the Company's spirit of manufacturing innovation endures, to sustain the handing down of leading technologies and techniques to future generations, and to maintain its traditions and sense of passion, the Company offers various technical skills enhancement programs.



Technical skills training program

Mazda Technical College (Two-Year Course)

Mazda believes that development of human resources is essential to manufacturing excellent products. To this end, Mazda established the Mazda Technical College, which offers courses to high school graduates and selected employees. Those who complete the two-year program are assigned to production and manufacturing divisions and are active in the manufacturing workplace.

Number of current students: 127 (as of April 1, 2011)
Total number of graduates: 1,361 (from April 1988 through March 2011)
For information on Mazda Technical College's "Open College" program, see p. 43.

Promoting a Work-Life Balance

Mazda is working on a variety of programs to enable its employees – a diverse range of people with different values and lifestyles – to enjoy their work and find a healthy balance between their work and personal lives. In FY2007, Mazda was awarded the Kurumin certification logo mark in affirmation of its action plan for child-rearing support initiatives, based upon the Ministry of Health, Labour and Welfare's Law to Support the Development of the Next Generation. This award recognized Mazda's effort to promote the balance between work and one's personal life.



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

System	Description (as of Mar. 31, 2011)	Started	FY2010 Results
Maternal care paid leave	A system that allows female employees who are pregnant and have difficulty performing their duties due to morning sickness or other feelings of discomfort to take paid leave for the necessary amount of time.	Aug. 2008	810 days (28 participants)
Child-rearing paid leave	This leave system allows employees to take up to five consecutive working days off, following childbirth or for child-rearing.	Aug. 2008*1	1,169 days (280 participants) Male: 886 days (219 participants) Female: 283 days (61 participants)
Child-rearing leave	A system supporting unpaid leave for child-rearing for children up to 3 years old. It is possible to take leave in installments.	Jan. 1991	183 participants (8 of them male)
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).	Jan. 1992	4 participants
Special working arrangements for employees involved with child-rearing or nursing	This system allows employees involved with nursing or child-rearing (until end of child's sixth year of primary school) to reduce work hours, be excused from overtime and holiday work, etc.	Apr. 1999	Reduced working hours: For child-rearing participants: 196 For nursing care participants: 5
Work-at-home system	This system enables employees to perform up to 25% of their work hours at home for the purpose of child-rearing or nursing care, or when working at home will raise work efficiency.	Aug. 2008	95 participants
Special Warm Heart leave system	A paid-leave system that covers nursing care for relatives, volunteer work, functions at one's child's school, and infertility treatment.	Aug. 2008*1	278 participants (113 male, 165 female)
Onsite daycare center: Mazda Waku Waku Kids En	This daycare center was established for employees' children who have not yet entered school. A permanently stationed nurse is available to look after children who become ill.	Apr. 2002	42 preschoolers
Challenging Career leave	In order to increase future career potential, employees can use this system to take leave for up to three years while attending a school or other training facilities.	Oct. 2003	6 participants
Leave for employees accompanying a transferred family member	This system allows employees to take a fixed-term leave in order to accompany a spouse who has been transferred, allowing the employee to resume their career at Mazda later on.	Oct. 2003	21 participants
Re-employment System	This system provides an opportunity for former Mazda employees who left the Company due to marriage, child-rearing, to provide nursing care, or other reasons to return to work if they so desire.	Aug. 2008	7 registrants
Expert Family System	This system enables interested individuals who meet a certain standard of abilities and experience to be rehired as engineers, advisors to current engineers (to pass on their knowledge), specialists, or in other positions following their retirement at the mandatory retirement age.	Apr. 2006	345 hired

*1 Operated under different system before August 2008.

Best Match of People, Work, and Rewards

Mazda has put in place a system to ensure that each employee understands their work evaluation results and ability level assessments, and feels that their growth and performance are appropriately reflected in their compensation.

Grading and Compensation System

Without using age or years of service as criteria, employees are graded according to ability level (production and medical staff) and work level (administrative and technical staff) so that individual employees' performance is directly reflected on their base salaries and bonuses.

Personnel Development Committees

Mazda is aiming to provide mid- to long-term training for employees to be leaders in every field of global business and ensures their optimal positioning and performance. Each sector of business operations or headquarters periodically convenes a monthly meeting with management-level members.

Ensuring Diversity

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

Employment for Those with Special Needs

In support of a comfortable working environment for employees with special needs, Mazda established the Physical Challenge Support Desk for consultations.

Physical Challenge Support Desk

The Physical Challenge Support Desk enables employees with special needs to consult with a special career counselor regarding their work-related concerns, and helps to ensure a workplace environment facilitating productive work (through devices to convert spoken words into text and vice versa, partially automatic doors, etc.), among other services. Additionally, the Company promotes obtaining relevant certifications, attending training sessions, and taking other initiatives to provide further support for employees with special needs.

- Career counselors for employees with special needs*1: 29 (as of April 2011)
- Job Supporters*2: 5 (as of April 2011)

VOICE

Making Use of Waku Waku Kids En Daycare Center

I regularly make use of Mazda's onsite daycare center, Waku Waku Kids En. Because this facility is open from 7:00 a.m. to 9:00 p.m., I am able to raise my kids while continuing to work. The facility's permanently stationed nurse and its proximity to my workplace make me feel at ease, because I can run over there immediately if something comes up.

The teachers provide individualized support based on each child's personality, and they hold seasonal events such as cultivation of vegetables. My kids often talk excitedly of the things they do each day at the daycare center.



Kentaro Tabata
Vehicle Production
Department No. 1
Hiroshima Plant

- *1 A qualification certified by the Ministry of Health, Labour and Welfare. Counselors provide general workplace and lifestyle consultations and guidance for individuals with special needs.
- *2 A person undergoing education and training to become a Hiroshima Prefecture-appointed regular workplace support staff member for employees with special needs.



Other FY2010 Results from Work-Life Balance Initiatives, Mazda Mutual Aid Union, Global Employment Opportunities

Increasing the Employment and Range of Opportunities for Women

Through enhancement of measures promoting work-life balance and other initiatives, Mazda is striving to cultivate a workplace in which women can work comfortably, with the ratio of female employees steadily increasing.

- A product development project involving female employees Mazda is carrying out this project in order to develop products based on the specific characteristics and needs of female customers. In FY2010, the Company analyzed feedback from target customers and began applying the results to product development.

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

Mazda is actively re-employing retired former employees to help them share their expertise, skills, and know-how with younger employees.

Limited-term Employees in Manufacturing Operations

Mazda is implementing ongoing measures toward the achievement of a workplace in which limited-term employees can feel fulfilled with their work. A system has been put in place for limited-term employees who have worked for one year or more at Mazda that enables them to become full employees in priority to regular applicants. In addition, limited-term employees who have worked for six months or more and had their contracts renewed can become members of the Mazda Workers' Union. Through these and other initiatives, the Company is cultivating a sense of oneness among employees with different employment styles as it aims to cultivate a vibrant environment where employees can enjoy their work.

Employee Data (As of March 31, 2011)

		Employees		Average age	Average years of employment
		Production/medical	Administrative/engineering		
Non-consolidated	Males	10,686	9,307	38.7	16.7
	Females	554	1,200	34.4	12.0
	Total	21,747		38.3	16.3
Consolidated	Total	38,117		—	—

* The number of employees dispatched to other locations is included.

	FY2008	FY2009	FY2010 results
Number of female employees hired	194	130	87
Female managers (assistant manager or above)	84	95	111
Percentage of female employees	7.6%	8.0%	8.1%
Percentage of female managers (percentage of all employees)	0.3%	0.4%	0.5%
Percentage of female managers (percentage of all managers)	2.1%	2.4%	2.9%
Number of workers aged 60 and over (Expert Family)	1,265	1,341	1,533
Percentage of employees with special needs (using legally stipulated calculation method)*	1.88%	2.03%	1.95%
Number of current employees with special needs*	249	259	261
Percentage of paid vacation days taken	87%	67%	77%
Average number of paid vacation days taken	16.1 days	12.5 days	14.5 days

* Average number in each year

Occupational Safety and Health

Mazda is working to develop people, workplaces, and mechanisms that ensure the safety and health of the people who work at Mazda. Since FY2008, the Company

has been implementing its three-year plan, called the "One Mazda Movement for an Enjoyable Workplace."

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

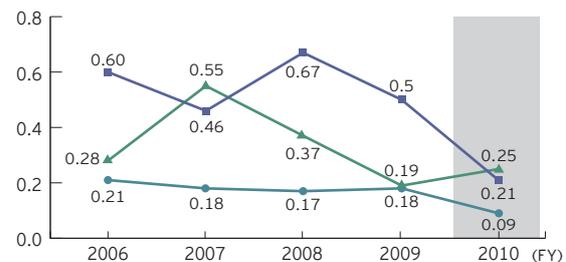
Safety and Health Creed

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

"One Mazda Movement for an Enjoyable Workplace"

Three-Year Policy: We will create enjoyable workplaces based on safety and health by means of the Safety and Health Creed. Slogan: Safety and health first in One Mazda, 24 hours a day!

Workplace Accident Occurrence Ratio (ratio of lost time due to accidents)



● Mazda ▲ Affiliated companies ■ Toyukai (Group supplier organization)

* Toyukai: Consortium of Mazda suppliers

* Ratio of lost time due to accidents: accident frequency, measured as the number of accidents resulting in lost time per million person-hours worked.

Health Maintenance and Improvement

Mazda is promoting company-wide health improvement activities that emphasize enhanced mental health measures, lifestyle improvements, and measures to reduce health risks such as new varieties of influenza. In FY2010, Mazda expanded these activities globally and offered counseling and advice to its Group companies.

Industrial Relations

Mazda has a standing labor agreement with the Mazda Workers' Union. The Company has a shared outlook on the direction of its business operations and aim to build relationships in which everyone thinks and works together to contribute to all stakeholders. In addition, Mazda regularly exchanges information and engages in active discussions



Labor and management leaders shake hands

with the Federation of All Mazda Workers' Unions, composed of the labor unions of all Group companies, and makes every possible effort to maintain positive labor relations.

Initiatives with Employees Additional information

Group-wide Human Resources Policies

The Mazda Group engages in regular communication with all Group companies worldwide, and the entire Group is working together to create further opportunities for interaction among personnel and cultivate a climate based on a shared point of view.

Measures

Global PDC (Global Personnel Development Committee)

Discussions among leaders of Mazda Motor Corporation and Group companies on interaction among, and utilization of, personnel in these companies

Regularly scheduled meetings with human resources managers of Group companies

- Regularly scheduled meetings (monthly) with overseas facilities
- Regularly scheduled meetings (quarterly) with domestic Group companies in the same region as the Head Office (Hiroshima)

Best Match of People, Work, and Rewards

Average yearly salary

		Employee	
		Skilled, Medical	Administrative, Engineering
Mazda Motor Corporation	Average of Males and Females	¥6,046,000	

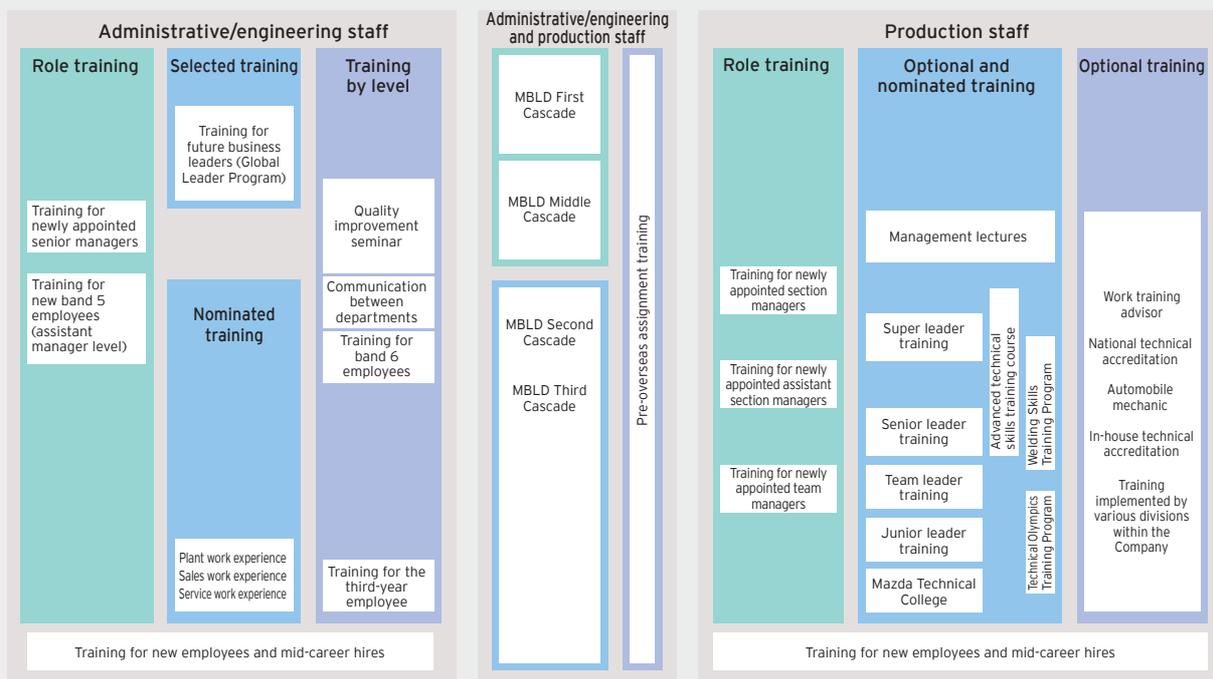
Industrial Relations

Changes in Mazda Workers' Union Membership

	Mar. 31, 2009	Mar. 31, 2010	Mar. 31, 2011
Membership rate	92%	94%	93%

Choice and self-accomplishment

Company-wide Competency Development System



Support system for self-improvement

System that supports the attainment of qualifications

Correspondence course assistance program

Provision of information regarding further study

Major Education and Training Programs

Name of education and training program	Duration, frequency, etc.	Target	Objective	Content of training	Remarks
Mazda Business Leader Development (MBLD)	Once a year	All Group employees in Japan and overseas	Cultivation of business leaders who have a company-wide perspective	To discuss the Company's current situation and future directions	Held every year since 2000 (except for 2009)
Global Leader Program (GLP)	Held on an irregular basis	Employees selected from Mazda Group companies around the world	To hone skills in areas including leadership, broadness of vision, and the ability to think strategically, and train the next generation of business operators to take the lead in global business	The program features practical activities such as communication with top business leaders, study at top regional universities around the world, and engagement as a team with management issues.	Established in 2002 as The Leading Mazda 21 Program, it was updated in 2007 as the Global Leader Program (GLP).
Training for communication between departments	Approx. 10 times a year	Administrative and engineering staff at the assistant manager level	To widen employees' viewpoints and expand networking within the Company (strengthen coordinated activities through inter-departmental collaboration)	Through group discussions by members of different departments on the topics of each department's role within the Company and interdepartmental collaboration, mutual understanding can be increased and changes in the way of thinking enhanced.	Implemented from FY2010 onward
Technical Olympics Training Program	Two years per employee	Select employees in the production field who are under 21 years old	<ul style="list-style-type: none"> Systematic training of young engineers Training participants to compete in the regional, national and international WorldSkills competitions 	Employees are trained in special skills so as to enter the WorldSkills competition	Training is conducted by past high achievers at the WorldSkills competition
Advanced Technical Skills Training course	Two years per employee	Select, highly skilled employees	To preserve the advanced technical skills necessary for manufacturing and hand them down from one generation of craftspeople to the next	Twenty-four courses comprising skills to pass on to new engineers are available in 13 fields: iron and casting, die casting, forging, powder alloys, heat treatment, machining, engine assembly, axle assembly, transmission assembly, press, chassis, painting, and vehicle assembly.	<ul style="list-style-type: none"> Program inaugurated in 1996 During the two-year program, one expert trains two apprentices After completing the course, students are awarded the title of Production Engineering Meister and receive the Meister Badge
Welding Skills Training Program	As needed	Welding technicians	<ul style="list-style-type: none"> To train technicians to compete in the regional and national competitions To promote the growth of individual technicians, pass on skills within Mazda and raise standards 	Specialized training is conducted with the goal of sending welding technicians to compete in the national championships	-

WorldSkills Competition Results

FY2010 Results

48th National Annual WorldSkills Competition
Gold medals in the car-painting event: 1
Gold medals in the sheet metal bending event: 1

Cumulative Results since 1962

Number of contestants from Mazda: 442
International competition winners: 6
International competition prize recipients: 25
National competition winners: 35
National competition prize recipients: 180

Data Related to the Advanced Technical Skills Training Course

FY2010 Results

Number of employees completing the course: 7
Medal with Yellow Ribbon recipients: 1

Cumulative Results since 1996

Number of employees completing the course: 116
Production Engineering Meisters: 54
Hiroshima Prefecture award-winning skilled workers: 13
Contemporary Master Craftspeople: 12
Medal with Yellow Ribbon recipients: 11

Welding Skills Training Program

FY2010 Results

Prize recipients: 2

Cumulative Results since 1982

National competition winners: 7
Prize recipients: 25

Promoting a Healthy Work-Life Balance

Other FY2010 Results from Work-Life Balance Initiatives

System	Description (current as of Mar. 31, 2011)	Started	FY2010 Results
Super-Flextime Working System	Introduced to maximize results by supporting a balance between each employee's private life and working life. It is a flextime system with no set core working hours.	Oct. 2010	Utilized at 80% of administrative- and engineering-field workplaces
"Take your child to work" day	This program offers employees an opportunity to invite their families to the place where they work, providing families with a deeper understanding of the work employees do.	Aug. 2008	-
Go Home Early Campaign	By streamlining operations, the Company has reduced the long working hours for divisions not directly connected with production. Examples of this initiative include no-overtime days and setting mandatory lights-out times.	Sep. 2007	Ongoing
Paid Leave for JICA Activities	Employees participating in Japan International Cooperation Agency (JICA) volunteer activities are entitled to take paid leave for these activities.	Apr. 2007	-
Promoting understanding of the support system for balancing work and childcare (company-wide distribution of a special pamphlet)	Mazda distributes an easy-to-understand pamphlet explaining its measures to promote a healthy work-life balance, using information such as feedback from employees who used the system. The goal is to disseminate information to promote further understanding of these measures.	Feb. 2007	Ongoing
Mazda Flex Benefit System	A selective benefit system. Individual employees can seek the type of assistance that most suits them by choosing from a number of preset benefit options within the points they have.	Oct. 2001	All employees
Benefit program to support employees' environmental conservation and social contribution activities	As part of the Mazda Flex Benefit System, employees can apply their points toward compensation of the costs incurred during volunteer activities they perform. This system is also extended to employees who participate in JICA activities.	Oct. 2001	7 instances
Promotion of planned use of paid leave	Labor and management cooperate to streamline and standardize work processes, helping to create an environment in which employees take the initiative in planning for and using their paid vacation days.	Ongoing	Ongoing

Initiatives with Employees Additional information

Mazda Mutual Aid Union

The Mazda Mutual Aid Union has its foundations in the spirit of mutual assistance for all members.*¹ Funded by mutual membership fees (from both members and the Company) as well as special contributions from Company, this organization provides various types of assistance to its members and their families.

Marriage, Childbirth, and Child-Rearing Support

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

Child-rearing leave payments

¥30,000/month will be paid to members who take leave under the child-rearing care leave system

Long-Term Care Support

Long-term care leave payments

¥30,000/month will be paid to members who take leave under the long-term care leave system

Family long-term care relief payments

¥50,000/year will be paid to members whose spouse is in a state requiring long-term care (as defined by the Ministry of Health, Labour and Welfare) for a continuous period of one year or more

Education Support

Educational expenses loan

A loan of up to ¥1 million per child (deferred loan) will be offered when a member's child enters university graduate/undergraduate studies, junior college, or a vocational or technical school

Payment of subsidies for raising disabled children

¥50,000/year will be paid in support of child development to members whose child possess a grade 2 disability or higher

Other Support

Payments of money as condolence following a disaster

Up to ¥160,000 will be paid in condolence if a member or his/her parents' home are adversely affected by a disaster

Emergency loan

A loan of up to ¥500,000 (deferred loan) will be offered to members who are in mourning, hospitalized, on leave from work for injury/sickness, the victim of a disaster, etc.

Injury/sickness leave payments, long-term medical relief payments, and injury/sickness leave special payments

- ¥5,000 will be paid each time a member takes leave of one month or more for injury or sickness
- ¥30,000/month will be paid for a long-term (three months or more) period of leave (if long-term leave results in the member not receiving his/her bonus, the member will receive a special payment of up to ¥100,000)

Financial aid for members hiring an in-home helper

Child-rearing support financial aid for members hiring a babysitter

Financial aid for advanced medical treatment

Monetary condolence gifts and farewell gifts, financial support for survivor's pensions funds and scholarship pension funds, etc.

The Company implements short- and medium-term human resource exchanges throughout the Group as a whole, through the Global PDC (Global Personnel Development Committee) and other means, to enable a diverse range of employees to succeed on the global stage regardless of their country of origin or place of employment.

Occupational Safety and Health

One Mazda Movement for an Enjoyable Workplace Three-Year Plan

Mazda will create enjoyable workplaces based on safety and health by implementing the Safety and Health Creed: Preventing accidents by attaining zero risk in five key areas^{*2} based on the safety management system

1. Management and employees will work as a team to encourage individuals to proactively minimize safety risks and improve safety skills
2. Mazda will make efforts focused on employee satisfaction and aim to prevent any further hazards that fall under Working Environment Assessment Classification 3^{*3}
3. Mazda will systematize its activities to support mental health and achieve lifestyle improvements, and promote independent health management by individuals and workplaces
4. Mazda will expand global safety and health activities, and encourage improvements throughout the Group

General Safety and Health Committee

Mazda has established the General Safety and Health Committee, whose members include management executives (executives responsible for safety and health, and each division's general managers) and labor representatives (Mazda Workers' Union leaders). In line with official agreements, committee members meet to discuss and decide each year's action plan and priority measures concerning safety and health.

Occupational safety and health activities extend to all companies in the Mazda Group. Specifically, these activities include sharing of information by safety and health committee observers, workplace observation and guidance, and educational support.

Safety and Health Management System

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

Contents of the Management System Initiative

Mazda performs risk assessments to prevent accidents before they happen. The Company also implements system audits and evaluations to support the appropriate implementation of the system. These processes are part of the PDCA (plan-do-check-act) cycle, which Mazda applies on an ongoing basis.

FY2010 Internal System Audit Results

- Performed audits for all applicable divisions and departments (27 divisions, 116 departments)

*2 Five key areas: safety, hygiene, health, fire prevention, road traffic
*3 Indicates working environment measurement results and working environment evaluation results.

•Assessment Classification 3: improvement is necessary (improve to reach Classification 2 or 1)
•Assessment Classification 2: needs attention (work toward reaching Classification 1)
•Assessment Classification 1: good condition (maintain current state)

Ensuring Diversity

Global Employment Opportunities

Mazda is proactively working to ensure equal employment opportunities by various means, including the development of fair recruitment processes adapted to the circumstances of different countries and regions.

*1 Directors and regular employees, as well as those approved by the governing board.

Risk Assessments

Since 2005, Mazda has conducted risk assessments at all facilities to determine potential dangers and risks in manufacturing, development, management, office operations, and other processes, in order to determine suitable countermeasures. Through these efforts the Company reviews and identifies risks each year, improving the level of workplace safety.

Education and Training Concerning Occupational Safety and Health

Mazda conducts safety and health training within the Company, throughout the Group and with suppliers (Toyukai Cooperative Union*1)

Contents of main educational and training programs at Mazda (non-consolidated)

- Number of participants in educational and training programs: 5,599 (programs held in FY2010)
- Safety and health training prescribed by the Occupational Safety and Health Law is provided (information provided to Group companies and suppliers)
- Prediction trainer training, with the aim of achieving zero accidents
- Newly appointed safety and health managerial and supervisory personnel

Main educational and training programs for Group companies and suppliers

- Safety and health management
- Training to enhance the skills of safety and health management and supervisory personnel
- Training for work-related risk prediction and traffic risk prediction

Health Maintenance and Improvement

Health Checkups

In addition to legally prescribed health checkups for all employees, Mazda carries out comprehensive medical checkups covering a variety of areas for employees when they reach the ages of 30 and 35, and when they pass the age of 40. Based on the results of these health checkups, the Company also promotes health by offering guidance through Company doctors and nurses, and diet rallies*2 to combat obesity. Mazda is committed to taking every possible measure to protect employees' health.

Health Checkup Data

Percentage of employees receiving health checkups: 100%
Number of comprehensive medical checkups (ages 30, 35, 40 or more): 12,501 (Breast cancer and uterine cancer examinations are available for interested employees)
Number of general regular medical checkups: 16,804
Number of specific medical checkups: 1,620
Number of overseas medical checkups: 280
Number of people receiving personal guidance on the basis of health checkup results: 1,095
Number of employees receiving specific, personalized healthcare guidance: 183

*1 The Toyukai Cooperative Union consists of 65 vehicle parts and equipment companies that are direct or indirect trading partners with Mazda, and is a union organization that actively engages in initiatives with a constant awareness of the need to put "quality first." It was founded in 1952 by Mazda and 20 collaborating companies that have trading relationships with the Company, with the aim of promoting friendly relations among members and improving welfare, as well as developing a system for cooperating with Mazda. The Company offers advice and support to this group from a safety viewpoint by introducing safety information and participation in safety training provided by Mazda.

*2 Diet rallies are a way of supporting dieters by means of e-mail and websites, including individual advice and progress-checking among participants.

Preventing Health Problems and Accidents Due to Overwork

In April 2003, Mazda initiated a system where Company doctors conduct interviews with employees who work more than a certain amount of overtime and nurses offer guidance to prevent potential sickness resulting from overwork.

In July 2007, Mazda started a No-Overtime Week system in which these employees are prohibited from working overtime and from working on holidays. The Company has introduced a health status check tool called the SEE Check, which comprises health checks of members by supervisors. It covers sleeping (Are you sleeping enough?), eating (Are you eating well?), and enjoyment (Are you finding time for hobbies and enjoying life?).

Mental Health Measures

Mazda's mental health measures include the adoption of the Warm Heart Declaration in 2003, which provides for active cooperation between labor and management to promote employees' mental health. In addition, the Mazda Warm Heart Plan was formulated and is being implemented on an ongoing basis. Specifically, Mazda has developed a consultation system comprising a team of Company doctors (four full-time and one part-time mental health occupational physicians) and 26 public health nurses. The Company conducts ongoing seminars for managers, supervisors, and other employees, as well as stress diagnoses known as "vitality checkups" to assess the condition of individuals and the organization, and support for employees who have taken time off to get back to work. This support system has been expanded throughout all Group companies in Japan, and the "vitality checkup" program was introduced at Mazda Engineering & Technology (Mazda E&T) in FY2010.

Main Initiatives

- Labor and management cooperated to establish the Mental Health Project and construct a company-wide support system (2007)
- Mazda introduced occupational stress diagnoses known as vitality checkups for all employees to reveal individual and organization-level risks (2008)
- Based on the results of the vitality checkups, Company doctors, nurses, and workplace managers cooperate to follow up on individuals and improve workplaces (2008)
- Mental health training for managers is conducted on an ongoing basis. An "Advanced Course" involving applications of the basic training implemented in 2008 has been launched (2009)
- Expansion of self-care training for employees

Main Mental Health Care Measures and Related Data

(Participants)
Self-care seminar (autogenic training): 52 (cumulative total: 1,700)
Self-care seminar (communication training): 1,023
Mental health training on demand: 1,266
Line-based care (basic seminars for staff in charge of mental health): 631
Line-based care (advanced): 315
Training for new managers and supervisors: 266

Various Measures to Prevent Lifestyle-Related Diseases at Mazda (non-consolidated)

Data on Measures to Prevent Lifestyle-Related Diseases

Percentage of employees who smoke: 32.0%
 Number of employees receiving nicotine patches / guidance: 184
 Number of Diet Rallies (diet seminars making use of the corporate Intranet): 116
 Walking
 Number of participants in the "10,000-steps Challenge"/ Percentage of employees who achieved 10,000 steps per day: 8,232 / 43.7%
 Mazda Active Walking
 Smile Course (2,000 km/year): 2,682 participants
 Steady Course (2,500 km/year): 1,060 participants

Non-Smoking Measures

Mazda has set a long-term target of reducing the percentage of smokers in the Company to 27.0% or lower, aiming for a smoking rate*1 lower than that of European and North American countries that lead anti-smoking efforts. To this end, Mazda offers full individual support and promotes a non-smoker friendly environment. Thanks to these efforts, smoking has seen a continuing decline at Mazda. Since 2003, Mazda has had a company-wide smoke-free day, which has been implemented once a month since FY2010. In addition, the Hofu Plant has undertaken a voluntary initiative, establishing one smoke-free day per week.

Walking to Improve Health

Mazda set 50% or more employees achieving 10,000 steps a day as a revised goal in FY2009, and in FY2010 the Company promoted walking through the "10,000-step Challenge" (with the goal of walking 10,000 steps a day), which is held two times per year for indirect employees. Mazda provides tools on the Company Intranet that help employees record their distances walked, thus increasing their interest in walking, in order to support improvements in employee health, and the Company has also established an in-house walking course. Furthermore, the Company promotes walking through the Eco-Walk Commuting Program (with allowance payment).

Lifestyle Improvements and Preventing Metabolic Syndrome

In April 2008, specific medical checkups and healthcare guidance became mandatory, and the Company has launched programs offering specific medical guidance (for both individuals and groups) by public health nurses and trainers. In FY2010, public health nurses and trainers provided individual guidance to 183 employees.

Encouraging Healthy Eating

Starting in FY2009, a new type of healthy meal that is low calorie, low salt, and uses high-fiber ingredients, is being offered as a regular part of the Company lunch menu.

Prevention of Falling Accidents and Measures to Help Aging Employees

Mazda has independently developed and introduced performance safety tests and fun exercises to prevent falling accidents and protect aging employees in directly related departments. In comparisons between pre-introduction and post-introduction periods among employees 50 years of age or older, balance and alertness have improved. In indirectly related departments, "Zoom-Zoom Stretching Exercises" are being implemented to increase leg strength. They help workers to develop healthy bodies and prevent falling accidents.

As the labor pool ages, these initiatives are gaining attention in the occupational health field; research results have been presented at the National Institute for Occupational Safety and Health (NIOSH) in the United States, and information on the initiatives has been provided to the Japan Safety & Health Association. In addition, a large number of inquiries are being received from both within Japan and overseas.

Measures for Employees on Overseas Assignment

Mazda distributes copies of its *Kenko Tsushin* ("Health Bulletin"), offers e-mail consultations and provides traveling health consultations.

*1 Approx. 28%, according to 2005 data.

RESPECT FOR HUMAN RIGHTS

Mazda regards respect for human rights as fundamental to its corporate activities, and is actively and sincerely committed to human rights protection activities.

Basic Approach

Mazda regards human rights as fundamental to its corporate activities.

Mazda believes that a friendly, productive workplace in which employees respect the dignity and individuality of their coworkers is essential. Such a workplace harnesses the capabilities of its employees and is a source of great strength to the organization. With this in mind, Mazda adopted the Human Rights Declaration in November 2000. The declaration states that Mazda must never tolerate human rights violations of any kind, including discrimination and bullying on the basis of race, nationality, faith, gender, social status, family origin, age, physical disability, or sexual orientation, and also states that Mazda is determined to eliminate human rights violations from business activities both inside and outside the Company.

Human Rights Declaration (November 2000)

Mazda will strive to become the leading company in Japan for respecting human rights and for the ethical treatment of its employees

Rules/Guidelines

In order to increase employee awareness of Mazda's fundamental approach to respect for human rights, Mazda felt it was necessary to further clarify Company policies and standards for action among employees. Mazda established the Guidelines on Eliminating Sexual Harassment in 1999 and the Rules to Eliminate Human Rights Violations in 2000, prohibits any activity that may infringe on an employee's human rights, and created a list of rules and guidelines to ensure a good working environment.

Systems for Promoting Human Rights

The Human Rights Committee, comprising executive officers and division general managers, deliberates on human rights activities, and based on their decisions the Compliance Administration Department promotes human rights education activities and resolves issues throughout the Group. At Mazda, each division manager leads the division's activities as the human rights protection promotion officer, and human rights protection officers lead activities at each Mazda business location as well as at Group companies in Japan and overseas. Exchanges of opinions among Group companies take place on a regular basis. Serious human rights violations within the Group are reported to Mazda's compliance officer or other senior executives, providing a framework that enables the implementation of group-wide solutions.

Human Rights Promotion System



Human Rights Counseling by Dedicated Counselors

Mazda has set up a Human Rights Counseling Desk and a Female Employee Counseling Desk, which are 24-hour counseling desks for employees that provide advice on human rights topics and prompt counseling to victims of human rights violations, offering responses and solutions to human rights problems.

Mazda has set out regulations mandating strict confidentiality, guaranteeing immunity from reprisals, and ensuring that no disadvantage will accrue to employees who request consultations. Counseling is offered face-to-face, or via telephone or e-mail. The Counseling Desk works to respond to consultations within 24 hours, with the goal of rapidly improving the workplace environment for the affected employee.

The Counseling Desks are managed by the Compliance Administration Department, and responses are reported to the Human Rights Committee and used for purposes including formulating more effective company-wide policies and implementing educational activities.

Training and Educational Activities

To raise awareness of human rights, Mazda requires all employees to consider human rights issues by participating in training programs and educational activities.

The status of employees' human rights awareness is gauged based on the results of questions related to employee human rights created for an employee awareness survey taken once a year. These results are referred to during revisions of activities and measures aimed at improvement.

Human Rights Training

Mazda holds obligatory human rights training programs for employees when they are promoted in rank or position. The Company also holds event-based training such as human rights lectures for directors and senior managers.

President's Message During Human Rights Week

Through transmission of a message about human rights once a year by the Company's president, Mazda aims to cultivate an atmosphere of respect for human rights within the Company.

Other Human Rights Education Activities

Human Rights Meetings (four times a year for on-site workers, twice a year for workers in divisions indirectly connected with production)
Human Rights Cards (distributed to employees when they are hired), buses with human-rights-related promotions on the outside
Display of human rights panels (Tokyo Head Office, Mazda R&D Center Yokohama: twice a year)

Results of Initiatives

In March 2008, Mazda was awarded the Human Rights Merit Award by Japan's Ministry of Justice and the National Federation of Consultative Assemblies of Civil Liberties Commissioners—the first corporation in Japan to receive this award.



Activities at Group Companies in Japan and Overseas, Collaborating with External Organizations and Contributing to Local Communities

Respect for Human Rights Additional information

Activities at Group Companies in Japan and Overseas

Based on its “One Mazda” concept, Mazda is committed to promoting human rights activities in its Group companies. Based on the Mazda Human Rights Declaration’s basic principles and with reference to the Rules to Eliminate Human Rights Violations, the Guidelines on Eliminating Sexual Harassment, and other guidelines, Mazda maintains a set of rules and guidelines that take into account the conditions in each country where they are applied. Through these efforts, the Company strives to protect human rights at all companies throughout the Group.

There is also regular information exchange between human rights officers at Mazda (non-consolidated) and each Group company. Depending on the circumstances of the particular company, Mazda may also take steps such as providing training/education tools or dispatching instructors.

During FY2010, Mazda undertook various measures including introduction of e-learning programs at Group logistics companies, human rights training for administrative staff at dealers in Japan, and provision of materials for Human Rights Meetings held at Mazda Group companies around the world.

Collaborating with External Organizations and Contributing to Local Communities

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

Major FY2010 initiatives

- Holding and participating in events in Fuchu-cho, Hiroshima (location of the Mazda Head Office), and other parts of Hiroshima Prefecture, including the prefecture’s “Human Festa” (festival)
- Holding of lectures in Yamaguchi Prefecture, Shimane Prefecture, and other parts of Japan

THIRD-PARTY OPINION

It is my pleasure to submit the following third-party opinion with respect to the CSR activities of Mazda Motor Corporation and its Group companies in Japan and other countries, as expressed in the Mazda Sustainability Report 2011.



Mika Takaoka
Professor
College of Business
Rikkyo University

● Strong Points

The report explicitly recognizes, as stated in the Top Message, that “technologies that are implemented not in just a few models but in a wide range of vehicles, and that have ample scope for future development” are necessary to “provide driving pleasure as well as outstanding environmental and safety performance.” Based on this recognition, Mazda announced its new SKYACTIV TECHNOLOGY in fall 2010 and pledged to improve average fuel economy by 30% (compared with 2008 levels) by 2015. In fact, the facelifted Demio has already achieved 30.0 km/L, the highest fuel economy in its class. Moreover, Mazda has set a target of implementing SKYACTIV TECHNOLOGY in 80% of its vehicles by FY2015. True to its word, the Company is working to develop environmental technologies for as many vehicle types as possible, rather than a limited selection of high-profile models. The development and implementation of such broadly applicable technologies is consistent with Mazda’s stated ambition to reduce environmental impact on society as a whole. I applaud this steadfast, sincere management stance coupled with CSR activities through core business activities.

In terms of environmental protection activities, Mazda deserves plaudits for framing its efforts in the Mazda Green Plan 2020, the Mazda Group’s mid-term environmental plan toward 2020. This plan explicitly subdivides all of the Group’s environmental measures, in domains ranging from energy and global warming to environmental management, into the categories “vehicles and vehicle technology” and “manufacturing, logistics, office operations, social contributions, etc.” and sets numerical targets for 2020 (2015 in some cases). The specific nature of

these undertakings testifies to the Group’s high level of environmental consciousness.

The Mazda Group also took steps to promote CSR activities among its suppliers through its establishment in July 2010 of the Mazda Supplier CSR Guidelines. These Guidelines stipulated criteria for selecting suppliers, including quality, technical capabilities, price, delivery and management, as well as compliance structure and initiatives to protect the environment. I believe these Guidelines will have the effect not only of building positive relationships with business partners, but also of promoting and strengthening social responsibility across the entire Mazda supply chain. By executing a wide range of activities in compliance and social responsibility, with a purview extending beyond Group companies in Japan and overseas to the entire supply chain, the Mazda Group is taking important steps to protect against risks to its CSR brand.

I also gained the impression of a broad range of initiatives in other areas, such as work-life balance and diversity. The ability to gather people with a wide range of perspectives and values, working together based on a common understanding of on-site information, is an indispensable condition for robust enterprise growth. The Mazda Sustainability Report 2011 clearly lists the results of similar measures in FY2010. Some of these achievements are especially noteworthy, such as the effective use of on-site daycare facilities and the steady increase in the representation of women in senior management. I would be pleased to see Mazda continue its proactive stance in implementing these measures going forward.

● Points That Can Be Further Improved

The Mazda Group is a global business organization, with eight overseas locations for production and over 80% of its sales accounted for outside Japan. In the future, it will be important for Mazda to link its operations in Japan with its initiatives overseas to protect the environment, contribute to society, and demonstrate respect for the employees who are the Group’s greatest management resource. In the next fiscal year’s report, I would like to see a fuller exposition on these points.

I’m also concerned about duplication in Mazda’s CSR

communications, as main pages of the online and booklet versions carry overlapping information. Next year, perhaps Mazda could consider condensing the booklet version into a digest of a more detailed online version. Alternatively, the Mazda Group could move to a special-feature format, focusing on the content it is especially keen to communicate. With the implementation of improvements such as these, I believe the Mazda Group could significantly raise the bar in effective CSR communication with stakeholders, both within and outside the Group.



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