CREATING A SYSTEM THAT ENRICHES PEOPLE’S LIVES

Recognizing Social Issues

According to the 2020 White Paper on Information and Communications in Japan (published by the Ministry of Internal Affairs and Communications), Japan has been called as a country with advanced challenges. The country began to experience a declining population and aging society prompted by a falling birthrate sooner than other countries, while also facing the increasing concentration of its population in urban centers. In recent years, various issues have become apparent.

In urban areas, daily traffic jams and congestion have caused extended traveling and commuting times and other problems that lead to social losses. Meanwhile, areas in rural Japan where no public transportation is available have expanded, due to reduced and discontinued public transportation services such as trains and buses. As a result, freedom of mobility in everyday life is limited for people who have difficulty using private vehicles as their main means of transport.

As measures to effectively fulfill these mobility needs of local communities with different characteristics and issues, expectations are running high for Mobility as a Service (MaaS*). Amid ongoing discussions nationwide about MaaS in Japan, the automotive industry is striving to develop related technologies and create mobility service systems.

Mazda’s Approach to Resolving Issues

Reasons for Addressing Social Issues

Mazda predicts that around 2030, against the backdrop of global digitalization and widespread use of work efficiency improvement tools, the automotive industry will seek to increase convenience by linking cars and communications systems, offering various services one after another. Making the selection of which convenience-oriented services to provide a decision of significant value. Metropolitan areas with advanced infrastructure built to accommodate a greater concentration of people should be able to resolve any concerns or inconveniences regarding mobility with little difficulty, thanks to the development of shared services as well as expanded vehicle use and services, which will become comparable to those of public transportation systems.

On the other hand, depopulated areas in hilly and mountainous regions of Japan will continue to suffer a lack of transportation means due to the disappearance of public transportation services, making it harder for local residents—particularly the elderly and people with special needs—to get around. This issue will also involve regional revitalization, which cannot be resolved by merely providing relevant services alone.

Mazda will leverage available car and connectivity technologies to help create a community where local residents help one another and facilitate human interaction, assisted by drivers from both within and outside the community.

Approach to Resolving Social Issues

Mazda aims to evolve connectivity technologies to further cultivate connections among people and between people and society, thereby building a social contribution model that will enrich lives in the region by offering safe, secure, and unrestricted mobility to people everywhere. At the same time, the Company will move forward with initiatives to enhance brand value through active social contributions capitalizing on the strength of a vehicle manufacturer.

Five Types of Regions Identified to Promote Japanese-style MaaS

<table>
<thead>
<tr>
<th>Regional characteristics</th>
<th>Regional issues</th>
<th>(1) Metropolitan area</th>
<th>(2) Metropolitan suburban</th>
<th>(3) Local urban</th>
<th>(4) Suburb/Depopulated area</th>
<th>(5) Tourist destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population size: Large</td>
<td>• Response to diversifying mobility needs</td>
<td>• Lack of information about potential demand</td>
<td>• Daily traffic jams and congestion</td>
<td>• Reliance on private cars</td>
<td>• Reliance on private cars</td>
<td>• Lack of secondary transportation and provision of tourism transportation in rural areas</td>
</tr>
<tr>
<td>Population density: High</td>
<td></td>
<td>• Lack of first-/last-mile transportation services and connectivity</td>
<td>• Local congestion due to events, weather, etc.</td>
<td>• Decrease in convenience and profitability of public transportation</td>
<td>• Decline in local transportation</td>
<td>• Need to facilitate smooth movement of foreign visitors to Japan, whose numbers are rapidly increasing</td>
</tr>
<tr>
<td>Transport system: Primarily trains</td>
<td></td>
<td></td>
<td></td>
<td>• Insufficient transportation for non-car owners and elderly people who have returned their drive's license</td>
<td>• Expansion of areas where no public transportation is available</td>
<td>• Finely tuned response to diversifying tourism needs</td>
</tr>
</tbody>
</table>

* Mobility as a Service (MaaS): An integrated transport service of search, reservation, payment, etc. that optimally combines multiple public transportation and other travel services in response to the travel needs of each local resident or traveler on a trip-by-trip basis

The above table was created by Mazda based on the "Outline of the Interim Report from the Roundtable on New Mobility Services for Cities and Rural Areas of the Ministry of Land, Infrastructure, Transport and Tourism."

MAZDA SUSTAINABILITY REPORT 2022