



MAZDA INTEGRATED REPORT 2025

CONTENTS

SECTION 01
MAZDA'S VALUE CREATION APPROACH

- 3 Corporate Philosophy and Brand Value Management
- 4 At a Glance
- 5 Message from the CEO
- 12 Communication with Stakeholders Supporting Mazda
- 13 History of Growth
- 15 Value Creation Process
- 17 Megatrends and Key Issues (Materiality)
- 19 Sustainability Promotion

SECTION 02
VALUE CREATION ROAD MAP LEADING UP TO 2030

- 21 2030 Vision and the Management Policy Up to 2030
- 23 Message from the CFO
- 29 Data Highlights

SECTION 03
VALUE CREATION INITIATIVES

Human Resource Strategies and Digital Transformation

- 31 Message from the CHRO
- 35 Human Resource Strategies
- 39 Message from the CIO
- 41 Digital Transformation and AI Transformation Initiatives

Brand Value Management Initiatives Targeting the Markets

- 43 Message from the CEO of U.S. Market
- 47 Message from the CEO of Mexican Market
- 49 Message from the General Manager of Japan Sales
- 51 Performance by Market

Lean Asset Strategy

- 53 Message from the CSO
- 56 Collaborative Projects with Various Partners
- 57 Lean Asset Strategy
- 59 Multi-Solution Strategy

Mazda Monozukuri Innovation 2.0

- 63 Message from the CTO
- 67 Mazda Monozukuri Innovation 2.0
- 71 Human-Centric Research and Development—Efforts for Uplifting Customers' Minds and Bodies
- 72 Human-Centric Research and Development—Realization of an Automotive Society That Offers Safety and Peace of Mind
- 74 Quality
- 75 Message from the CSCO
- 79 Structural Transformation of Supply Chain

Variable and Fixed Cost Reduction

- 81 Message from the Officer Responsible for Oversight of Cost Reduction

Pursuit of Zero Environmental Impact

- 83 Carbon Neutrality
- 85 Disclosure Based on TCFD Recommendations
- 87 Resource Circulation

SECTION 04
VALUE CREATION FOUNDATIONS

Governance

- 89 Corporate Governance
- 95 Respect for Human Rights
- 97 Message from the Officer Responsible for Oversight of Administrative Domain, Compliance, and Risk Management
- 98 Compliance Enhancement Initiatives to Prevent Type Designation Application Issue Reoccurrence
- 99 Compliance
- 101 Risk Management
- 103 Stakeholder Engagement
- 105 Discussion Between Outside Directors

SECTION 05
DATA SECTION

- 109 Eleven-Year Summary of Consolidated Financial Statements
- 111 Product Lineup
- 113 Company Profile and External Recognition

00
CONTENTS

01
MAZDA'S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

03
VALUE CREATION
INITIATIVES

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

Purpose of the Production of the Integrated Report

The purpose of the integrated report is to communicate the values that the Mazda Group creates in the medium and long term to a wide range of stakeholders, including shareholders and investors, by comprehensively using both financial and non-financial information.

Editorial Policy

Mazda's integrated reports are published to inform stakeholders of the Company's vision, growth strategies, value creation initiatives, and corporate governance systems with a focus on its story of ongoing corporate growth. The Company hopes to continue to evolve its integrated reports as communication tools that contribute to engagement with its stakeholders. Mazda Integrated Report 2025 offers a detailed look at the value creation initiatives founded on Mazda's brand value management, and also contains messages from chief officers and other representatives of specific functions as well as an overview of the new medium-term human resource strategies unveiled in 2025.

Referenced Guidelines

This report was prepared with reference to the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC) (part of the International Financial Reporting Standards [IFRS] Foundation), Guidance for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry, and other guidelines.

Period Covered

The report primarily covers the period from April 2024 through March 2025, although some activities after April 2025 are included.

Organizations Covered

The entire Mazda Group, including Mazda Motor Corporation and its Group companies, is covered in this report. (When the reporting item is not applicable to the entire Mazda Group, the organizations covered are specified.)

Date of Publication

Japanese version: October 2025
English version: December 2025

Positioning of the Integrated Report

Mazda discloses information in the following formats.



Disclaimer

This report includes future projections for the performance of Mazda Motor Corporation and its Group companies 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.

Abbreviations used in Mazda Integrated Report 2025 include the following:

- BEV: Battery electric vehicle
- HEV: Hybrid electric vehicle
- MHEV: Mild hybrid electric vehicle
- PHEV: Plug-in hybrid electric vehicle
- The term “large products” refers to the CX-60, CX-70, CX-80, and CX-90 models of sport utility vehicles (SUVs) that Mazda offers in countries around the world.

Cover photograph shows the new Mazda CX-5

The automotive industry is currently facing a once-in-a-century turning point. To respond to the opaque outlook, the Mazda Group has clearly defined its purpose and goals to ensure that everyone at the Group is united as we advance toward the future. Specifically, we established a corporate philosophy in 2023 to guide us as our North Star. This philosophy is based on the aspirations and passions that have driven us since the Company's founding in 1920 and has been shaped by the path we have walked thus far.

CORPORATE PHILOSOPHY

PURPOSE

Enrich life-in-motion for those we serve

PROMISE

Uplifting experiences, emotionally and physically

VALUES

Radically human/Challenger spirit/*Omotenashi*

Mazda's brand value management is among the most important aspects of its execution of this corporate philosophy.

Brand Value Management

Brand value management is the philosophy of providing value that resonates with customers and other stakeholders to form emotional bonds that deepen feelings of trust and attachment to the Mazda brand and ultimately enhance corporate value.

00
CONTENTS

01
MAZDA'S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

03
VALUE CREATION
INITIATIVES

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

AT A GLANCE (FY MARCH 2025)

Financial Data

Net sales

5,018.9 billion yen

Operating income

186.1 billion yen

Capital expenditures

148.4 billion yen

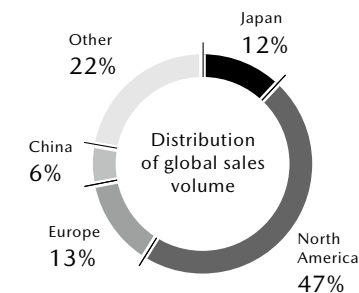
Research and development costs

168.0 billion yen

Non-Financial Data

Global sales volume

1,302,544 units



Number of sales countries and regions

More than 130

Production sites

8

Employees
Consolidated

48,783*1

Consolidated subsidiaries

71

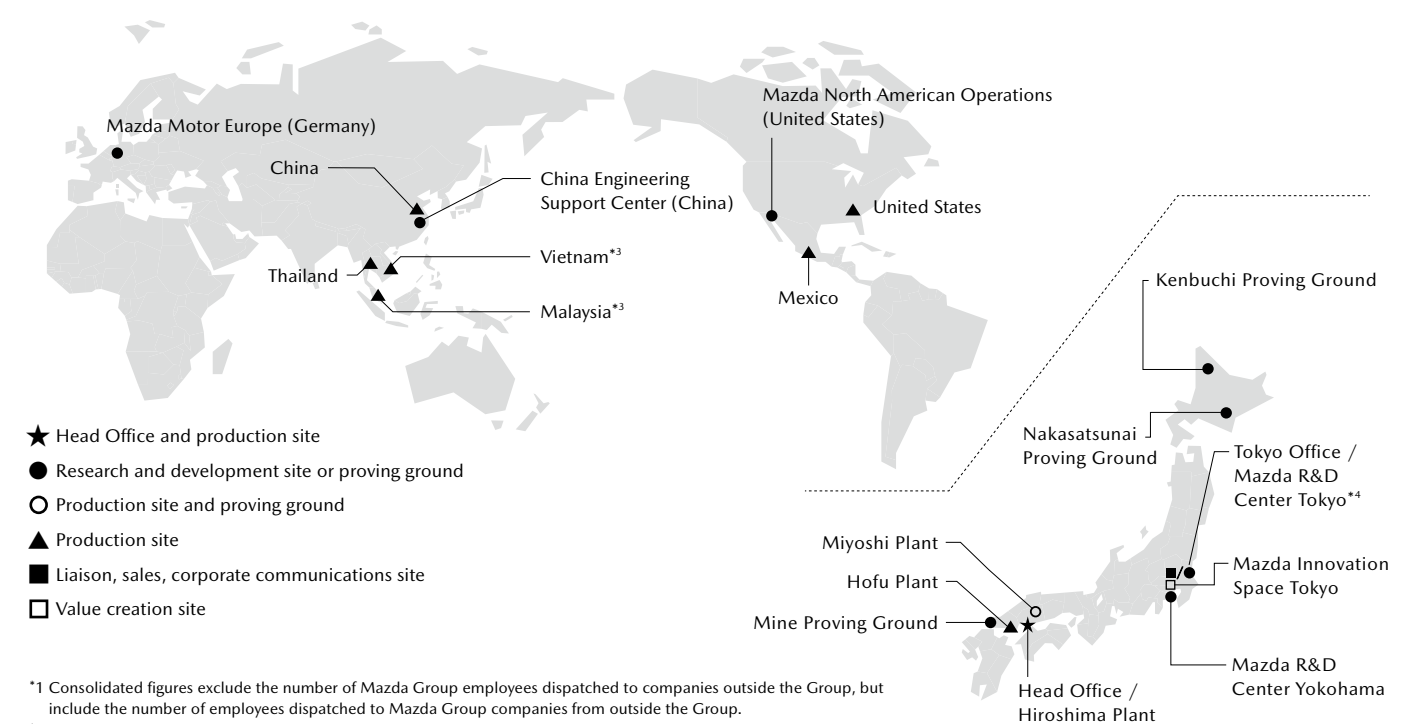
Non-consolidated

23,391*2

Equity-method applied companies

20

Global Network



*1 Consolidated figures exclude the number of Mazda Group employees dispatched to companies outside the Group, but include the number of employees dispatched to Mazda Group companies from outside the Group.

*2 Non-consolidated figures exclude the number of Mazda Motor Corporation employees dispatched to other companies, but include the number of employees dispatched to Mazda Motor Corporation from other companies.

*3 Figures include local assembly only (production volume is not disclosed).

*4 Mazda R&D Center Tokyo was established in July 2025.

MESSAGE FROM THE CEO



Masahiro Moro
Representative Director, President and CEO

Mazda addresses management issues by practicing brand value management. This is how we work continuously to enhance corporate value and exercise our corporate philosophy.

Q. What is Mazda's vision for the future, and what does the Company value today?

Times are changing, and these changes can be seen across society and industry alike. One area of change is the evolution of AI and digital technologies, which are transforming values and the ways business is conducted. The automotive industry is not immune from these changes. This is why we must deliver a type of mobility value that goes beyond transportation—value that connects people with one another and with society, and that aligns with their lifestyles.

Climate change has made people more curious about vehicle electrification. At the same time, the rise of automotive software and progress in generative AI technology are fundamentally transforming vehicle development, production, and service experiences. These are all changes that we must contend with, and we will do so as we seek to continue to create human-centered value.

We strive to provide mobility that empowers people in their everyday lives. This does not simply mean providing the joy of driving; we must also make living each day more enjoyable for every Mazda customer.

When it comes to *Monozukuri* (engineering and manufacturing), our focus has always been people. Cars are made for people. This belief is at the heart of our *Monozukuri* philosophy. It is this conviction that guides the hands of the designer who sculpts clay to bring it to life. It is this dedication that directs the eyes of the technician who uses masterful techniques to shape quality. And, it is this commitment that spurs the passion of the engineer who seeks new pinnacles of driving experience tailored to our bodies and senses.

Mazda proudly calls Hiroshima its home. Rooted in this resilient city, which remarkably rebuilt itself after experiencing immense devastation during World War II. Drawing inspiration from Hiroshima's history of overcoming adversity, Mazda continues to advance confidently on its journey to

achieve success on the global stage. Now, some 80 years since the end of the war, I cannot help but be reminded of how we have continued to be propelled by the power of people. After the war, it was the perseverance and the tenacity of the people of Hiroshima that drove the reconstruction efforts. This perseverance, this tenacity, can still be found in Mazda's corporate culture, even today.

Our road has always been a bumpy one, even as we have surmounted the challenges of achieving mass production of rotary engines and becoming the first Japanese car manufacturer to claim victory in the Le Mans 24-Hour Endurance Race. However, it is the challenges we have overcome that have instilled perseverance and faith in the potential of people so firmly into our core values.

No matter how society may change, no matter how technologies may evolve, we must never abandon our focus on providing value that matches people's sensibilities and lifestyles. If every day we live our purpose to enrich people's lives, I am confident that customers will continue to choose Mazda.

Brand value management is our approach toward making decisions on how to act based on our conviction in all areas of our business. Mazda seeks to be a company that is always desired and valued by society, and we are committed to integrity, flexibility, and passion as a human-centered company.

Q. Could you please explain Mazda's approach toward brand value management?

Brand value management is the philosophy of providing value that resonates with customers and other stakeholders. This philosophy guides us in forming emotional bonds that deepen feelings of trust and attachment toward the Mazda brand and, ultimately, in enhancing our corporate value.

People are always our focus, and the customer's perspective is what guides all of our decisions and our actions. We don't just want Mazda vehicles to be more functional and higher-performing; we want our products, services, and brand experiences to exude the unique essence of the Mazda brand. The joy of driving and our craftsmanship, Japanese-aesthetic designs, and the principle of *Omotenashi*, or hospitality, are all core elements of this essence.

This brand essence helps us enrich customers' lives, bring them joy, and make them feel happy about their connection with Mazda and their desire to maintain this bond. We strive to make Mazda a brand that offers this type of value.

We inject brand value management into everything we do, whether that be marketing strategies, product strategies, development, production, sales, human resource

development, financial strategies, or sustainability initiatives. We're always working to take this approach to the next level. Rather than just focusing on things like short-term sales volumes and financials, we look to inspire feelings of understanding and trust in customers, offer a sense of pride to employees, ensure the long-term satisfaction of shareholders, and fulfill our social responsibilities. This is how we practice brand value management and secure a consistent competitive edge.

Brand value management is not merely a strategy or slogan; it is a cherished part of our core management philosophy. We are committed to this philosophy for one simple reason: we want to be a company that moves people emotionally.

Despite being based in Hiroshima, a long way away from Tokyo, Mazda has been able to continue delivering cars to some 130 countries and regions around the world. This is because of our strong commitment to creating products that resonate with people, even with our limited resources, and the tenacity that has allowed us to tackle the challenges we have faced. We have always been committed to creating value that connects with customers on an emotional level and to building trust through enduring relationships.

Still, I can't deny the fact that sales volumes and economies of scale are often major points of conversation when discussing the automotive industry. Scale is, of course, important to a point. However, we also have to be competitive. If Mazda is only focused on getting bigger, it won't be able to set itself apart from its rivals. The number of vehicles we can produce must not be our primary focus. Rather, we must think about why we make certain vehicles and why people continue to choose the Mazda brand. This might be more difficult, but it is the best way of getting to the heart of what we need to do to create value.

As we explore this topic, we must devote our efforts to enhancing our brand essence, our very identity, and to building emotional bonds with customers through our cars.

Q. What factors are you emphasizing in management in this current period of turbulent change?

These are some truly uncertain times, and we're seeing significant changes that no one could have predicted. The United States is increasing tariffs. Geopolitical risks are on the rise. Raw material prices and foreign exchange rates are growing increasingly volatile. And, the timetable for transitioning to electrified vehicles is being reworked on a global

MESSAGE FROM THE CEO

basis. Efficiency alone won't be enough to keep us afloat in times like these; we must anticipate and adapt to changes if we hope to survive. For this reason, we are adapting by acting as an “intentional follower” in the transition toward BEVs and implementing our Lean Asset Strategy P57. These efforts are already beginning to produce results. Through these efforts, we will flexibly respond to market trends so that we can better focus on brand value and growth fields.

The Management Policy up to 2030 is our compass for management. During the first phase of this policy, we built the financial base we'll need for the future as well as the frameworks that will support our transition to electrification. As we move toward the next stage, we are selectively concentrating our businesses and resources to make Mazda more resilient as a company.

I always like to emphasize the need to take stock of those areas that we can control. I also seek to make swift and measured decisions by examining various possible scenarios ahead of time. We cannot allow ourselves to become beholden to the operating environment. Rather, we must maintain sufficient levels of production and employment, even amid challenging conditions. We also must continue to generate cash by raising return on invested capital. It is only from within the Company that we'll find the strength to stand strong in the face of change.

If we hope to be both sustainable and growing amid the uncertainty we see today, we'll need to strengthen both our management efficiency and our resilience to change. Variable and fixed cost reduction will be an important priority for this reason. Fortunately, this is an area where we can exercise control. Meanwhile, digital technologies and software are becoming an increasingly integral part of automobiles. To adapt, we have to move away from the conventional automobile manufacturer-led vertical integration approach toward vehicle development. Instead, we should adopt a new co-creation-oriented approach in which we work together with our various partners as equals. We also need to implement structural reforms that span all segments of the supply chain to ensure that our production activities are both high quality and competitive.

I also have another important responsibility as the leader of Mazda: I must present a vision and a purpose that inspire everyone who engages with Mazda—including employees, business partners, community members, and customers—to take pride in their work and in what they do. As a leader, it is my duty to demonstrate, through my words and through my actions, the commitment and goals that shape our decisions

and our business. This duty doesn't change no matter how uncertain the times may become.

Mazda's history is one of overcoming challenges. As someone who was also shaped by this history, I want to lead us in blazing our trail toward the future. I will also be attentive and receptive to the voices of frontline employees and customers.

Q. Could you please explain Mazda's Lean Asset Strategy?

Our Lean Asset Strategy describes our unique management approach of selectively concentrating our limited management resources. The goal of this strategy is to create brand value and improve capital efficiency.

Companies in the automotive industry generally need to devote massive amounts of capital toward investments and R&D. Our approach, however, is a bit different. With the Lean Asset Strategy, we emphasize our brand and the importance of ensuring that our management is lean yet robust. We choose this approach by looking at how we can succeed and win over customers. This is in contrast to an approach of blindly pursuing increases in scale. We are not being conservative here; we are making an aggressive bid for growth.

We invest in areas that are critical to our brand essence, like the joy of driving, our masterful *Monozukuri* techniques, and Japanese-aesthetic designs. We do so to refine our value. We also collaborate and co-create with partners who share our ambitions. Such joint efforts are mainly done in areas where we need scale and standardization to be competitive. I think this is a good way to boost capital efficiency, quality, and competitiveness.

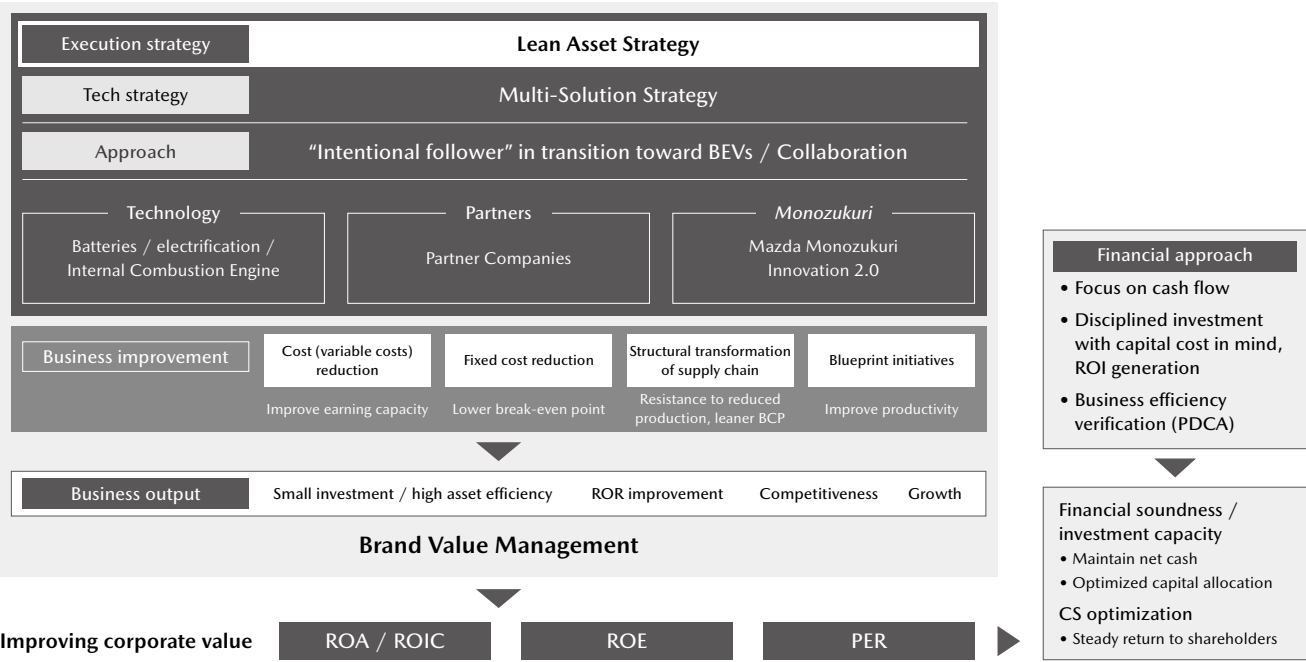
The Lean Asset Strategy is our means of optimizing our asset portfolio and partnerships from the perspective of brand value. This cornerstone of management is a driving force behind improvements in asset turnover, return on equity, and other management indicators.

Mazda is armed with a propensity for coordination and with flexible strengths and creativity that suit its small stature. We will use these tools to create value and improve efficiency so we are the brand customers choose.

The Lean Asset Strategy also reflects our stance toward choosing where to focus and where to be flexible given our smaller scale. We arrived at this strategy exactly because the automotive industry is currently seeing such great change. By this change, I refer to developments like the trends toward carbon neutrality and electrified and more-intelligent vehicles.

This approach can be seen in our BEV initiatives. We are leaving the development of battery cells to our partners.

00	01	02	03	04	05
CONTENTS	MAZDA'S VALUE CREATION APPROACH	VALUE CREATION ROAD MAP LEADING UP TO 2030	VALUE CREATION INITIATIVES	VALUE CREATION FOUNDATIONS	DATA SECTION



However, we also plan to build a battery assembly plant in Japan. We think this plant will be important for enhancing our technological prowess in processes related to module design and packaging, both of which are critical to cell performance. We will not be building a dedicated BEV factory. At Mazda, we use a mixed production approach in which we utilize the same production lines to produce the full spectrum of vehicles, everything from internal combustion engine vehicles to HEVs, PHEVs, and BEVs. This will let us manufacture BEVs with an initial investment that is 85% less than what we would need to spend to build a dedicated factory. This approach also allows us to respond more flexibly to demand.

In other words, the Lean Asset Strategy is not just about streamlining; it is our unique way of achieving both flexibility and earning power by looking at how best to create and supply Mazda's distinctive value.

However, we can't carry out this strategy alone. For this reason, we're open to co-creation with partners who share our ambitions. By working with partners, we are able to respond flexibly to the changing times. We remain committed to refining the value that makes Mazda the brand

customers choose and to shaping the future together with our trusted partners. Our flexibility and our dedication are core components of Mazda's brand value management approach and the Lean Asset Strategy.

Q. What technology goals will Mazda be working toward going forward?

The guiding principle for our R&D activities is creating the greatest amount of distinctive value using our limited resources. We are not a company that can win based on our size alone. Therefore, we must look at what approach toward technology is best suited to Mazda so that we can carefully and strategically choose where to allocate our resources.

This approach can be seen in our Multi-Solution Strategy P59 and our model-based development efforts. Another element of this approach is “Sustainable Zoom-Zoom.” We announced this outlook in 2007 to compile the element technologies we expect to need over the long term. “Sustainable Zoom-Zoom” is guiding us in building frameworks for flexibly accommodating diverse electrification solutions related to HEVs, PHEVs, and BEVs.

MESSAGE FROM THE CEO

Our Multi-Solution Strategy is not all-encompassing. This strategy is more a reflection of our Building Block concept, which itself is about combining technologies in a phased manner by working backward from when we expect CO₂ emissions reduction technologies to take hold in the global market. There are a lot of markets where the best possible solution might be a combination of internal combustion engine and electrification technologies. This means that we can stay competitive by flexibly adapting our technologies to various customer needs and energy-related circumstances.

The automotive industry is at a major turning point. We see this in how the value of vehicles is increasingly being defined by their software, rather than by their hardware. We established the Integrated Control System Development Division, a dedicated software control division, about a decade ago to guide widespread model-based development efforts as we approach this turning point. We're rebuilding our technology platforms to create virtual environments for integrated control of vehicle behavior and software development. The goal is to let us better express Mazda's distinctive joy of driving through software.

This is one of the reasons Mazda has been working together with multiple partners to develop electrical/electronic architecture. No matter how much we work with others, however, our unique qualities—the sense of meaning and intuitive feel we deliver through driving—will continue to be something we craft ourselves. We will focus on putting people at the center of technological advances in our future vehicle development activities.



Q. How will Mazda contribute to carbon neutrality and to the realization of a sustainable society?

Carbon neutrality is not a goal for companies; it is an important responsibility toward future generations of people around the world, something we need to do to ensure companies can continue to survive. Mazda has set a shared, global, long-term goal of achieving carbon neutrality by 2050. This goal is not an empty promise, but rather something that shapes what we do on a daily basis.

To accomplish this goal, we look to achieve overall optimization. Driving isn't the only time cars release CO₂. We see CO₂ being emitted during all stages of the vehicle life cycle, whether that be resource extraction, production, logistics, use, disposal, or recycling of automobiles. We have to reduce emissions across all of these stages if we want to contribute to a sustainable society—one of our most fundamental responsibilities.

On our path toward complete carbon neutrality, our interim target is to make Mazda's global factories carbon neutral by 2035. We're already working toward this goal through initiatives based on three pillars: energy conservation, shift to renewable energy, and introduction of carbon-neutral fuels. Specific examples of what we're doing include bolstering solar power generation facilities at factories, utilizing off-site power purchase agreements in collaboration with local power producers, and conducting verification tests for adopting alternative fuels for thermal power generation.

Mazda is also teaming up with research institutions and companies to encourage society to embrace carbon-neutral fuel technologies that move us closer to truly zero emissions in vehicle production and all other stages of the vehicle life cycle. In this manner, we look to do more than just fulfill our responsibility as an automobile manufacturer—we want to help shape the future together with communities, industry, and members of the younger generation.

Q. What are your thoughts regarding management efficiency and shareholder returns, and in what ways do you aim to enhance corporate value?

The global economy is getting even more uncertain. The market is therefore placing pressure on companies to become more intrinsically competitive and to make their growth models sustainable. In the automotive industry, we are finding ourselves on the receiving end of more scrutinous inspections, which look at, among other factors, how we adapt to technological progress and revise our business portfolio as well as at our capital efficiency and shareholder return policies.

It is thus more important than ever for companies to look for ways to balance medium- to long-term growth potential and short-term capital efficiency if they want to maintain trust. We believe that corporate value is not about one-time earnings or stock prices; it is something that should be gauged by how well a company is achieving ongoing growth and returns using limited resources.

Mazda aims to enhance corporate value through skillfull management while taking advantage of its distinctive strengths, like its Lean Asset Strategy and Mazda Monozukuri Innovation 2.0 P67. We are doing this by maximizing capital efficiency, as opposed to downsizing assets, through structural reforms to development, production, and sales functions. We're also taking a deep look at how to balance invested capital and development speed so that we can deliver value to customers on an even shorter cycle.

To enhance profitability given our amount of capital, we're turning our attention toward improving return on equity to achieve the best possible balance between shareholder returns and growth investments. We have been working to build a financial base that can support long-term investments, investments in people and electrification, and increases to net cash since FY March 2022. Thus, we have been able to maintain a flexible and healthy financial base that is resilient to changes, which has kept us safe from

damage to shareholder value, even in the face of global financial instability and disadvantageous trade policies.

The transparency of our corporate policies and our engagement with the market are also important to enhancing corporate value. The market doesn't just see companies as a bunch of numbers; it looks at the intent behind those numbers and how a company acts based on that intent. This is why we work so hard to be concise in how we communicate our value creation story to the market. Such concise communication is imperative to building long-term, trusting relationships with our shareholders and other investors.

At the risk of repeating myself, we are taking a unique approach with the goal of becoming the brand customers choose without being dependent on scale. To this end, we are pursuing the ideal balance in terms of forward-looking investment, shareholder returns, and profitability improvements. This is how we look to enhance corporate value.

We also recognize the link between sustainability and the joy of driving. We want to use our own technologies and insight to create harmony between people, cars, and society with the mobility we provide. We have no intention of halting on this path, and will continue to tackle the challenges that appear along the way.

Q. What are your thoughts regarding Mazda's people and the mobilization of organizational capabilities?

People are our greatest asset—it is the power of our people that drives our value creation. The passion and skills of our people are what ultimately give form to our vehicles and what allow us deliver our brand value to society. This will not change, no matter how technologies may evolve. We've made human-centered management a part of Mazda's essence for this reason. This is why enhancing our human capital is considered to be an underlying principle for management, and this is not limited to formulating systems and measures.

A fundamental part of leadership is to put forth a vision, or a goal. A leader must then encourage employees to think and act on their own accord to move toward this vision. Transformation starts at the front lines. For this reason, I place a spotlight on teams in the field and listen to them so we can craft our vision for the future together. I must personally stand at the front lines and lead through action if I want to build trust within the organization. I also really value opportunities to talk to people at frontline sales and production organizations as well as to the stakeholders who support us.

MESSAGE FROM THE CEO

Mazda gives form to this approach through initiatives for maximizing the potential of its people and its organizations. These initiatives are based around the concepts of learning, culture, and co-creation.

In terms of learning, Mazda is enhancing its education programs with a focus on digital technologies, software, and global applicability. For example, we're expanding opportunities for reskilling and gaining experience in new areas to help employees be the author of their own career path. We also want to assist employees in becoming more knowledgeable and flexible as professionals so that they can better adapt to change.

When it comes to culture, we are advancing Blueprint, large-scale organizational culture reform initiatives that target all employees. These initiatives promote communication and understanding among employees across all areas of the organization in hopes of cultivating a healthier and more open workplace environment so that everyone can grow and succeed as their authentic selves. Our goal is to ensure that everyone at Mazda, no matter what their values or background, respects one another and can exercise their specific talents.

As for co-creation, we value the insight of and communication with frontline organizations. In our quest to make co-creation a normal part of operations, we encourage the sharing of knowledge between divisions and promote collaboration with our partners. We expect these efforts to drive process improvements and contribute to an environment that fosters future leaders.

We're also utilizing AI and other digital technologies to digitally transform our work processes. Specifically, we want to make routine processes more efficient. In this manner, we hope to allow employees to focus more on the creative work that drives brand value management. The MAX Project Office was established in September 2025 for the sole purpose of facilitating these initiatives by spreading AI use throughout Mazda. In fact, the "MAX" portion of the name is an acronym for Mazda AI Transformation. This organization is truly a symbol of our commitment to the use of AI. The MAX Project Office will work to drastically transform Companywide processes with the goals of doubling process speed and massively increasing productivity. These gains will be a major part of ensuring that Mazda can continue to grow even in uncertain times.

We also want to make Mazda a place where people feel empowered and are able to work in good physical and mental health. Health and productivity management is an approach we have adopted to help our people grow, and we

hope that they can become the type of people who contribute to their community and to society for their entire lives.

Corporate governance is also an important part of management. Mazda approaches governance through both culture and rules. The Board of Directors respects the opinions of outside directors. We also emphasize the importance of engagement and transparency in managing organizations, and work to ensure that management hears the voices of our employees.

If we have faith in the potential of our people, and work to draw out this potential, it will no doubt support the Mazda of the future. Through diligent, human-centered management, I hope to help everyone at Mazda have a sense of pride in their role and feel personally invested in our transformation and growth.

You'll find messages from executives responsible for various duties at Mazda in this report. I hope you will take the time to read these messages so you can get a feel for our thoughts and goals as these individuals explain, in their own words, Mazda's unique value creation and other initiatives. I would also like to thank our shareholders and investors for their continued support, trust, and confidence in Mazda's course. We value your support, and we pledge to communicate more to help you fully understand our goals in the future.



Representative Director,
President and CEO

COMMUNICATION WITH STAKEHOLDERS SUPPORTING MAZDA

The president visits factories, dealerships, and other frontline organizations to gain an understanding of their issues and takes the time to speak with the various stakeholders who support Mazda. This diligent communication enables Mazda to share, in a timely manner, information on conditions at the Company with the representatives of business partners and dealerships and with investors. Meanwhile, the GARAGE@MAZDA* internal communication site is used as a venue for providing employees with concise and accurate information on the thoughts of the president and conditions affecting the Company. These efforts are being conducted to heighten engagement and build bonds of trust.



Visit by President and CEO Moro to Changan Mazda Automobile Co., Ltd.



Dealership conference in the United States



President and CEO Moro speaking with journalists and other press members



Blueprint President Session



GARAGE@MAZDA internal communication site

* In 2022, Mazda digitalized the internal newsletters to create the GARAGE@MAZDA internal communication site. The site is updated eight to 10 times per month on average, with a diverse lineup of articles and videos, including messages written personally by the president (entitled "President's Journal"), introductions of workplace activities, and messages from customers. This framework for timely information provision and exchange between employees via comments is encouraging communication among employees and has resulted in an ongoing rise in page views, which reached a monthly average of 200,000 in 2024. Moreover, in July 2025 the site won Gold Awards (second place) in the online and app newsletter and all mediums categories of the 2025 iteration of the Company Newsletter Awards, a national competition for company newsletters sponsored by wis works, Inc.

HISTORY OF GROWTH

Course of Enriching Life-in-Motion for Those We Serve Over 105 Years

1920–

Broadening of operations from cork manufacturing to machinery

Originally founded in Hiroshima City as part of efforts to rebuild the management of a cork manufacturer, Toyo Cork Kogyo Co., Ltd. began broadening the scope of its operations, entering into the machinery business and eventually into the automotive business with three-wheeled trucks. It was at this time that the Company relocated its Head Office and factory to the Mukainada area, where founder and then-president Jujiro Matsuda was born.

1945–

Growth into full-line automaker in conjunction with reconstruction of Hiroshima

Overcoming the turmoil that followed World War II, Mazda began to streamline and rationalize its business while at the same time entering into the passenger car market and expanding its product lineup to include vehicles ranging from micro-minis to midsize trucks. Then, in 1970, the Company began full-scale exports of automobiles to the European and North American markets.

1970–

Creation of unique value proposition for the global market

After surmounting the management crisis resulted from the 1973 oil crisis, the Company proceeded to release such hit automobiles as the Mazda Familia (Mazda 323) front-wheel drive model and the Mazda Bongo (Mazda E-series) as part of its unique customer-oriented value proposition. The globalization of its business was further accelerated by a capital tie-up with Ford Motor Company, empowering Mazda to accelerate R&D activities and release numerous unique products.

1995–

Provision of the joy of driving with outstanding safety and environmental performance

After the collapse of Japan's bubble economy, Mazda found itself restructuring management as a constituent of the Ford Group. It was at this time that Mazda sought to clarify exactly what constituted its unique identity and purpose. Beginning in 2002, this approach inspired us to launch new vehicles that thoroughly embraced Mazda's unique brand DNA. This was also when Mazda began using its brand message of "Zoom-Zoom" as an expression of the joy of driving it sought to deliver. This desire evolved into sustainable R&D activities aimed at endowing Mazda vehicles with outstanding environmental and safety performance.

2015–

Ambitious transformation driven by brand value management and co-creation

To guide its pursuit of carbon neutrality, Mazda announced its Multi-Solution Strategy, which entails the optimal deployment of internal combustion engine and electrification technologies in accordance with the respective needs. We also began to ramp up collaboration with partners who shared our aspiration while evolving our human-centric development philosophy and Mazda Monozukuri Innovation initiatives. These principles formed the cornerstone of our efforts to make Mazda the brand customers continue to choose by clearly defining our unique value proposition and cherishing our emotional connections with customers.

Corporate and Management Milestones	1920	Founding of Toyo Cork Kogyo Co., Ltd. in Hiroshima	1945	Production of three-wheeled trucks resumed just four months after the atomic bombing of Hiroshima	1970	Entry into U.S. market and establishment of local sales company	1996	Launch of Mazda Digital Innovation activities	2017	Entry into business and capital alliance with Toyota Motor Corporation
	1931	Relocation of Head Office and factory from Yoshijima Town to Fuchu Village (currently Fuchu Town) to manufacture three-wheeled trucks	1966	Construction of new passenger car plant in Ujina	1982	Commencement of full-scale operations at Hofu Plant, Nishinoura District	2014	Commencement of mass production at new factory in Mexico (Mazda de Mexico Vehicle Operation)	2021	"Sustainable Zoom-Zoom 2030" announced
Product and Technology Milestones	1921	Start of production of compressed cork board	1967	Introduction of Mazda Cosmo Sports (Mazda 110S), Mazda's first rotary engine vehicle	1984	Change of company name to Mazda Motor Corporation				
	1931	Launch of Mazda-Go Type-DA three-wheeled truck			1987	Commencement of operations at first overseas factory (Mazda Motor Manufacturing USA Corporation)	2010	Announcement of next-generation Skyactiv Technology and new KODO design theme	2022	Start of sale of Mazda CX-60 as first large product category offering
					1989	Launch of Eunos Roadster (Mazda MX-5/MX-5 Miata) two-seater convertible	2012	Launch of Mazda CX-5 Crossover SUV	2023	Launch of Mazda MX-30 Rotary EV, a PHEV powered by a rotary engine
					1991	Victory by Mazda 787B in the Le Mans 24-Hour Endurance Race, claiming the first victory for a Japanese automobile				

1927
Change of name from Toyo Cork Kogyo Co., Ltd. to Toyo Kogyo Co., Ltd.



In light of the volatility of demand in the cork industry, the Company entered into the machinery field, an area where then-president Jujiro Matsuda had experience and a track record, in search of the greatest stability in performance. The new corporate logo introduced in conjunction with this move expressed a strong desire to contribute to the world through machinery. Our operations in this field laid the foundations for our advance into the automotive industry a number of years later.

1945
Drive to resume production and contribute to Hiroshima's reconstruction



Toyo Kogyo was quick to spring into action after the atomic bombing of Hiroshima, aggressively seeking out the necessary materials and parts in its drive to resume production. It did so while also lending aid to the injured and accommodating requests from prefectural and other government agencies to provide facilities to be used in place of their destroyed buildings. As people sought to recover from the tragedy and get back to normalcy, the three-wheeled Toyo Kogyo trucks that could be seen driving along the streets, filled to the brim with relief items, were both physically and emotionally uplifting.

1961
Development of rotary engine to create unique value proposition



Amid rumblings of restructuring in the automotive industry, the Company joined the race to develop the "dream engine" that had attracted the attention of engineers around the world as a symbol of its superior technological prowess. Determined to accomplish this goal, then-president Tsuneji Matsuda threw himself into the fray of the overseas contract negotiations that were needed to accomplish this mission. As a result of the conviction and perseverance born out of our challenger spirit, the rotary engine was finally put into practical use after six years of efforts.

1984
Vehicle development aimed at contributing to automobile culture and creating fans



After changing its company name to Mazda Motor Corporation, the Company began advocating contributions to automobile culture, adopting an approach toward vehicle development that was linked to and aimed at enriching people's lifestyles. This chapter of vehicle development at Mazda is characterized by moving designs crafted through beautiful curves. One product of this design approach was the first Eunos Roadster (MX-5/MX-5 Miata) launched in 1989, which won enthusiastic support from fans around the world for its appealing design and an exhilarating *Jinba-ittai*—a sense of oneness between driver and vehicle—driving feel.

2007
Pursuit of constantly exciting vehicles based on "Sustainable Zoom-Zoom"



Seeking to provide all customers with a joy of driving backed by outstanding environmental and safety performance, Mazda announced its Building Block concept, which called for it to pursue increases to the fundamental performance of widely used internal combustion engine vehicles, instead of focusing exclusively on the latest eco-friendly vehicles. Our Skyactiv Technology is a central component of this concept and was the driver of numerous technological breakthroughs that elevated our vehicles to new levels in terms of both driving feel and fuel economy.

2017
Evolution of Soul Red color exemplifying KODO design

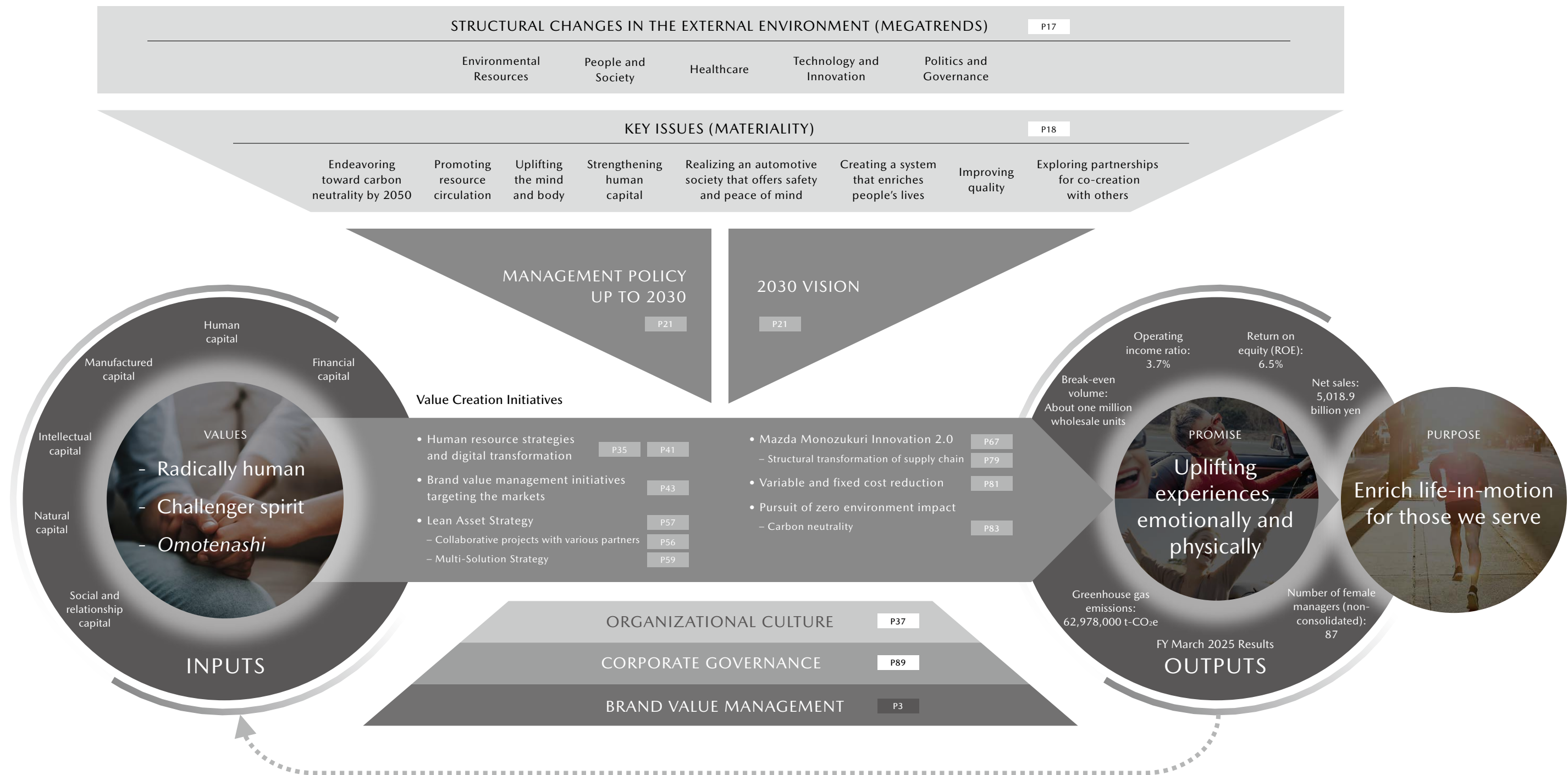


Soul Red, a long-standing color representing a strong sense of vitality and speed expressed by *KODO* design, was evolved in conjunction with the transition to an even more elegant and luxurious design philosophy. The result was the birth of Soul Red Crystal, a new flagship color that is both energetic and vivid while also being luxurious and profound. Our painting technologies were also evolved to better express how we cherish emotional connections with customers.

VALUE CREATION PROCESS

Amid a changing operating environment, Mazda has defined its medium- to long-term vision as the 2030 Vision and has put forth the Management Policy up to 2030 to shape efforts toward the realization of this vision. Guided by our brand value management, we have positioned corporate governance and organization reforms as the foundation for supporting these efforts. Based on our values of Radically human, Challenger spirit, and *Omotenashi*, everyone at Mazda seeks to fulfill the Promise to stakeholders and to society of

delivering “uplifting experiences, emotionally and physically” and the Purpose of “enrich life-in-motion for those we serve” described in our corporate philosophy. Our efforts to accomplish these objectives through the creation of value are advanced through human resource strategies, digital transformation, market-oriented brand value management initiatives, our Lean Asset Strategy, and Mazda Monozukuri Innovation 2.0 activities.



MEGATRENDS AND KEY ISSUES (MATERIALITY)

IDENTIFICATION AND REVIEW OF MATERIALITY THEMES

Based on the opinions of experts and various other external stakeholders as well as opinions from both management and relevant divisions, we identified the social issues that the Mazda Group should address, which were compiled and disclosed as key issues (materiality) in July 2016. Amid the growing worldwide interest in environmental, social, and governance (ESG) issues seen in the subsequent years, expectations from stakeholders became more specific and the social environment affecting the Mazda Group underwent some changes. In response to these changes, the Company commenced a review of its materiality themes in FY March 2018. Through this review, in 2021 we identified the social issues that the Mazda Group should address through its business and clarified and disclosed the relationship between these issues and the Sustainable Development Goals (SDGs) and targets adopted by the United Nations. Then, in response to the updates to the medium-term management plan and Management Policy up to 2030 announced in November 2022, Mazda once again reviewed its materiality theme.

In addition, we have updated the targets for directly operated factories and offices in Japan for FY March 2031 contained in our targets related to the materiality theme of endeavoring toward carbon neutrality by 2050.

MATERIALITY REVIEW AND IDENTIFICATION PROCESS

In reviewing its materiality themes, Mazda took into account two perspectives. The first was the perspective of stakeholders in reference to the SDGs adopted by the United Nations and the details of surveys conducted by global ESG rating organizations. The second perspective was the importance to the Mazda Group in relation to, for instance, business initiatives for enacting the Management Policy up to 2030.

STEP 1 | Selection of social issues

To select social issues from the stakeholders' perspective, Mazda analyzed and clarified what investors and the global society expect of the Company from the details of surveys conducted by global ESG rating organizations. As for the importance to the Mazda Group, specific issues described in the Management Policy up to 2030, "Sustainable Zoom-Zoom 2030," and the Company's securities report were analyzed so as to select the social issues.

STEP 2 | Evaluation of impact and prioritization of social issues

Mazda identified potential priority issues to be tackled by evaluating the social issues selected in Step 1 according to two axes: Impact on stakeholders*1 and impact on the Mazda Group.*2 The Company also clarified the themes to be addressed from a long-term viewpoint by correlating these themes with the 169 targets of the SDGs.

STEP 3 | Validation

To validate the priorities of themes identified in Step 2, discussions were held with management to reach a consensus regarding the priorities.

STEP 4 | Disclosure of materiality themes

A specific action plan is currently being prepared to ensure steady implementation of the materiality themes identified in Steps 1–3 and follow up on the progress. The materiality themes that Mazda recently identified and an action plan that will be formulated henceforth will be disclosed to stakeholders. By periodically evaluating and revising the materiality themes and plan, Mazda will implement a plan–do–check–act (PDCA) process.

*1 Expectations for the Mazda Group and the automotive industry

*2 Risks and opportunities for the Mazda Group

MEGATRENDS

Environmental Resources
Rising environmental needs

People and Society
Diversification of values
Increased urbanization

Healthcare
Population aging

Technology and Innovation
Advancements in AI
and other technologies

Politics and Governance
Global polarization

00
CONTENTS

01
MAZDA'S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

03
VALUE CREATION
INITIATIVES

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

MATERIALITY THEMES AND KEY PERFORMANCE INDICATORS

Initiatives and Guidelines Related to Eight Themes of Materiality

Eight themes of materiality	Social issues (Relevant keywords)	Mazda's initiatives, targets, and statistics	SDGs goals
"Earth"	Endeavoring toward carbon neutrality by 2050 P83	Initiatives - Efforts to reduce CO₂ emissions over a vehicle's entire life cycle from the perspective of well-to-wheel and life cycle assessment - Accumulation of technological assets in line with Mazda's Building Block concept and utilization of these assets in highly efficient manufacturing - Initiatives for achieving carbon neutrality at Mazda's global factories by 2035 based on the three pillars of energy conservation, shift to renewable energy, and introduction of carbon-neutral fuels Targets - Achieve carbon neutrality across the entire supply chain by 2050 - Achieve carbon neutrality at Mazda's global factories by 2035 - Achieve 46% or more decrease in CO₂ emissions at plants and operating sites in Japan*1 by FY March 2031 in comparison to the level in FY March 2014 (revised from prior target to align with Japanese national target) Statistics from FY March 2025 - Total Scope 1, Scope 2, and Scope 3 greenhouse gas emissions of 62,978,000 t-CO₂e*2 - Total Scope 1 and Scope 2 greenhouse gas emissions of 649,000 t-CO₂e (24% reduction in comparison to FY March 2014)*1	3 7 9 11 12 13
	Promoting resource circulation P87	Initiatives - Increase in the recyclability of new vehicles - Initiatives to promote the 3Rs (reduce, reuse, and recycle) at plants and global efforts for zero emissions and the expansion of resource recycling Targets - Resource recycling for materials: Achieve zero emissions in manufacturing and logistics processes on a global basis by 2030 - Resource recycling for water: Implement an optimal approach to water resources recycling and circulation at model plants*3 in Japan by 2030 Statistics from FY March 2025 - Resource recycling for materials*4: CO₂ emissions from logistics processes of 59,600 t-CO₂e - Resource recycling for water*5: Water intake of 5,869,000 m³ (reduction of 37% in comparison to FY March 2014)	6 9 12
"People"	Uplifting the mind and body P71	Initiatives - Creation of moving experiences in driving and mobility through human-centered approach - Evolution of Mazda's KODO design approach - Enhancement of the joy of driving	3 9
	Strengthening human capital P35	Initiatives - Cultivation of organizational culture encouraging action based on the customer's perspective - Promotion of respect for diversity and success of diverse human resources Targets - Number of female managers*4: 80 in FY March 2025, 100 in FY March 2026, and 110 in FY March 2027 - Ratio of applicable male employees taking child-rearing leave (including post-childbirth paternity leave)*4: 60% in FY March 2025, 70% in FY March 2026, and 75% in FY March 2027 Statistics from FY March 2025 - Number of female managers (manager or above) of 87*4 - Ratio of applicable male employees taking child-rearing leave (including post-childbirth paternity leave) of 60%*4	5 8
"Society"	Realizing an automotive society that offers safety and peace of mind P72	Initiatives - Promotion of technology development based on Mazda Proactive Safety original safety concept Targets - Reduce deaths caused by new Mazda vehicles to zero through automotive technologies by 2040	3
	Creating a system that enriches people's lives	Initiatives - Building of a model of social contribution that will enrich lives by offering safe, secure, and unrestricted mobility to people everywhere - Testing of a shared mobility service leveraging mobility technologies	9 11 15
Common to "Earth," "People," and "Society"	Improving quality P74	Initiatives - Promotion of consistent quality in all stages, from planning to production - Early detection and early resolution of market problems - Customer support tailored to customer needs	9
	Exploring partnerships for co-creation with others	Initiatives - Inter-company collaboration: Promotion of coordination for enhancing technological capabilities and generating synergies - Industry-academia-government collaboration: Contribution to communities by developing new creative technologies and fostering human resources capable of bringing about innovation through collaboration with local companies, universities, and government agencies	8 17

*1 Sites including Mazda's Head Office and Hiroshima Plant (Aki-gun and Hiroshima City in Hiroshima Prefecture), Hofu Plant (Hofu City, Yamaguchi Prefecture), and Miyoshi Plant (Miyoshi City, Hiroshima Prefecture)

*2 Scope 1 and Scope 2 figures are for Mazda Motor Corporation, 20 domestic consolidated subsidiaries, 10 domestic equity-method affiliates, 24 overseas consolidated subsidiaries, and four overseas equity-method affiliates.Scope 3 figures are for applicable consolidated subsidiaries and equity-method affiliates.

*3 Model plants are pilot plants where new measures are tested ahead of implementation at other facilities.

*4 Figures are for Mazda Motor Corporation (non-consolidated basis).

*5 Figures are for Mazda Motor Corporation, 20 domestic consolidated subsidiaries, and 10 domestic equity-method affiliates.

SUSTAINABILITY PROMOTION

Mazda promotes sustainability initiatives through business activities conducted in line with its Basic Policy on Sustainability.

BASIC POLICY ON SUSTAINABILITY

While striving to sincerely meet the requests and expectations of all stakeholders under its corporate philosophy, Mazda aims for sustainable growth as a company through its global business activities. The Company is determined to contribute to the

sustainable development of society through efforts to resolve various social issues by making the most of its strengths.

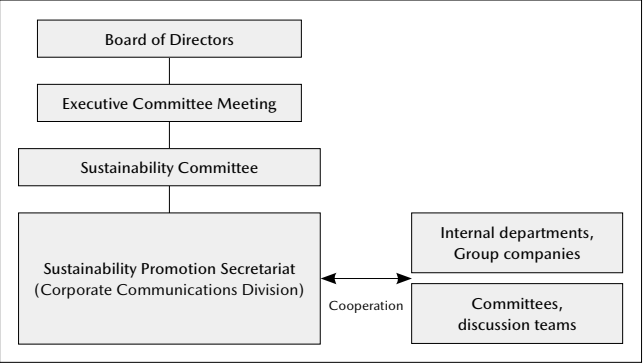
Basic Policy on Sustainability
<https://www.mazda.com/en/sustainability/about/>

SUSTAINABILITY PROMOTION FRAMEWORK

Sustainability issues have been a topic of discussion at meetings of Mazda's Board of Directors since FY March 2016. However, recognizing that more effective sustainability promotion frameworks were necessary to respond to the recent rise in interest pertaining to ESG issues, Mazda revised its Companywide promotion framework in FY March 2025. This revision entailed reorganizing and renaming the former CSR Management Strategy Committee to create the Sustainability Committee. Under this committee, we established the Mirai (Future) Subcommittee for discussing future issues and the Issue Response Subcommittee for discussing urgent issues. This framework better equips the Company to address short-, medium-, and long-term issues and to develop more effective processes and systems for responding to urgent issues. Group companies, internal departments, and committees coordinate and carry out

their duties in accordance with the initiatives, policies, and guidelines formulated by the Sustainability Committee.

Overview of Sustainability Promotion Framework



Major Sustainability Promotion Framework Reforms and Initiatives

FY March 2005	- Start of Companywide CSR initiatives - Establishment of CSR Committee
FY March 2008	Establishment of dedicated CSR Promotion Department
FY March 2009	- Integration of CSR initiatives and management - Reorganization of CSR Committee to form CSR Management Strategy Committee
FY March 2010	Establishment of dedicated CSR & Environment Department
FY March 2013	- Formulation of CSR targets - Start of implementation of PDCA cycle to promote CSR initiatives based on ISO 26000
FY March 2014	Commencement of studies to review and identify key CSR issues (materiality)
FY March 2015–FY March 2016	Disclosure of materiality review and identification process
FY March 2017	Disclosure of results of materiality review and identified items
FY March 2018–FY March 2021	Ongoing implementation of materiality review and identification process
FY March 2022	- Completion of materiality review and identification process - Identification of social issues that Mazda should resolve through its business and clarification of relationship between these issues and the SDGs - Formulation of Basic Policy on Sustainability
FY March 2023	Revision of materiality
FY March 2024	Revision of sustainability promotion framework
FY March 2025	Reorganization and renaming of CSR Management Strategy Committee to create Sustainability Committee and establishment of Mirai Subcommittee and Issue Response Subcommittee under the committee

Sustainability Committee

The Sustainability Committee discusses directives for sustainability initiatives from short-, medium-, and long-term perspectives based on changes in global social trends.

- Chair: Executive in charge of sustainability
 - Frequency: Regularly
 - Members: Members of the Executive Committee Meeting
- Note: Frequency and members vary based on discussion agenda.

The following two subcommittees have been established for discussions based on certain agenda items.

Mirai Subcommittee:

Investigation of potential risks and opportunities from a medium- to long-term perspective and discussion of Groupwide sustainability directives to support the sustainability of the Group

Issue Response Subcommittee:

Discussion of policies for addressing urgent sustainability issues based on social expectations and international sustainability regulation trends

Discussions by the Mirai Subcommittee

In February 2025, the Mirai Subcommittee began arranging discussions of issues from a diverse range of perspectives among 15 members, including talented individuals from various internal departments. These members are charting a course for Mazda's sustainability initiatives based on a vision for society in 2040, and consideration for scenario projections and the risks and opportunities that may emerge for the Group. Suggestions are made to senior management in accordance with the results of these discussions.



Meeting of the Mirai Subcommittee attended by President Moro

Promotion of Sustainability Across the Entire Value Chain

In cooperation with suppliers and dealerships, Mazda has established a system for promoting sustainability initiatives across the entire value chain. The Company places emphasis on engagement with stakeholders to ensure that its sustainability initiatives

not only comply with international rules as well as the laws and regulations of the relevant countries and regions but also respect local history, culture, and customs.



2030 VISION AND THE MANAGEMENT POLICY UP TO 2030

To support the execution of its corporate philosophy, Mazda has announced its 2030 Vision, which describes the vision it hopes to achieve by 2030, and the Management Policy up to 2030, which defines the concrete initiatives that will be advanced to move us toward this vision.

2030 VISION

To be a car-loving company that creates moving experiences through the joy of driving

- 1. Contribute to a future sustainable Earth by providing multi-solution to mitigate climate change
- 2. Contribute to a society where everyone feels safe to move freely by providing technology that proactively enhances our well-being
- 3. Contribute to each person's joy of living by delivering moving and emotional experiences

MANAGEMENT POLICY UP TO 2030

BASIC MANAGEMENT POLICIES

Based on the belief that its corporate mission is to conduct business in a manner that is responsible toward the earth and toward society, Mazda has established the following three basic management policies.

Basic Management Policy 1	Contribute to the curbing of global warming through Mazda's electrification strategies tailored to regional characteristics and environmental needs
Basic Management Policy 2	Conduct in-depth research on people and shed light on their relationship with vehicles with a view to realizing an automotive society that offers safety and peace of mind
Basic Management Policy 3	Maintain Mazda's brand value management, provide unique value, and continue to be a brand preferred by customers

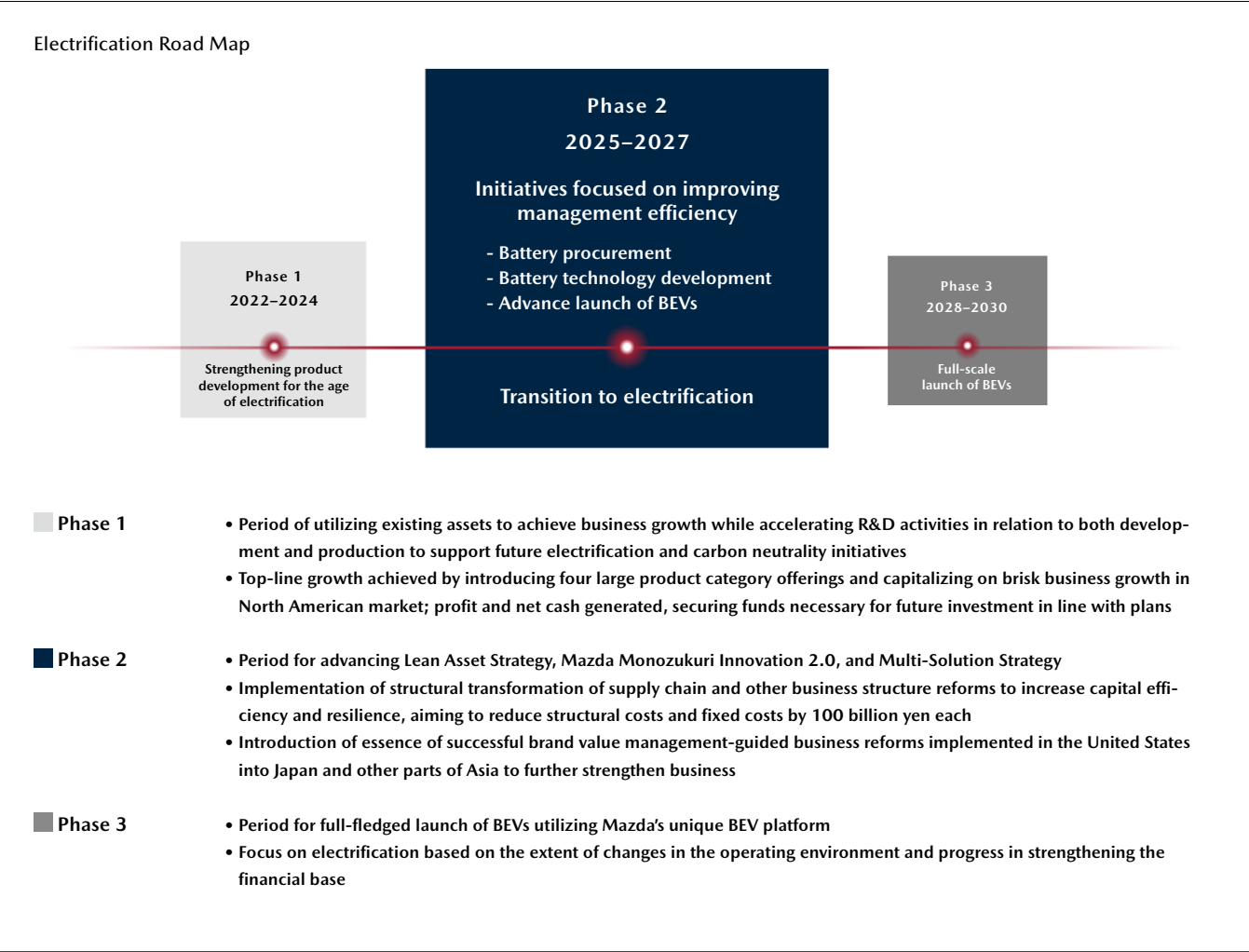
FOUR KEY INITIATIVES FOR SHAPING THE FUTURE

Based on the principles of co-creation and coexistence, Mazda values co-creation with partners when promoting collaboration projects with them. At the same time, the Company will build a framework for developing new technologies and resolving issues and further refine its own strengths. To do so, it is implementing initiatives in the following four areas.

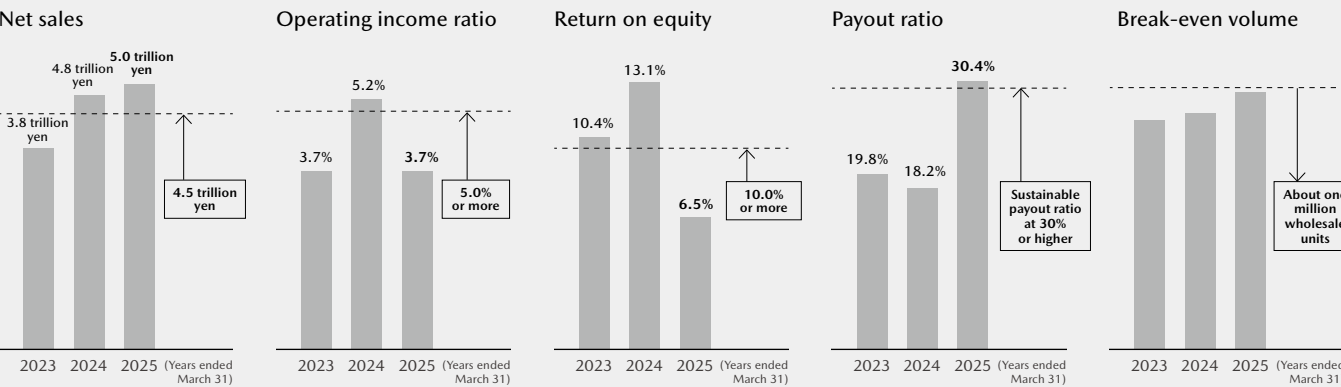
Carbon Neutrality P83	Electrification P53
Value Creation Through Co-Creation Between People and IT P31 P39	Cost Reduction and Supply Chain Enhancement P75 P81

Management Policy up to 2030
<https://www.mazda.com/en/about/vision/>

Under the Management Policy up to 2030, Mazda has defined the period leading up to 2030 as the “dawn of electrification.” During this period, Mazda strives to cater to diversifying customer needs and lifestyles by enacting its Multi-Solution Strategy to electrification, with the aim of striking the right balance between effective carbon neutrality and robust business growth. In accordance with this approach, we will advance a three-phase transition to electrification as we progress toward 2030 together with our partners.



FINANCIAL TARGETS Progress toward financial targets for FY March 2026 (final year of medium-term management plan)



MESSAGE FROM THE CFO



Mazda is executing its Management Policy up to 2030 by bringing together the strengths of employees worldwide, guided by its human-centric approach.

Jeffrey H. Guyton
Representative Director, Senior Managing Executive Officer and CFO

Q. Could you review some of the results of Phase 1 of the Management Policy up to 2030?

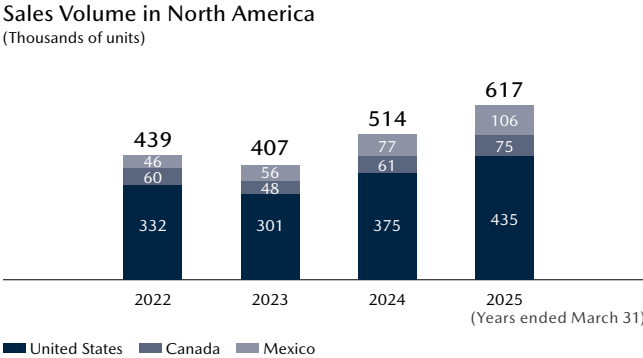
Our aim in Phase 1 was to build a stronger foundation for long-term growth and electrification by enhancing our financial performance, making targeted investments, and deepening our commitment to Mazda's Purpose—enriching the lives of those we serve, especially through the joy of driving and by fostering a special bond with our customers.

Despite facing challenging environmental changes, we were able to make progress as a cohesive team and have achieved our goals in most areas [P22](#).

One area that has been in special focus is the North American region, where sales exceeded 600,000 units for the first time. The United States and Mexico posted all-time sales records, and sales in Canada for FY March 2025 were up more than 20% from the previous fiscal year. This success reflects the culmination of a multi-year commitment to brand value management, enhanced customer experience, and the development of outstanding dealer networks, and I am highly encouraged by the outcomes.

Even in light of recent changes in U.S. trade policy, the region remains a key cornerstone of our global business, and we will continue to strengthen these strategies and initiatives while extending this model to other markets.

We also introduced a number of electrified models globally, based on our Multi-Solution Strategy. Our large platform products offer mild- and plug-in hybrid technology. The Mazda CX-50 in the United States capitalizes on our partnership

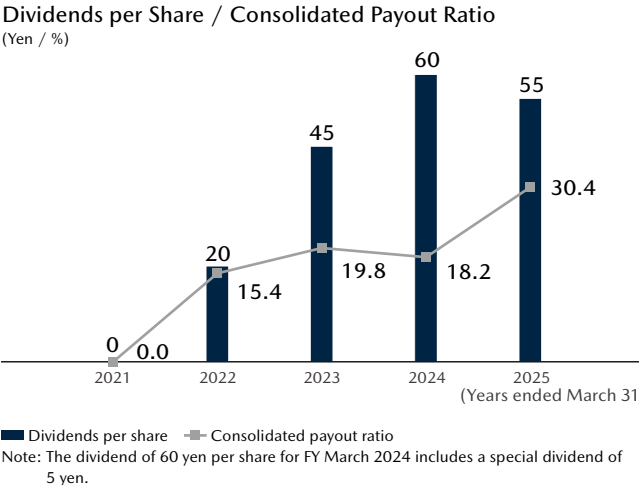
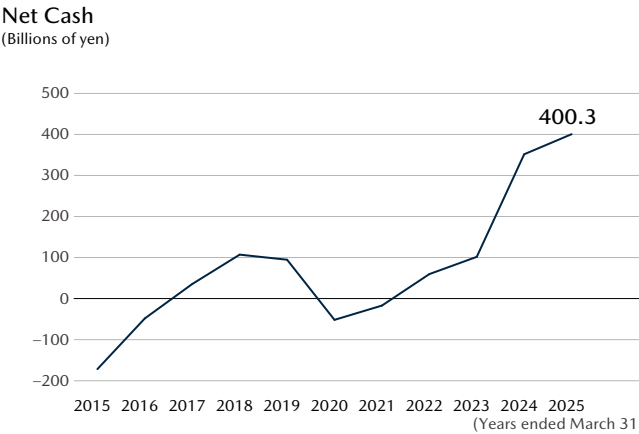


with Toyota Motor Corporation to deliver a traditional “full” hybrid system. And in China, to meet the rapidly developing demand for new energy vehicles, we launched battery electric and plug-in hybrid electric models of the Mazda EZ-6, in collaboration with Chongqing Changan Automobile Co., Ltd.

On the financial side, our net sales surpassed 5 trillion yen for the first time in FY March 2025, and operating income



was 80 billion yen higher than that of FY March 2022, the year before the launch of the Management Policy up to 2030. Importantly, we generated strong free cash flow and improved our net cash position to over 400 billion yen by the end of FY March 2025, allowing us to support a stable dividend of 55 yen per share and sustain our long-term capital priorities.



Strategically, Phase 1 was about more than just “improvement”—it was about preparing for what comes next. We’re moving forward with a clear strategic focus—and a team grounded in Mazda’s Purpose. Now, as we enter Phase 2, our priorities shift toward appropriately scaling our electrification efforts, enhancing our digital transformation and AI capabilities, improving our business resilience, and continuing to grow profitably.

Q. Speaking of profitable growth, what is Mazda’s approach to creating value in Phase 2 and beyond?

Our approach to long-term value creation is built around three core steps: transforming our internal culture, strengthening business fundamentals, and further enhancing corporate governance. Each of these is designed not just to improve financial performance, but to deepen our connection with customers and strengthen our ability to navigate the industry’s ongoing transformation.

Step 1: Build an Inclusive, Customer-Focused Culture
Over the past two years, we’ve taken a hard look at how we work as a company and worked on reforming the inefficient organizational culture that hinders internal communication, such as hierarchical barriers and interdepartmental silos within the Company. Building on successes we’ve had in Europe and North America, we brought a program called “Blueprint” to Mazda’s Head Office in Japan.

The core belief of this tailored program is that a company’s culture drives results. Through the implementation of Blueprint in Europe and North America, employees are more engaged and are able to work collaboratively and act with empathy, creating a culture that has taken root and led to higher engagement scores and improved business performance. One of the best demonstrations of this, from the early days of Blueprint (or “Pride Point” as the program is known in the United States) is something we launched in the United States during COVID-19 called Essential Car Care, or ECC. In cooperation with our nationwide dealer network, ECC offered healthcare workers oil changes, safety inspections, and sterilization of the vehicle interior free of charge. Over two months, this program brought an influx of more than 50,000 customers to dealers, 70% of whom were not Mazda drivers. At the same time, we perfectly demonstrated Mazda’s Purpose to enrich the lives in motion of those we serve. Viewed from many angles, this program was extremely successful, and I am convinced that it could not have happened without the impact of Blueprint on our culture, inspiring our employees’ creativity and empowering their quick action.

In Japan, all 23,000 employees have been engaged in conversations and workshops about Mazda’s Purpose and

MESSAGE FROM THE CFO



Blueprint session in Europe

Values, and how we can work together in a more inclusive and empowering way in service of a great customer experience. It's more than just another corporate initiative—it's a shift in mindset involving everyone, aimed at redefining our sense of purpose and mission. We've already seen encouraging signs: employee engagement scores are up sharply, cross-functional collaboration is strengthening, and our teams are increasingly energized by our shared Purpose. We believe this people-first culture will become one of Mazda's most enduring competitive advantages.

Step 2: Further Strengthen Our Business Fundamentals Brand—In North America, brand value management has already helped us achieve record sales volumes and improved customer loyalty. We're now adapting that same framework to Japan, ASEAN, and China, where we see strong potential to reinvigorate businesses that suffered volume losses post-COVID.

Back in the United States, we're taking another step forward in a deeper expression of *Omotenashi*—providing a consistently thoughtful, personalized experience. Great customer experience over the entire ownership period—not just at purchase or routine maintenance—is key to realizing further gains in loyalty.

In addition to new car sales, we will strengthen continuous touchpoints and relationships with customers and diversify the value we offer across the entire value chain, including accessories, services, subscriptions, and used cars. Through this enhancement of the value chain, we aim to improve the stability and profitability of our business.

Products—We aim to offer the right technologies and products for each market and each customer. We conduct our business in approximately 130 countries and regions. Recent product launches include the Mazda6e in Europe and the CX-50 Hybrid in North America, and we are preparing production of the upcoming compact SUV to be produced in Thailand. We plan to expand our business by beginning local production of the Mazda CX-30 in Indonesia. And we're aligning our multi-solution products to regional needs and customer preferences. We'll also be ramping up production of the next-generation Mazda CX-5 globally. This model builds on the heritage of Mazda's most popular model and is designed to meet the latest trends. As an example, drivers of the new CX-5 will benefit from significant advancements in the human-machine interface (HMI) made possible by a new electrical/electronic architecture to elevate Mazda's human-centered design philosophy. Further, in 2027 we will also introduce Mazda's own hybrid system paired with our Skyactiv-Z engine, our latest innovation on the road to ideal combustion.

For a company Mazda's size, this menu of product offerings might mean we are unable to take necessary, larger steps toward electrification. But in recent years, we have made great strides in reducing complexity within our carlines, while simultaneously strengthening and leveraging our expertise in what we call "model-based development." This allows our engineering teams to work faster, and with greater confidence in delivering high-quality results. In addition, in September 2025, we set up the MAX Project Office takes its name from Mazda AI Transformation, which we have abbreviated as "MAX," to promote the use of AI with a vision to build a 400-member organization, looking to double our corporate speed and effectiveness.

Investment Efficiency—Still, the changes to the automotive industry landscape today are of epic proportions. In 2022, Mazda estimated that we, together with our supplier partners, would need to invest 1.5 trillion yen to realize our proprietary electric vehicle technology, platform, and first commercialized models. In the highly inflationary environment since, we estimate the required investment could have ballooned to 2 trillion yen or more. In such an uncertain environment, we have deployed what we call our "Lean Asset Strategy," aiming to minimize investments, mitigate

business risks, and enhance flexibility and speed. This approach allows us to limit the investment to 1.5 trillion yen while ensuring the swift supply of products to regions where electrification is advancing ahead of others. This strategy also underpins our principle of being an "intentional follower" in the transition toward BEVs, better matching our speed of EV model deployment to customer demand, which varies widely across countries and regions. We are advancing this strategy in collaboration with key industrial partners, such as Toyota Motor Corporation, DENSO CORPORATION, Chongqing Changan Automobile Co., Ltd., and Panasonic Energy Co., Ltd.

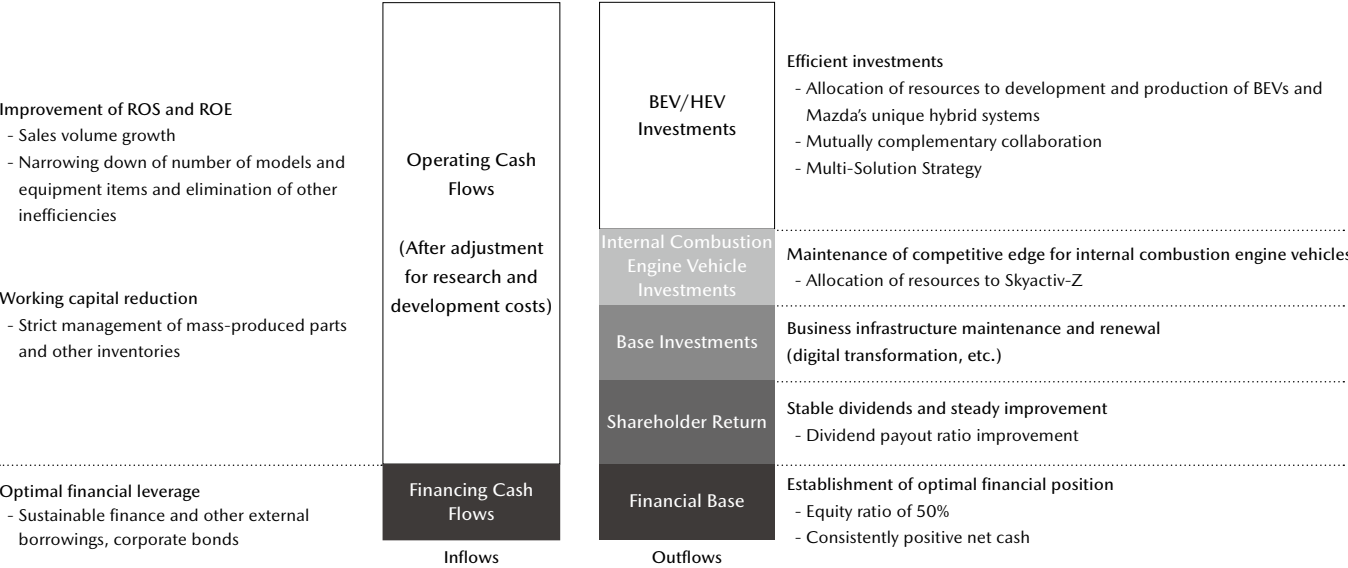
Furthermore, Mazda's plants have a strong track record of mixed production, where multiple models are manufactured on the same production line. Leveraging this experience, we challenged the conventional wisdom, seeking instead to adapt our existing facility in Hofu to accommodate many different powertrain solutions, including efficient production of EVs. This approach requires far less investment than building a new, bespoke EV plant, and allows us to maintain high levels of operational and workforce efficiency and utilization during this uncertain transition period.

Cost Reductions—An inescapable reality for every manufacturing company is the need to constantly improve efficiency, seeking cost reductions throughout its value chain. In this regard, Mazda has committed to reducing structural costs



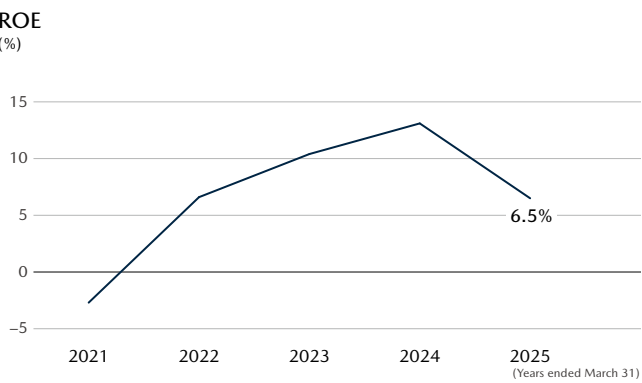
and fixed costs by 100 billion yen each during Phase 2. Our efforts in this regard encompasses both traditional value engineering rooted in customer value and innovative collaborations with our partners. We anticipate greater synergies by combining their wisdom with Mazda's to a much greater extent than ever before. As for fixed costs, we will thoroughly conduct a review and prioritization of business operations from scratch, focusing on the customer's perspective. Additionally, we are working to reduce the complexity of operations by decreasing the number of parts and production items while optimizing the supply chain. Furthermore, we are striving to improve efficiency through the utilization

Capital Allocation Approach



(The above chart illustrates proportions based on approach concept and does not represent actual amounts.)

MESSAGE FROM THE CFO



of digital transformation and AI. We will continue to advance these efforts while balancing them with investments necessary for customer value and future growth.

Step 3: Stay Focused on Governance and Returns

The final pillar is the further enhancement of corporate governance. That means embedding return on investment thinking beyond finance—across all areas and levels, including product planning, manufacturing, and marketing. By scrutinizing the validity of plans and tracking the payback status, we aim to ensure that business operations prioritize capital efficiency. We’re also applying a key performance indicator framework that visualizes metrics and data in real time tied to driving return on equity (ROE) and the price-to-earnings ratio (PER).

In addition to financial metrics, the Board of Directors is deeply engaged in reviewing Companywide risks to compliance, reputation, climate change, and others. We view this work as essential to ensure the Company’s sustainability and to safeguard shareholders’ assets.

This is how we’ll create value in Phase 2 and beyond: by staying grounded in our Purpose, strengthening our fundamentals, and building a company capable of realizing sustainable growth in the medium to long term. We will continue to operate our business cautiously and strategically in response to environmental changes, consistently aiming for an ROE of 10% or more.

Q. What is your basic approach to capital allocation?

Our capital allocation approach is centered on balancing the

strategic needs of the business, financial stability, and the consistent delivery of shareholder returns. As we continue navigating the transformation of our industry, we aim to remain thoughtful and disciplined in how we deploy resources—ensuring we support long-term growth while maintaining financial resilience in line with our Lean Asset Strategy. Our goal is to ensure that every allocation of capital—whether toward growth, efficiency, or return—is grounded in long-term value creation.

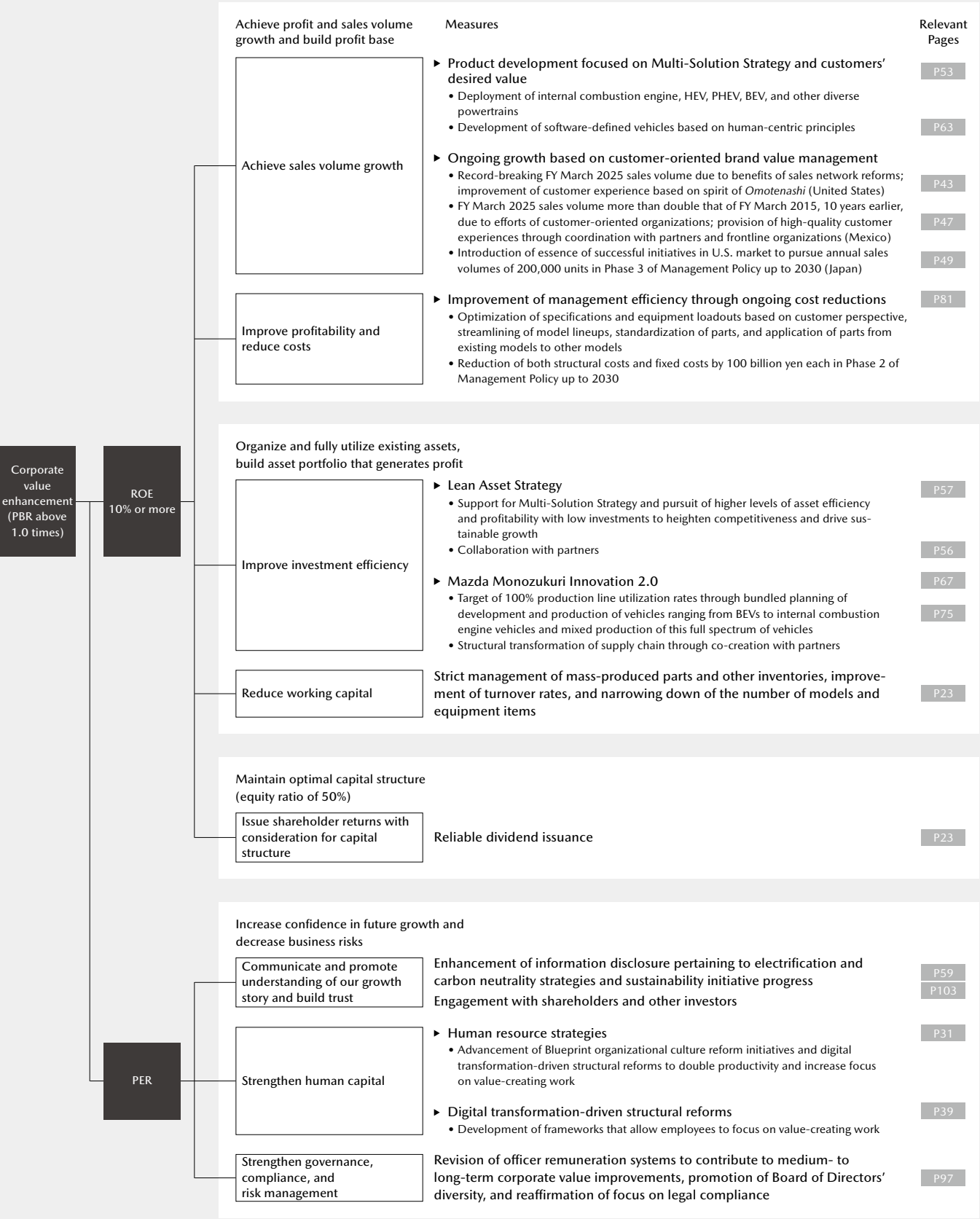
One element of that balance is our dividend policy. Our general stance is to provide a stable and predictable return to shareholders, aligned with the Company’s earning power. We’ve focused on improving performance and generating cash flow, toward maintaining an annual dividend of 55 yen per share post-COVID. Going forward, we will continue to accurately assess changes in the business environment and carefully review our approach, aiming to enhance shareholder returns.

Q. What do you value most as a member of the management team?

Hiroshima is Mazda’s hometown, and the challenger spirit of this place, its can-do attitude, is therefore embedded in our DNA. As CFO, I have the responsibility to build on this “power of people” to deliver stronger financial results. That’s why I’m focused on promoting an inclusive, empowered, and appreciated company culture. I work to maintain a strong connection with our team members in Japan and overseas, encouraging them to embrace challenges together and supporting their efforts to realize business opportunities.

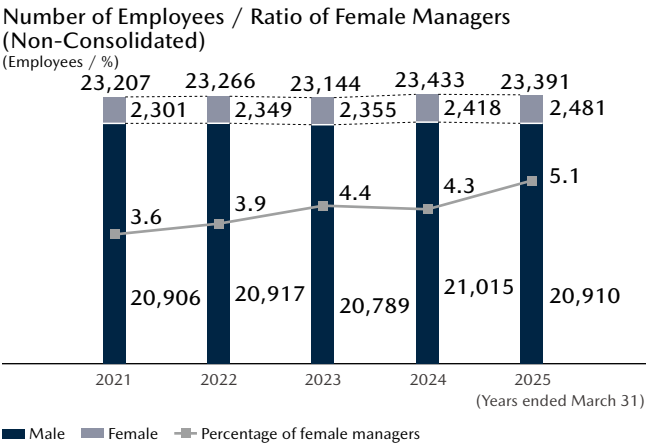
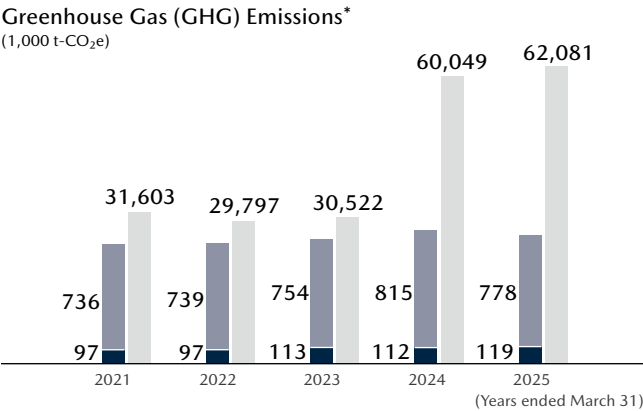
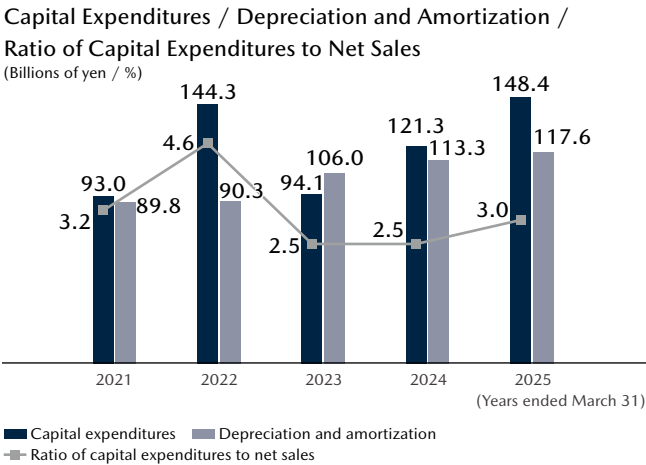
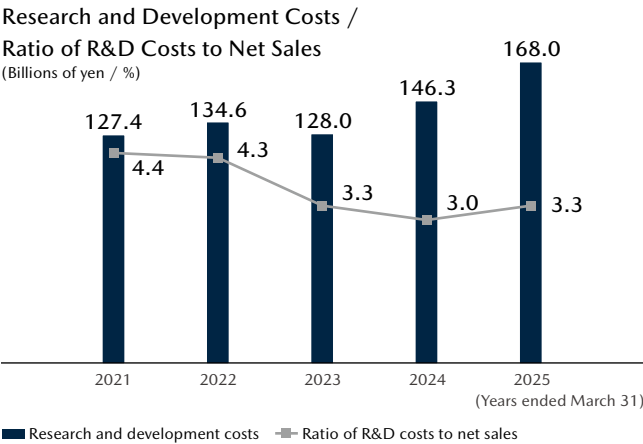
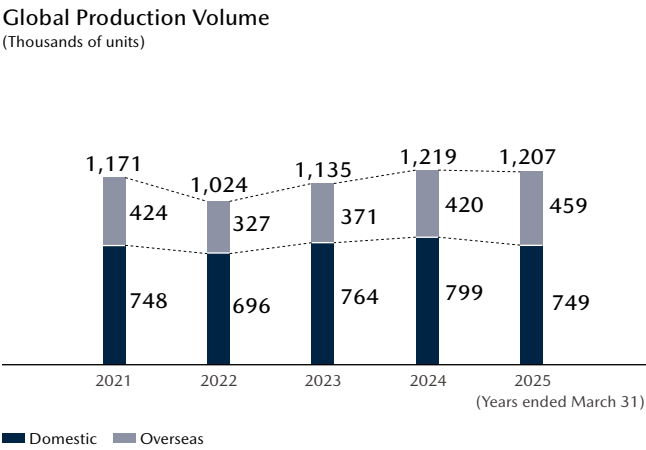
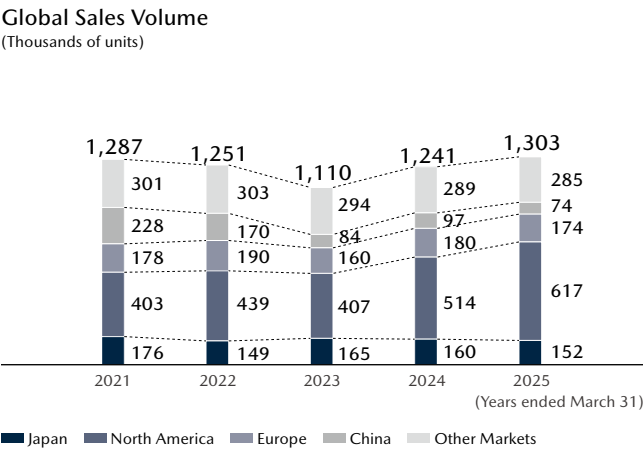
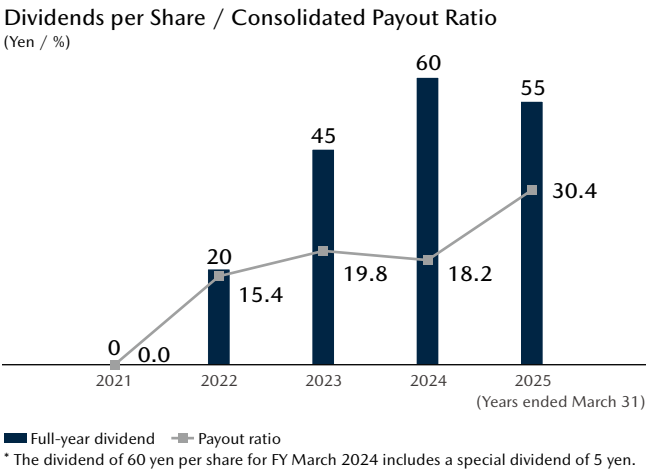
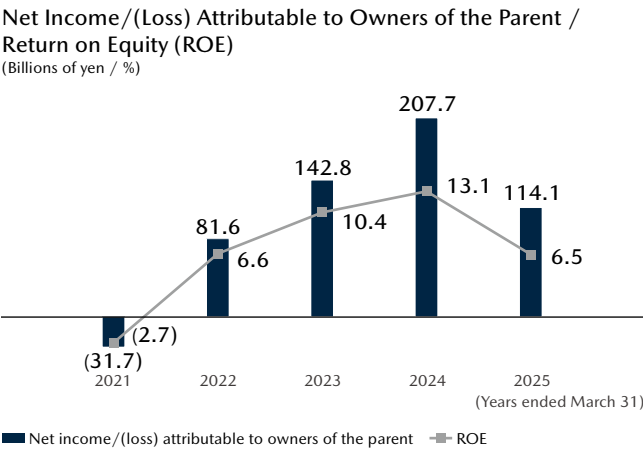
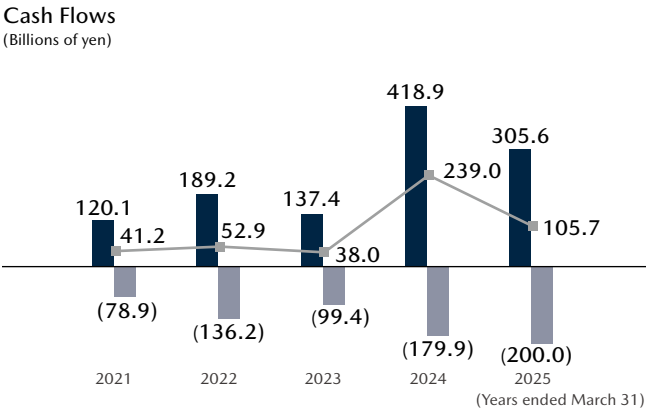
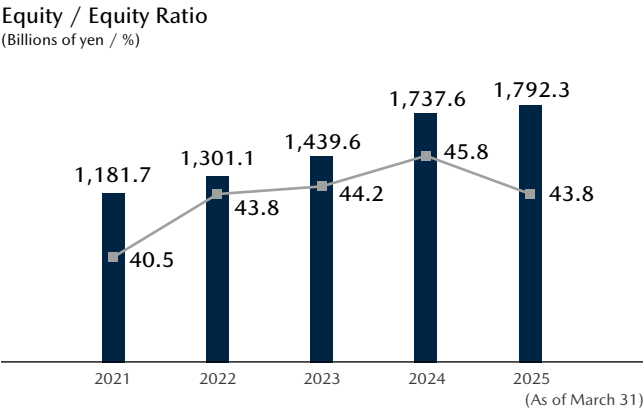
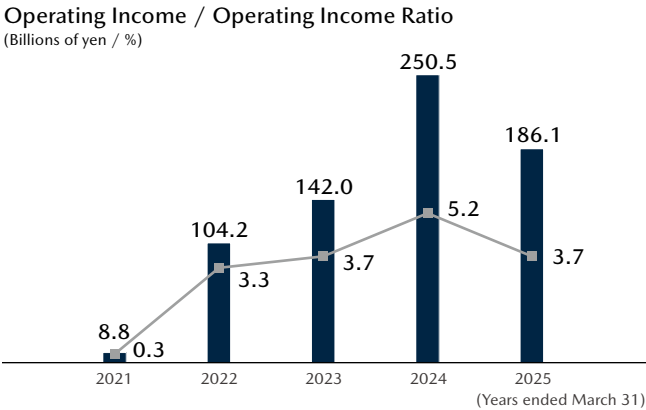
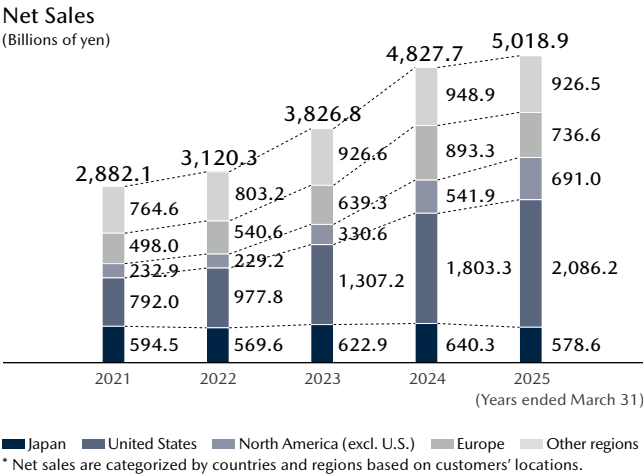
Building on Blueprint, fostering a “Radically human” culture in this way, is one of Mazda’s Values. Importantly, this not only promotes the growth of our business but also strengthens the trust and communication required for healthy corporate governance—something that is tremendously important to the CFO. I speak with investors and shareholders all over the world, working to build mutual understanding and trust-based relationships with them. Increasingly, corporate culture is on their minds, because in addition to understanding our business strategy and financial results, they want to know that our organization is a healthy and sustainable one. I do my utmost to ensure that it is.

Initiatives to Enhance Corporate Value



DATA HIGHLIGHTS

Financial Highlights



* For Category 11, the following revisions were implemented in the calculation method in FY March 2024 to improve comprehensiveness and accuracy.
- Prior to FY March 2023: Calculated based on vehicle sales volumes in Japan and major sales regions (North America, Europe, and China) using the tank-to-wheel (fuel consumption during driving) method
- From FY March 2024 onward: Calculated based on global production volume using the well-to-wheel (fuel extraction, refining, and electricity generation and fuel consumption during driving) method

MESSAGE FROM THE CHRO



People are the drivers of value creation, and our human resource strategies have thus been crafted to contribute to the realization of Mazda’s corporate philosophy and management policies.

Tomiko Takeuchi
Executive Officer and Chief Human Resource Officer (CHRO)

Q. Could you please explain Mazda’s human capital policies?

At Mazda, we recognize that our people are our most important form of management capital—the source of value creation. Based on this, we have identified material human capital issues and incorporated them into our human resource strategies P35 to contribute to the realization of Mazda’s corporate philosophy and management policies. Mazda’s corporate philosophy puts forth the values of Radically human, Challenger spirit, and *Omotenashi*. These transcendental values are based on the emotions and behavior of people, and are something that will not change, no matter how the times or environment might transform around us. Through continuous investment in people and measures based on our human resource strategies, we look to ensure that everyone at Mazda feels pride in working here and to thereby fulfill our Purpose of “enrich life-in-motion for those we serve.”

Q. What is the background that shaped Mazda’s new human resource strategies, and what are the aims of these strategies?

The automotive industry is currently facing a once-in-a-century turning point. Against this backdrop, we are finding ourselves with more work to do because of the need to respond to the trends toward electrified vehicles and carbon neutrality. Meanwhile, the workforce is shrinking while people’s values are changing. These trends are making the environment pertaining to human resources increasingly challenging. In light of this situation, we recognized the need to clearly define the human resource priorities that we will need to address to help Mazda achieve ongoing growth as the brand that customers continue to

choose. These priorities needed to be tied directly to our corporate philosophy and the Management Policy up to 2030, to serve as a guide that helps us steadily respond to the human resource issues we face. These realizations prompted us to establish new human resource strategies in February 2025.

The vision for our human resource strategies is to equate the sum of employee skills and growth with the growth of the entire Mazda Group. In other words, through these strategies we aim to maximize the skills and growth of all employees to develop a strong organization that can swiftly tackle management issues to enable us to generate greater results with fewer people. By becoming a team of highly efficient professionals, the Mazda Group aims to achieve ongoing growth.

To help us accomplish this vision, we have defined the development of efficient organizations, recruitment of human resources, and cultivation of environments conducive to autonomy and growth as material human capital issues. If these issues are pillars of our human resource initiatives, then culture reforms and health and productivity management serve as the foundation.

If we want to achieve ongoing growth in today’s uncertain operating environment, I think we will need to fundamentally revise our prior policies and approaches with regard to people and organizations based on our brand value management.

Q. Could you please elaborate on Mazda’s plans for the development of efficient organizations?

Before I get into the details, let me explain what we view to be the ideal organizations from the perspective of people. Basically, each organization should formulate a business plan for contributing to the exercise of Mazda’s corporate philosophy and policies based on their respective roles and functions. These plans

will then be used to identify the work that is truly necessary for each division. By pinpointing work requirements, we will get a better idea of the work that should be discontinued and the work where we can utilize AI and other digital technologies. This understanding will help paint a picture of the types of experience and skills as well as the actual number of people each organization needs to fulfill their role or function, which will help us more strategically allocate our human resources. In other words, to develop efficient organizations, we look to implement a cycle that begins with business plans. In this cycle, organization-specific business plans will be used to shape staff structures and determine the skills and people needed for an organization to do its job from a medium-term perspective. We will seek to optimally allocate human resources based on these factors. Then, as the operating environment changes, we will revise business plans as necessary. It is not an efficient approach to merely increase staff numbers to accommodate rising work requirements. Rather, we aim to develop efficient organizations that strategically and systematically assign people to the necessary jobs to make the Company as a whole leaner and more resilient.



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Q. What will be Mazda’s approach toward the recruitment of human resources?

When you hear “recruitment of human resources,” you are likely to envision the hiring of people from outside of the Company. In terms of Mazda’s human resource strategies, however, the recruitment of human resources refers not just to such external hiring but also to the reallocation of people within the Company. For reallocating existing human resources, we have introduced an internal recruitment system and plan to introduce a career challenge system P36 to complement the in-house recruitment system. These systems will be used to match the experience and skills of employees with the needs of organizations based on the experience and skill requirements they have defined. This approach is expected to help us more optimally allocate our human resources.

For positions that are difficult to fill with internal human resources, we will look to recruit external talent. We therefore aim to diversify recruitment channels in order to increase the paths that might lead one to join Mazda. For example, the Company is dedicating efforts to recruiting mid-career individuals through its alumni hiring program, referral hiring initiatives,

MESSAGE FROM THE CHRO

and direct recruiting efforts. In addition, we established Mazda R&D Center Tokyo in July 2025 as a base for ramping up efforts to recruit IT talent in light of the large number of such individuals found in the Tokyo metropolitan area. By offering consultations and internships at Mazda R&D Center Tokyo, we hope to give job seekers a glimpse at the actual people working in development and other fields, inspiring a desire to work at Mazda through a recruitment approach that connects with the front lines.



Tokyo Office and Mazda R&D Center Tokyo

Q. How will Mazda go about the cultivation of environments conducive to autonomy and growth?

As I have mentioned, the vision for our human resource strategies is to equate the sum of employee skills and growth with the growth of the entire Mazda Group. Based on this vision, we are implementing human resource initiatives to develop frameworks that support and encourage autonomous career development in order to tie the skills and growth of individual employees to the growth of the Group. In the past, access to learning opportunities at Mazda was more of a passive affair, with people mainly taking part in rank-based training or participating in training programs in response to the orders of a supervisor.

Going forward, however, we want to emphasize autonomy by having employees reflect on their experience and strengths to craft their own career plans. We will assist employees in advancing their career plans through efforts to shift employee awareness to encourage people to continue to learn actively and autonomously as part of their daily work. Rather than imposing set career plans, we will provide multiple career paths while also advancing integrated initiatives to cultivate environments that are conducive to learning that support autonomy and growth.

Q. Could you please explain Mazda’s culture reform initiatives?

Culture reforms are an integral part of the foundation supporting initiatives based on the three material issues of our human resource strategies. We have taken steps to encourage communication to build a more open workplace in the past, but these efforts did not achieve the desired results, although this may have been due in some part to the COVID-19 pandemic.

To address this situation, we launched the Blueprint organizational culture reform initiatives in 2023. Maximizing the sum of employee skills and growth requires an organizational culture that capitalizes on these assets. Based on this belief, we sought to promote understanding in this regard through the advancement of this initiatives, which was made applicable to all of our approximately 23,000 factory workers and other employees in 2025.

Blueprint is centered on the feelings we want to deliver to customers and colleagues through a joint effort between employees and management—feelings such as being valued or inspired. From this perspective, Blueprint is directly linked to the practice of brand value management, and the ongoing implementation of this will contribute to this practice.

Positioning the employees who deal directly with customers as well as those stationed on the production floor as the central focus, Blueprint is designed to inspire a shift in perception that places management in the role of supporting the front lines. Amid the rapid changes and the diversification of customer values, it is those at production sites and at the front lines of serving customers who are best able to propose solutions to management and organizational issues and to present ways of implementing those solutions. By developing organizations that empower swift action by the front lines—those in which the front lines are the central focus—we hope to better draw upon employee skills and encourage autonomy.

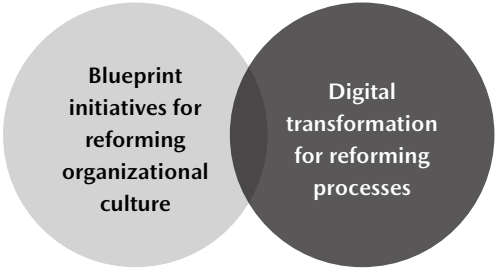


Participants in Blueprint session for factory workers (EDION PEACE WING HIROSHIMA)

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

Building upon the momentum of Mazda’s Blueprint initiatives will be imperative to accomplishing this objective. It will therefore be essential for us to continue initiatives that inspire positive emotions and to implement the necessary measures to entrench the culture we desire. Even though the initiatives have been extended to all employees, we recognize that there are still issues with regard to the thinking and behaviors of management. This is why we plan to organize follow-up Blueprint sessions aimed at promoting changes in management’s thinking and behaviors in FY March 2026. At the same time, we will be examining ways of reflecting these reforms in evaluation systems and other necessary human resource measures.

By promoting organizational culture reforms through Blueprint, together with the process reforms CIO Akihiro Kidani is advancing through digital transformation P39, we will endeavor to double productivity and accelerate value creation as we implement the Management Policy up to 2030.



Q. What do you see as your mission, and what are your aspirations for promoting human resource strategies as Mazda’s CHRO?

As I mentioned earlier, people are our most important form of management capital—the drivers of value creation. Mazda’s management is centered on people. Through the newly established human resource strategies, we will seek to become a team of highly efficient professionals and practice brand value management with a focus on customers from the perspectives of both people and organizations.

One of the values of Mazda’s corporate philosophy is Radically human. Based on this value, we are dedicating our energies to ensure that all employees are able to engage with their human emotions while planning their own future and realizing their potential. We expect this will empower employees to succeed both within and outside the Company and help us fulfill our Purpose of “enrich life-in-motion for those we serve.” This is the approach we will take toward delivering distinctively Mazda value and inspiring customers and communities to feel a connection with the Mazda brand.



For more information, please refer to the following MAZDA MIRAI BASE article.
Connecting Mazda to the Future of Cars: How Software Engineers are Pursuing Jinba-Ittai Through Interface Design
<https://www.mazda.com/en/mazda-mirai-base/articles/20250821-software-hmi/>

HUMAN RESOURCE STRATEGIES

In February 2025, Mazda established medium-term human resource strategies to guide it in executing its corporate philosophy and Management Policy up to 2030. In the volatile operating environment currently facing the automotive industry, we aspire to foster people who can create distinctive value and thereby evolve Mazda's manufacturing approach based on our concept of brand value management. By developing environments and frameworks that enable all employees to deliver their best possible performance, we aim to enhance corporate value.

VISION FOR HUMAN RESOURCE STRATEGIES

Our human resource strategies equate the sum of employee skills and growth with the growth of the entire Mazda Group. We are thus working to maximize the skills and growth of all employees and develop strong organizations capable of swiftly tackling management issues. In this manner, the Mazda Group aims to achieve ongoing growth by becoming a team of highly efficient professionals that can produce greater results with fewer people.



OVERVIEW OF HUMAN RESOURCE STRATEGIES

Mazda has defined three material human capital issues to facilitate efforts toward realizing its vision. These issues form the pillars supporting our culture reform and health and productivity management efforts.

Development of Efficient Organizations

To support us in exercising our corporate philosophy and advancing the Management Policy up to 2030, it would be ideal for organizations to be able to furnish swift and flexible responses to any change. To achieve such organizations, we should transition to organizations capable of planning staff levels and processes based on backcasting, looking at the goals of the business plans for their respective areas. Mazda therefore intends to develop area-specific human resource portfolios and formulate medium-term staff plans to transition to more efficient organizations.

Human Resource Portfolio Development

Mazda has formulated an outlook for 2030 and beyond in which it has included detailed descriptions of the functions and positions it will need to advance its business plans for each area of operation. This outlook is being compared against our existing organizations to identify the functions and work areas where we need to pursue improvement in order to craft a vision for the stronger and more efficient organizations to be developed going forward. At the same time, systematic steps will be taken to address the functions and work areas needing to be downsized or abolished as we transition from our current organizations to our envisioned organizations.

Formulation of Medium-Term Staff Plans

To enhance the functions identified as needing strengthening as part of developing our human resource portfolio, Mazda will recruit outside talent while also making effective use of its current employee base through reskilling and skill development programs. Moreover, organizations will formulate medium-term staff plans that incorporate the necessary staff numbers and recruitment and development methods as well as the timings at which staff needs must be met.

Operational Streamlining and Digital Transformation

As it promotes automation and streamlining using AI, IT, and other digital technologies, Mazda will also identify those tasks that should continue to be performed by people. We thereby seek to advance the systematic digital transformation of work processes while embracing digital technologies.

Recruitment of Human Resources

Exercising our corporate philosophy and advancing the Management Policy up to 2030 will require us to secure sufficient human resources. For this purpose, Mazda will systematically reallocate internal staff based on its clearly defined human resource portfolio and medium-term staff plans while also fundamentally transforming how it recruits external talent.

Utilization of Internal Staff: Accelerated Staff Reallocations

• Expansion of Internal Open Application Systems

Mazda has made its internal open application systems available on a year-round basis to accelerate staff relocations and encourage autonomous career development. The Company intends to ramp up these activities going forward and to tie these activities to the career challenge system currently under development.

• Systematic Human Resource Development Through Reskilling and Skill Development

Mazda is relocating staff to areas to be strengthened going forward, coordinating medium-term staff plans with human resource development plans, and preparing reskilling programs, skill development programs, and other learning opportunities for employees.

Recruitment of External Talent: Transformation of Recruitment Practices

• Diversification of New Graduate Recruitment Channels

Mazda is deploying recruitment measures that accommodate diverse values in response to the massive change being seen in the values of job-seeking students.

• Expansion of Channels for Mid-Career Recruitment

Mazda is gradually increasing its levels of mid-career recruitment and diversifying its recruitment channels in response to the diversification of workstyles and employment arrangements as well as changes in how prospective job seekers view work.

Major Initiatives (Mazda Motor Corporation)

Introduction of job-specific recruitment campaigns, bolstering of internship programs, provision of workplace tours, and organization of job-seeker information forums that focus specifically on employee benefits, education programs, and other initiatives

Major Initiatives (Mazda Motor Corporation)

Introduction of alumni hiring program, referral hiring initiatives, and full teleworking system; information provision via social media; acceleration of recruitment activities in Tokyo metropolitan area, etc.

Revision of Compensation Systems and Levels

In addition to compensation systems based on conventional job grade systems, Mazda is expanding its range of compensation systems to provide appropriate compensation that matches market rates for software engineers as well as other professions

for which it is difficult to recruit talent. We are also redeveloping compensation systems to offer more tailored compensation and better reward employees who are generating results as part of efforts to build frameworks that support employee success.

Cultivation of Environments Conducive to Autonomy and Growth

Mazda Brand Academy

Maximizing employee growth and success requires that all employees be able to craft their own career plans and engage in autonomous learning to work toward their goals while maintaining an optimistic outlook as they go about their tasks with a positive and proactive attitude. The Mazda Brand Academy is a comprehensive initiative for achieving this objective and one of our efforts for supporting employee career independence.

• Formulation of Career Plans for Individual Employees

Mazda encourages employees to reflect on their personal career history to better understand themselves when shaping their future career plans. We also seek to empower employees to systematically acquire skills and experience through their everyday work while maintaining communication with their supervisors to prepare them for their next career step.

• Provision of Multiple Career Paths to Allow Employees to Select Their Path Based on Their Own Volition

To complement its traditional membership systems, Mazda is preparing job-type human resource systems to allow employees to select their career path based on their own volition.

Major Initiatives (Mazda Motor Corporation)

Evolution of *Tobiuo* human resource system (*Tobiuo* 2.0), introduction of career challenge system (scheduled for FY March 2027)

• Enhancement of Frameworks for Supporting Voluntary Learning Activities by Employees

To support employees in making steady progress in the steps defined in their career plans, Mazda is enhancing its frameworks for supporting voluntary learning activities. Measures in this regard include expanding frameworks for utilizing e-learning programs outside of Company premises or via devices other than Company computers and improving access to these programs.

• Development of Human Resources with Digital Technology and IT Skills

Mazda is investing in the development of human resources with digital technology skills to improve its overall level of digital literacy. The Company is currently advancing a campaign aimed at having all back-office employees achieve a certain degree of proficiency in AI and IT technologies and fostering human resources with advanced AI skills. We are also utilizing tools while reevaluating and redefining work processes to promote digital transformation in an effort to double productivity and shift human resources to higher-value work processes.

Culture Reforms

Mazda is promoting culture reform initiatives aimed at facilitating the exercise of its corporate philosophy. These initiatives include organizational culture reform initiatives, employee awareness surveys, and measures for ensuring respect for diversity and facilitating the success of diverse human resources.

Blueprint Organizational Culture Reform Initiatives

Blueprint is a term that refers to our various initiatives for promoting the values we emphasize in organizational culture reforms and for introducing, disseminating, and entrenching these values. Mazda's Blueprint initiatives have been generating results at bases in Europe and North America, where the initiatives were introduced ahead of other regions, and these initiatives were introduced at bases in Japan in 2023. The Blueprint initiatives are now being implemented targeting all Mazda employees (approximately 23,000 individuals on a non-consolidated basis), and these initiatives have entered the phase during which we will be spreading awareness and entrenching their benefits. Elements of Blueprint were incorporated into competency evaluation items in FY March 2025. Moreover, Blueprint President Sessions in which the president engages in direct discussions with employees were introduced in FY March 2026. These forums provide an opportunity for frank discussion.

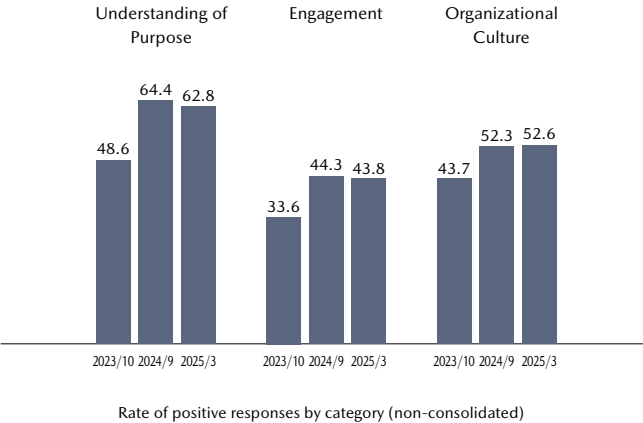
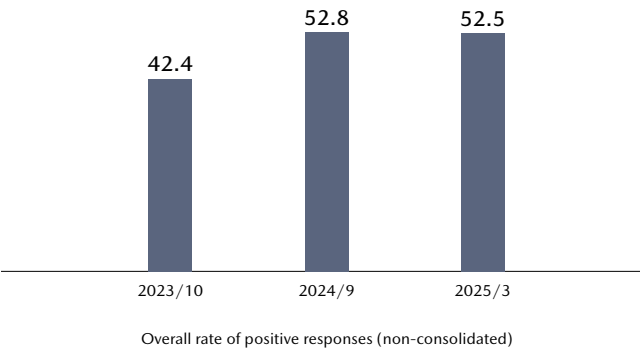
We intend to use these forums to foster an organizational culture in which everyone at Mazda is united in our pursuit of ongoing business growth.

Global Employee Surveys

Mazda conducts Global Employee Surveys to track employee sentiment regarding the workplace environment and culture as well as employee motivation toward work. The feedback gained through these surveys is used to guide improvements in organizational capabilities and productivity. The survey results are disclosed to employees, and the results are communicated to members of senior management and division heads to facilitate the development of improvement plans as part of the plan-do-check-act (PDCA) cycle. The results of these surveys are also used as one of the non-financial indicators for manager and executive remuneration systems.

Global Employee Surveys Results

Note: Figures for October 2023 and September 2024 are a comparison of the 20 shared items in reflection of a revision introduced to survey items.



- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

Diversity, Equity, and Inclusion

Mazda believes that diversity contributes to increased creativity and is thus an important part of the foundation supporting the ongoing growth of companies and of society itself. Based on this belief, we aspire to foster a workplace environment in which everyone is able to exhibit their full potential, regardless of their gender, age, nationality, disability, or sexual orientation. We aspire to generate a cycle in which diversity drives creation, and the resulting growth of employees contributes to the ongoing development of the Company and communities as a whole.

• Empowerment of Female Employees

Mazda seeks to create an environment in which all employees are able to exercise their skills and succeed, regardless of gender. To this end, the diversification of management is being pursued through the cultivation of female managers and female candidates for managerial positions. We thereby aim to contribute to Mazda's growth and value creation. Issues have been identified with regard to a lack of opportunities for the empowerment of female employees at Mazda Motor Corporation. We have thus developed indicators for guiding efforts to tackle these issues.

Number of female managers (non-consolidated)

Targets

FY March 2025: 80 FY March 2026: 100 FY March 2027: 110

Statistics

FY March 2025: 87 (manager or above, ratio of female managers of 5.1%)

• Work-Life Balance Support

Mazda offers a variety of work-life support measures to enable employees at various stages of their lives to maintain a healthy work-life balance and feel empowered at work.

Major Initiatives (Mazda Motor Corporation)

Work-life support systems for employees involved in child-rearing or nursing, teleworking systems, career development leave, benefit program to support employees in engaging in volunteer activities

Ratio of applicable male employees taking child-rearing leave including post-childbirth paternity leave (non-consolidated)

Targets

FY March 2025: 60% FY March 2026: 70% FY March 2027: 75%

Statistics

FY March 2025: 60%

• Empowerment of People with Disabilities

By building facilities with accessibility in mind and designing work processes that are matched to the specific characteristics of individuals, Mazda seeks to create the foundation needed for people with disabilities to work with confidence. We also provide training to foster a culture of mutual respect.

Major Initiatives (Mazda Motor Corporation)

Establishment of a support desk for people with physical disabilities, employment of two certified sign-language interpreters

• Understanding of Sexual Minorities

Mazda provides education to foster understanding regarding sexual minorities. The Company is also implementing frameworks for preventing harassment and enhancing its employee benefit systems and other internal systems to better aid such individuals. Furthermore, we seek to cultivate allies of sexual minorities within the organization.

Major Initiatives (Mazda Motor Corporation)

Establishment of internal Human Rights Counseling Desk, regular human rights meetings, and e-learning programs for employees, etc.

Health and Productivity Management

Good health is the foundation supporting every aspect of our lives. Based on this understanding, we believe that activities to help employees maintain and improve their health will contribute to more fulfilling work and private lives and, ultimately, to the growth of the organization. Mazda is therefore advancing various initiatives to ensure that every employee can live in good health and continue to succeed.

Health Improvement Initiatives

- Lifestyle disease prevention, mental health disorder prevention, safe and secure workplace development

Enhancement of Working Environments

Mazda is advancing plans to renovate employee living and working environments to ensure that everyone is able to work safely, healthily, and with peace of mind.

Major Initiatives (Mazda Motor Corporation)

- Construction of Mazda R&D Center Tokyo (opened in July 2025)
- Reconstruction of dormitory for factory workers (planned for completion in December 2026)

MESSAGE FROM THE CIO



Mazda is promoting digital transformation and AI transformation on a Companywide basis to develop an environment that supports employees’ concerted efforts to deliver value to customers.

Akihiro Kidani
Managing Executive Officer and Chief Information Officer (CIO)

Q. In the Management Policy up to 2030, Mazda commits to value creation through co-creation between people and IT. What are the goals of your efforts to reform structures through digital transformation?

As a representative of Mazda’s IT function, I am guiding the Company in incorporating AI, IT, and other digital technologies into work processes on a Companywide basis. With these technologies, I hope to improve the efficiency of work performed by the people who are the drivers of value creation, and to facilitate speed to help these people achieve their full potential. Ultimately, I aim to double productivity and reduce fixed costs through these efforts. I am confident that promoting digital transformation and AI transformation to improve productivity will greatly increase the amount of time employees are able to devote to work focused on creating human-centered value. This will no doubt contribute to the timely supply of distinctively Mazda products, services, and experiences that customers choose.

Mazda began embracing digital technologies relatively early in its history. In the 1960s, we introduced computers, then a cutting-edge technology, into production lines. Later, we kicked off Mazda Digital Innovation^{*1} activities in 1996 based on the projection that development lead times would become an issue needing to be addressed by management going forward. Through these activities, we developed processes that integrated data previously stored on a division-by-division basis to create three-dimensional digital master data and thereby prevent process losses. The benefits of this approach included massive efficiency gains, such as how we were able to reduce the amount of time between design finalization and mass production by around half in 2006. In this manner, we have continued to embrace digital technologies, and the use of these technologies has enabled us to launch distinctively Mazda offerings while also building the foundations for digital transformation. Such assets

and strengths will continue to be leveraged in our pursuit of the ideal Mazda.

Q. Could you please explain what progress has been made toward Mazda’s goals together with some specific examples of initiatives?

As CIO, I am promoting the Companywide integration and digitalization of work processes that have become excessively complicated and often require the skills of specific individuals to perform. Examples of initiatives include the development of data linkage platforms and the development of work processes.

Looking first at the development of data linkage platforms, at the moment, there is a lot of data that can be found throughout the organization, but this data is not managed in an integrated and centralized manner. This means that people wanting to view certain data may not find this information to be readily accessible, which is a situation that results in inefficiencies. We are working to resolve this issue by better linking data to make the same data easily accessible to relevant staff, ranging from management to the people who actually use this data in their work, to ensure that anyone can access, track, and analyze the information they need when they need it. The aim of this undertaking is to lay the groundwork for supporting swift action toward accomplishing our management goals in all divisions.

As for the development of work processes, we are advancing reforms in all divisions, including the 14 administrative divisions in which such reforms were lacking up until now. We are thereby looking to have each division clarify their visions and standardize the processes that will be implemented to help accomplish those visions, while also promoting the digital transformation of their work processes. The progress of these initiatives is reported to the Executive Committee Meeting.

These initiatives will not produce results overnight, but will rather require steadfast and dedicated effort. Nevertheless, as CIO I am committed to leading these efforts together with the

00
CONTENTS

01
MAZDA’S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

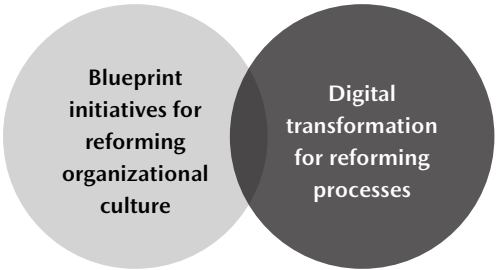
03
VALUE CREATION
INITIATIVES

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

MAX Project Office. Set up in September 2025, the MAX Project Office takes its name from Mazda AI Transformation, which we have abbreviated as “MAX,” and is a dedicated organization tasked with promoting the utilization of generative AI on a Companywide basis and overseeing an organizational structure comprising approximately 400 people. As I engage in active communication with the relevant divisions, I will continue to advance process reforms using digital transformation in conjunction with the organizational culture reforms CHRO Tomiko Takeuchi is promoting through Blueprint [P31](#), with the goals of heightening competitiveness and furthering the advancement of the Management Policy up to 2030.



Q. What steps are being taken to cultivate human resources who are proficient with AI and other digital technologies?

In August 2022, we began providing training programs using the online AI and digital technology learning platform developed by Aidemy Inc. to all members of back-office divisions, and a total of 14,470 individuals have taken part in these programs to date. We also established in-house AI Dojos in 2023, in which IT employees with AI-related skills act as instructors to help train employees from various divisions on how to promote the use of digital technologies. This program has already facilitated the cultivation of 13 AI engineers possessing sophisticated skills. Our AI Dojos have also been engaged in a joint effort with Hiroshima University aimed at promoting transformation based on three themes related to health and productivity management, leveraging health big data to promote employee well-being and ultimately contributing to the resolution of social issues.

As a result of these efforts, we have noticed an ongoing increase in the number of employees capable of utilizing digital technologies. For example, we have seen production employees autonomously developing systems using skills they learned through self-study and AI Dojos. Such examples indicate that the use of digital technologies is gradually becoming more commonplace at Mazda.

^{*1} Mazda Digital Innovation activities are aimed at shortening lead times by enabling multiple work tasks to be advanced simultaneously in product planning, development, mass production preparation, and other divisions involved in the product development process.
^{*2} Model-based development involves creating computer models of vehicles, control systems, drivers, passengers, driving environments, and other development subjects and conducting development via computer simulation to improve efficiency.
^{*3} Secondmind is a company based in Cambridge, United Kingdom that utilizes its AI and automotive engineering expertise to support vehicle development processes.
^{*4} Application lifecycle management is an approach and a tool for comprehensive and integrated management of development project information from across the entirety of the application lifecycle, including information related to outputs and to condition and progress management in product, system, and software development processes.

Q. What benefits are digital transformation and AI transformation expected to bring to vehicle development at Mazda?

The Mazda Digital Innovation activities I mentioned previously furnished the foundations for the model-based development^{*2} and Mazda Monozukuri Innovation [P67](#) initiatives that would come later. They were not only the start of Mazda’s digitalization efforts but also a prime example of how digital technologies can be incorporated into vehicle development. More recent efforts include coordination with Secondmind Ltd.,^{*3} a company that boasts sophisticated AI and other digital technologies, to develop technologies for the high-speed, high-precision optimization of powertrain performance as well as other initiatives aimed at actively utilizing advanced technologies.

Initiatives based on the Mazda Monozukuri Innovation 2.0 [P68](#) approach, meanwhile, have enabled us to triple development productivity. A major factor behind these gains was a development process that incorporated AI. For example, we are utilizing AI simulation technologies to help detect and address issues early in the development process. We have also injected AI into our quality management system, which houses a massive amount of quality information obtained from the market. This is expected to evolve our quality assurance practices and further improve product and service quality.

As we enter the era of software-defined vehicles, the process of developing software and other functions will become an increasingly important part of vehicle development. I believe that combining data linkage with AI will be a key part of addressing this task. Accordingly, I am promoting the appropriate management and linkage of data associated with everything from system condition definition, engineering, testing, and mass production to customer use in order to help us utilize AI to achieve substantial increases in development productivity and efficiency.

An important tool in this undertaking will be model-based development, an area where Mazda boasts strength. We will look to evolve model-based development for use in software function development. In more technical terms, we are committed to innovating function development processes by introducing core systems that support application lifecycle management.^{*4}

By advancing such customer-oriented brand value management initiatives in the area of IT, I hope to support Mazda’s engineering and manufacturing activities and thereby contribute to enhancing brand value and corporate value. This is the approach we will take to ensuring that Mazda can continue to supply distinctive products and services that customers choose even in the era of software-defined vehicles.

DIGITAL TRANSFORMATION AND AI TRANSFORMATION INITIATIVES

Mazda is embracing digital technologies, implementing the AI Dojo program, and otherwise advancing digital transformation initiatives in various areas to improve efficiency and create value. To facilitate these efforts, we set up the MAX Project Office as a dedicated organization for promoting the utilization of AI in September 2025. With MAX being an acronym for Mazda AI Transformation, this organization is tasked with fundamentally transforming processes across the Company with the goal of doubling process speeds and drastically heightening productivity.

AI DOJOS

In recent years, the application of AI technologies to product and technology development processes has been spreading throughout the automotive industry at a startling speed. AI is also becoming increasingly important for improving efficiency in response to the diversification of consumer needs.

In light of these trends, Mazda launched the AI Dojo program in July 2023 to help foster human resources with the skills necessary to transform work processes using AI. In this program, AI engineers with sophisticated AI skills work together with divisions seeking to address issues with their work processes to offer

comprehensive support for resolving those issues. This support ranges from training and the development of the necessary systems and tools to the establishment of plan-do-check-act (PDCA) cycles that the division in question can implement autonomously. Employees that have generated exceptional results or actively involved other employees in improvement activities using AI are recognized as “AI blackbelts.” AI Dojos are open to employees of development and all other divisions to help Mazda become even more competitive.

AI Dojo Statistics	FY March 2025	FY March 2026*2	FY March 2031 (Targets)
Aggregate number of activities*1	16	30	150
Aggregate number of participants*1	43	84	470

Takayoshi Nakamoto
Principal Engineer, Vehicle Testing & Research
Department, Vehicle Development Division
Chief Instructor, AI Dojo



Visualization of Health Challenges and Promotion of Workplace Responses Through Big Data Analysis

At Mazda, we believe that our corporate activities are supported by the physical and mental health of our employees. Based on this belief, we have operated the Mazda Hospital as a corporate healthcare institution supporting regional health for more than 50 years. In addition, Mazda's Health Promotion Center is in possession of health data from the employees that have undergone checkups at this facility. However, an inability to sufficiently analyze this massive quantity of data has led to issues with organizations' ability to identify health issues, select relevant health-related indicators, and evaluate health measures.

To address these issues, occupational health advisors have been using AI Dojos to learn the Python programming language and statistical analysis skills to enable them to analyze this data. As part of this undertaking, a database of more than 240,000 health data entries from the past decade has been compiled to allow for integrated management of health checkup results, preliminary healthcare questionnaires, stress check results, and other healthcare-related data. AI technologies can then be used to quickly and accurately analyze the information contained in this database.

This project makes it possible to objectively track the health status of all employees. For example, this approach can be used to visualize the relationship between work engagement (feelings of empowerment and pride toward one's work) and workplace factors. The result of this application of AI has been a reduction of around 400 hours per year in the amount of time used to tabulate and analyze health data.

Moreover, Mazda has embarked on a co-creative venture with Hiroshima University to investigate the underlying causes behind workplace health issues and to improve the accuracy of predictive models and analyses. In addition, measures are being formulated for changing employee behavior and improving workplace environments.

Members of the Health Promotion Center in the Safety, Health and Disaster Prevention Promotion
(From left) Shizuka Aramata, Yumi Tsuneshige, and Hiroko Nagato



PRODUCTION SITE DIGITAL TRANSFORMATION INITIATIVES

Employees at domestic and overseas production sites are advancing self-driven activities for improving efficiency and decreasing the amount of people needed for work processes. Digital transformation is also being actively promoted by employees to improve work processes and heighten efficiency, and we are developing frameworks for supporting these efforts through education and training.

Progress in digital technologies is unlocking new possibilities for improvements at production sites. For example, employees have been developing apparatuses that allow them to gauge equipment status using standard microcomputers or programs they have personally written as well as systems for using AI to judge whether installed components are of sufficient quality. Such self-driven initiatives are contributing to increased productivity. Furthermore, we have also established award programs for recognizing employees who have used emerging digital technologies to achieve improvements. These programs are meant to celebrate employees' diligence and ideas while also encouraging further improvements and digital transformation.

Mazda also organizes production technology exhibitions that see attendance by more than 2,000 employees and business partners each year. These events are used as an opportunity to

share Mazda's production automation initiatives and element technologies for digital transformation-driven efficiency improvements with local business partners and other stakeholders. By promoting the utilization of digital technologies at Mazda, at business partners, and thus throughout the community, we hope to help evolve manufacturing practices and deliver even greater value to customers.



Exhibit detailing employees' self-driven efforts to improve production processes using digital technologies

PRESERVATION OF CRAFTSMANSHIP USING MOTION CAPTURE TECHNOLOGY —TRANSMISSION OF KODO DESIGN DIE TECHNIQUES TO FUTURE GENERATIONS

Japan's manufacturing industry has long been supported by skilled artisans and master craftspeople, referred to as “Takumi masters.” However, a declining birthrate, an aging population, and fewer people entering the trade are making it increasingly difficult for masters to pass their skills on to others. Mazda is no exception to this challenge. Recognizing the threat of losing such skills, Mazda has begun employing motion capture technology as a means of transmitting the die production skills of masters to apprentices.

KODO design is Mazda's unique design philosophy that entails using the play of light and shadow to create designs that make people feel like the car is a living being. To sculpt the minute details of this elegant design, dies must be carefully adjusted by human hands to make them perfect down to the micrometer level.

Motion capture is a process that involves attaching markers to a person's body to record their movements and convert details such as their line of sight and where they place their weight into numerical data. This process makes it possible to visually portray the implicit details of craftsmanship that may be difficult to communicate using words or numbers. Compared to conventional training approaches, which generally came down to learning from watching, the data-based instruction enabled by motion capture has reduced the amount of time required to

acquire such skills from 20 years to only around five years. As of August 2025, 19 craftspeople have earned their Takumi master certification through involvement in the motion capture program. In this manner, the program is providing frameworks for the ongoing and efficient training of future craftspeople.



Members of the Tool & Die Production Department in the Production Engineering Division
(From left) Chiharu Saeki, Minoru Suga, and Takanori Tashiro

For more information, please refer to the following MAZDA MIRAI BASE article.
Preserving “KODO Design” Craftsmanship for Future Generations:
How Motion Capture Technology Helps Takumi Masters Pass Down Their Skills
<https://www.mazda.com/en/mazda-mirai-base/articles/20250627-motioncapture-takumi/>

*1 Aggregate figures for data since establishment of AI Dojos in July 2023
*2 As of September 2025

MESSAGE FROM THE CEO OF U.S. MARKET



Mazda drives further growth in the U.S. market as a company that provides experiential value through brand value management

Tom Donnelly
Mazda North American Operations, President and CEO

Q. Please tell us about the background behind introducing brand value management in the United States and the results achieved.

Mazda introduced brand value management in the United States in 2016. At that time, the Mazda brand was chosen primarily for its price and incentives. Customer loyalty and sales volumes were declining.

To overcome that situation, we adopted a customer-centric approach and worked to enhance brand value by improving the overall customer experience. We focused particularly on reforming our dealerships, which are the direct point of contact between customers and the Mazda brand. Many Mazda dealerships at the time sold other brands, and their facilities were outdated, which resulted in a suboptimal brand experience.

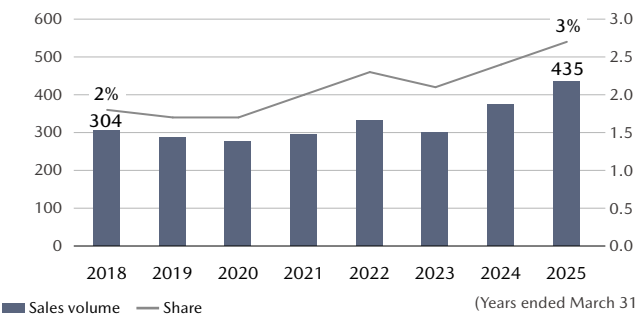
To address this issue, we launched a program called “Retail Evolution.” Through this program, we aimed to improve the customer experience by renovating dealer stores and implementing operational reforms. Our dealer partners have invested more than 2 billion US dollars in the program over the past seven years. Starting with the question, “What is the ideal

customer experience?” we focused on creating store facilities and operations that emphasize transparency and trust. At the same time, we identified 39 high-potential markets with many dealers who share our brand value management and proceeded with the structural reform of our sales network. We have been working to establish 300 New-Generation Showrooms that embody the Mazda brand across the United States. As of the end of March 2025, we have exceeded our plan by reaching 340 showrooms, and approximately 70% of Mazda’s sales in the United States are now made through these New-Generation Showrooms.

We have shifted our marketing strategy from emphasizing product features and specifications to communicating the unique value that the Mazda brand offers customers. We have also facilitated connections among Mazda owners and built relationships with local communities by reaching out to health-care professionals and educators, which has fostered familiarity with and affinity for the Mazda brand.

Through these efforts, we have strengthened the Mazda brand in the U.S. market and continue to grow the brand steadily despite challenges such as the COVID-19 pandemic and

Sales Volume and Share Trends
(Thousands of units / %)



A brand campaign, “Move and Be Moved,” that communicates Mazda’s unique value proposition across the entire brand—not just for individual models

00
CONTENTS

01
MAZDA’S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

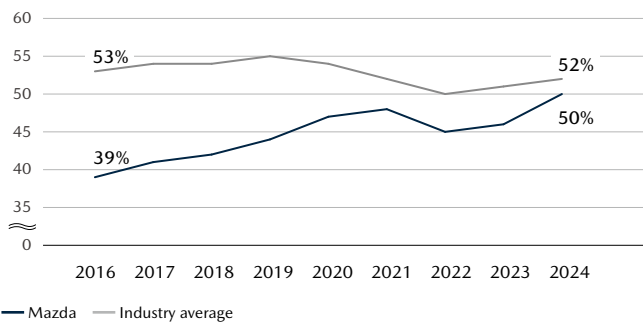
03
VALUE CREATION
INITIATIVES

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

Trend in Customer Loyalty (%)



Awarded the 2025 TOP SAFETY PICK+ by the Insurance Institute for Highway Safety (IIHS) (as of August 2025)

semiconductor shortages. In FY March 2025, we sold a record 435,000 vehicles, making Mazda one of the fastest-growing brands in the industry.

Q. What are Mazda’s competitive advantages over other brands in the U.S. market?

Mazda differentiates itself from other brands in the U.S. market in the following three points.

The first point is its strong partnership with dealers. To reform its sales network, Mazda has consistently engaged in dialogue with dealer operators to foster a deeper understanding of and empathy for brand value management. We have built strong, trusting relationships with dealer partners, and the National Automobile Dealers Association ranked Mazda third in the industry for “most optimistic” scores in their survey in 2024, reflecting the high expectations of our dealer partners. Additionally, the restructuring of the sales network and the transformation to New-Generation Showrooms are progressing steadily. The average throughput (number of units sold per location) at new-generation showrooms increased to 857 units in FY

March 2025, demonstrating steady growth.

The second point is a human-centric customer experience. We aim to share the spirit of *Omotenashi*—the Japanese value of heartfelt hospitality—with our dealers in the United States. Guided by our belief that “your happiness is my happiness,” we strive to deliver personalized services that truly resonate with each individual customer. In the United States, the lack of transparency in the pricing, content, and work processes of automobile maintenance is an issue for the entire industry. Mazda is working to improve the customer experience by eliminating pain points such as anxiety and inconvenience through a customer-centric approach.

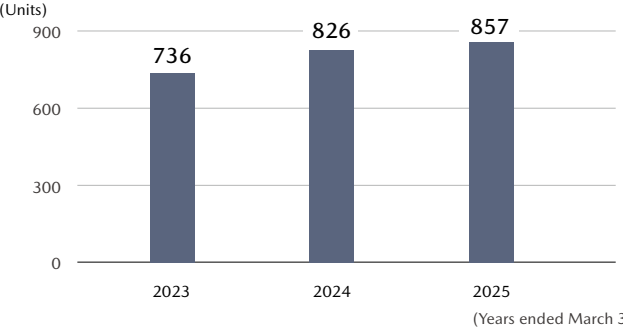
A symbolic example of this effort is the Mazda Service Promise. It consists of five programs: (1) online reservations for maintenance, (2) digital video services, (3) communication methods that customers can choose from, such as email, phone, texting, or in-person, (4) payments by smartphone, and (5) loaner car service. We provide a transparent and personalized service experience from reservation to completion.

At the core of the Mazda Service Promise is the digital video service that was introduced in 2019. Engineers film the inspection



New-Generation Showroom, Luther Mazda, located in Kansas City

Average Throughput (Number of Units Sold per Location) at New-Generation Showrooms



MESSAGE FROM THE CEO OF U.S. MARKET

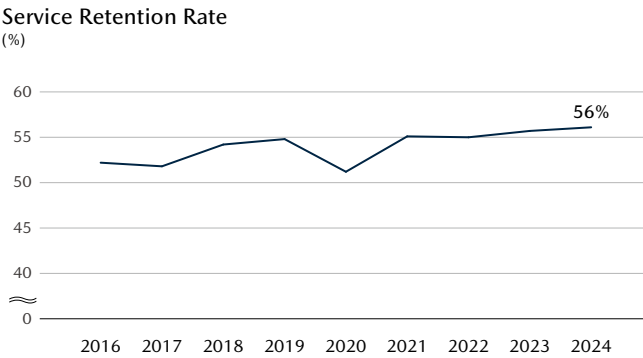
and work performed, then share the video with customers. This service improves transparency, provides peace of mind, and creates a personal connection between Mazda and its customers. Currently, more than 80% of customers receive the video, demonstrating the success of this initiative. When all five programs of the Mazda Service Promise are implemented, the positive response rate for repeat visit intentions in customer surveys has improved by 95%, and the Net Promoter Score has increased by four points, from 78.5 to 82.5. These figures demonstrate the improvement in customer experience.

As a result of our focus on enhancing the customer experience, the service retention rate—meaning the percentage of customers who return for after-sales services such as inspections and repairs—has reached 56%, placing us in the top 20% of the industry, contributing to the development of long-term relationships with customers.

Additionally, Mazda Financial Service (MFS), a high-quality sales financing service offered through our collaboration with Toyota Motor Corporation, has further supported customers in continuing to choose the Mazda brand. Five years have passed since we introduced the service, and we will soon see customers whose lease or loan contracts are nearing expiration return to the market. We are entering a phase in which we expect significant results from the collaboration with MFS.



Digital video service filming



The third point is our attractive product portfolio. Customers choose Mazda for its *Jinba-ittai*—a sense of oneness between driver and vehicle—driving performance, emotionally appealing design, and high safety performance. For safety performance, in particular, eight models of five Mazda vehicles earned the highest rating of TOP SAFETY PICK+ in safety tests conducted by the Insurance Institute for Highway Safety, making Mazda the brand with the most models to receive this rating as of August 2025. The introduction of new-generation models such as the Mazda CX-50, Mazda CX-70, and Mazda CX-90 has also helped attract new customers. Among these models, the CX-50, which is produced at Mazda Toyota Manufacturing, U.S.A., Inc.*, a joint venture with Toyota in the United States that began operations in 2021, is our second-best-selling model, after the Mazda CX-5, in the United States and is driving growth. We aim to increase volume growth, especially in the SUV segment.



Mazda Toyota Manufacturing, U.S.A., Inc.

Based on consistent brand value management, Mazda is steadily improving its brand presence in the United States through partnerships, including with dealers and Toyota, its human-centric approach to enhancing the customer experience, and unique products.

Q. How will you grow Mazda’s corporate value in the United States moving forward?

The automotive industry is currently undergoing major changes, including connectivity, autonomous driving, and electrification. However, what Mazda must do remains unchanged. We will focus on “what we can control” and deepen our brand value management through a “customer-centric” approach to achieve sustainable growth.

Our goal is to transform from a “car company” into a “brand experience company.” In other words, we want to be chosen not only for the functionality and value of our cars but also for the overall car-ownership experience. To achieve this, we will address the pain points of our customers, such as anxiety and inconvenience, head-on. We will strive to exceed our customers’

expectations with the spirit of *Omotenashi*. Additionally, we will strengthen our connections with each customer by creating more touchpoints through the use of systems and digital technologies.

Increasing sales volume and service revenue is, of course, an important management indicator. In addition, we believe that pursuing business quality, such as enhancing the customer

experience with human-centricity, is the driving force behind sustainable growth in quantity. Through this virtuous cycle, we will build a stronger and more sustainable business foundation by enhancing brand value, strengthening price competitiveness, and fostering customer loyalty.

VOICE FROM THE FIELD—BRAND VALUE MANAGEMENT



Robert Sickel
Pine Belt Mazda, Dealer Principal
Mazda National Dealer Advisory Council (NDAC), Chairman

Mazda makes great cars. But more than that, it’s a brand that embodies its public values. It’s no secret that customers who buy a Mazda can choose to buy from many of our competitors. What is it that makes them choose to do business with us? What is it that makes Mazda special? It starts with having a great product. But in today’s market, that isn’t enough. Customers make purchase decisions based on more than the vehicle. It is also about how they are treated both during and after the sale, and it is here that Mazda truly shines.

Brand value management and the concept of *Omotenashi* drive our employees to truly anticipate the needs of our customers. In general, we know people feel stressed and anxious about visiting dealerships. When you walk into a Mazda dealership, we want you to feel calm and cared for. Today, our owners know they purchased a high-value vehicle and trust that we will be there with premium service when the time comes as part of our Mazda Service Promise. In short, this is our commitment to keeping our customers at the center of the service experience by creating a transparent, convenient, and flexible service experience that allows our customers the freedom to choose how they want to interact with the dealership. They appreciate the transparency and openness that our service videos bring to the maintenance and repair process. It is all part of building that long-term relationship that will bring them back year after year.

Brand value management and *Omotenashi* extend beyond the customer relationship. As a dealer, I get to experience it firsthand directly with the Mazda North American Operations team. I have a total of four stores—two domestics and two imports—and the culture at Mazda is helping it make lasting impressions on customers and outperform the competition. Brand value management predated my time with Mazda but it, and the culture it created, was one of the things that attracted me to the brand.

* Production of Mazda vehicles began in January 2022

MESSAGE FROM THE CEO OF MEXICAN MARKET



Mazda elevates its brand value in Mexico through a customer-centric approach and *Omotenashi*

Miguel Barbeyto
Mazda Motor de Mexico S. de R.L. de C.V., CEO

Q. Please explain the background behind introducing brand value management in Mexico and the results achieved.

Since entering the Mexican market in December 2004, Mazda has consistently upheld a customer-centric approach as the foundation of its organization. From the very beginning, the company culture has been deeply rooted in the stance of providing Mazda’s unique value to customers and building relationships of trust.

When Mazda entered the Mexican market, American brands held a strong influence and Japanese brands were just beginning to enter the market. In this competitive environment, we considered “what customers find valuable” as a starting point and enhanced the value of our customer experience, such as sales and service, as well as the value of products, including driving dynamics and design. Our goal was to position Mazda closer to a premium brand. In addition, in 2014 we began operations at the Mazda de Mexico Vehicle Operation plant, further working to expand our presence in the market.

As a result, Mazda has achieved steady growth in the Mexican market for 20 years. Annual sales volume increased from

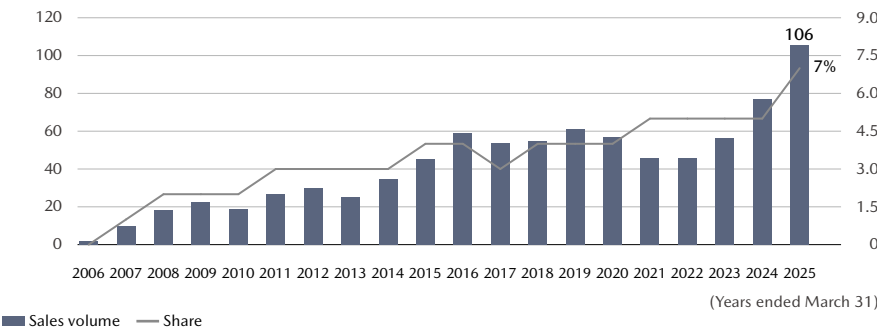
approximately 45,000 units in FY March 2015 to 106,000 units in FY March 2025, more than doubling in 10 years. The market share also expanded from 4% to 7%.

Q. How do you implement brand value management and link it to enhancing corporate value?

Mazda has prioritized building relationships with all stakeholders in Mexico under the philosophy of “customer-centricity.” To us, dealers, logistics companies, advertising agencies, and call centers are viewed as partners rather than vendors. We aim to deliver the Mazda brand experience to customers by working together with our partners as one team.

Among them, dealers are our most important partners. We engage in ongoing dialogue with them to build win-win relationships. We hold monthly meetings with all of our dealer owners, and always begin with topics related to customer service. We share customer feedback with everyone and discuss specific measures for improvement to enhance customer satisfaction. Additionally, appointing only one dealer owner in the same market area has enabled us to create a system that allows

Sales Volume and Share Trends
(Thousands of units / %)



Mazda de Mexico Vehicle Operation

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

for quick and consistent decision-making in store operations. There are currently 76 stores in Mexico, all of which are New-Generation Showrooms. These serve as our foundation for exceptional customer experiences.

We are committed to putting customers at the center and providing a transparent and consistent experience through collaboration with our partners. For example, the same price is offered nationwide for the same model, regardless of the payment method. While our competitors in the Mexican market tend to vary prices by region, Mazda offers the same conditions at all dealerships, making it easy for customers to understand. In the service domain, we have introduced a clear pricing structure for each service, enabling customers to receive the same service at the same price regardless of vehicle type. Another example is the “Express Service,” which is offered for an additional fee and demonstrates respect for customers’ time by being free of charge if the regular maintenance service is not completed within 45 minutes. This is a unique approach in the Mexican market.

Furthermore, we are not only pursuing convenience and transparency but are also working to improve the customer experience with a spirit of *Omotenashi*. While technology and systems are important tools, we believe that the most important thing is the connection between people. We believe that providing personalized service and satisfying experiences will lead to long-term customer relationships. These relationships will drive continued returns for maintenance services and repeat purchases of Mazda vehicles. Ultimately, this improves profitability and brand value.

Our ongoing efforts to enhance the customer experience have built long-term relationships of trust, resulting in a service retention rate—meaning the percentage of customers who return for after-sales services such as inspections and repairs—of 86%, among the highest in the industry. As we continue to earn our customers’ loyalty, we will increase our brand value and achieve sustainable business growth and corporate value.



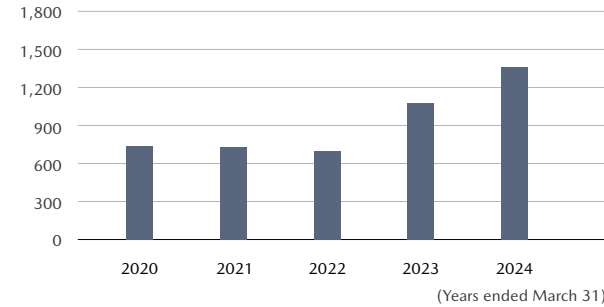
New-Generation Showroom, Mazda Tláhuac, located in Mexico City

Q. How do you plan to grow the Mazda brand in the Mexican market going forward?

In recent years, the competitive environment has become increasingly intense. However, we firmly believe that maintaining our customer-centric approach is key to Mazda’s sustainable growth. Since entering the Mexican market, Mazda has worked with its partners to continuously improve and grow its business over the past 20 years. Going forward, we will continue to place customers at the center of all our actions and decisions, and strive to achieve rapid decision-making and collaboration with the front lines to continue growing and remain a brand of choice.

My dream is for Mazda to be recognized as Mexico’s first “premium volume” brand. This means more than just increasing sales volume; it means delivering Mazda’s unique experiential value to more customers. Our goals are to sell approximately 115,000 units by 2030, rank in the top three in the categories of sales satisfaction and customer service in the J.D. Power survey, and enhance the brand’s presence and business growth.

Average Throughput (Number of Units Sold per Location) at All Showrooms
(Units)



MESSAGE FROM THE GENERAL MANAGER OF JAPAN SALES



Mazda aspires to reinvigorate growth in the Japanese market through business structure reforms based on its brand value management.

Tadashi Miura
General Manager, Domestic Brand and Business Management Division

Q. What conditions and issues are being seen in the Japanese market?

In FY March 2025, we sold around 152,000 vehicles in the Japanese market, making it our second-largest market after the United States. However, our operations in Japan have been suffering from a decline in sales volume since FY March 2020. Seeking to reverse this trend and maximize sales volume in this critical market, we have set the target of achieving domestic vehicle sales of 200,000 units.

In recent years, we have also been prioritizing investments in and the enhancement of customer services at dealerships. These initiatives have been steadily generating results. As an indication of how Mazda is supplying an even higher level of customer service, Mazda was rated No.1 in sales satisfaction in Japan among Mass Market Domestic Brands for the second consecutive year by J.D. Power and ranked third in the Mass Market Domestic Brands segment of the 2025 Japan Customer Service Index Study, an increase from its fifth-place ranking in the previous year.* We want Mazda dealerships to be a place where customers experience joy, and for this joy to be one of the reasons they choose the Mazda brand. Ongoing efforts will thus be made to ensure that dealerships can fulfill this function. We also recognize the need to ramp up our efforts to approach customers who have yet to purchase a Mazda vehicle and enact business strategies that are finely tuned to the scale of specific markets and the opportunities found therein. Such efforts will be imperative to growing sales volumes going forward.

Q. How will Mazda seek to enhance corporate value to address these issues?

Reaffirming the position of brand value management as its foundation, Mazda is transforming its organizations to be able to better act with a focus on all customers. At the same time, we

are transitioning toward businesses that can achieve ongoing growth as a brand customers continue to choose. To this end, we will introduce the essence of the successful measures implemented in the North American market, where operations have taken a positive turn due to our brand value management. We will also strive to provide more extensive support to frontline sales organizations as part of our efforts to fundamentally transform our business. Furthermore, we have defined three pillars of our business structure reforms: “investment for growth to nurture brand,” “designate priority regions (metropolitan strategy),” and “thorough frontline support to improve in-store experience.” Four priority measures are being implemented based on these pillars.

The first priority measure is sales network reform. In the United States, Mazda has been narrowing its focus to conduct concentrated investment in New-Generation Showrooms in markets with large populations of dealers and customers with whom Mazda’s brand value resonates. As a result of these investments, we have seen increases in customer satisfaction, leading to large improvements in per location sales efficiency. Learning from the lessons of the growth we achieved in the United States through such efficient investment, we are working to build an optimal sales network in Japan based on market potential. In light of the outlook for polarized population trends in urban and non-urban areas, we plan to concentrate investment on urban areas. Specifically, we will increase the number of locations across Japan designated as priority dealerships for enhancing sales efficiency from the current 250 to 300, with the aim of achieving an annual sales volume of 400 units per location. Furthermore, 10 cities, including Tokyo and Osaka, have been positioned as priority markets, where we will invest in developing New-Generation Showrooms leading up to 2030.

The second priority measure is brand-focused marketing investments. In the United States, the Company has moved away from traditional marketing measures focused on the superiority of its product functions and technologies. Now, Mazda is

endeavoring to foster understanding through communication emphasizing its brand itself, which is contributing to improved brand presence. We are taking a similar approach in Japan by ramping up market activities for communicating the significance and value of our brand. For example, MAZDA TRANS AOYAMA, which opened in February 2025 as a place to experience the Mazda brand, is functioning as a venue for forming connections with new customers and is expected to expand the base of potential Mazda customers over the medium to long term.

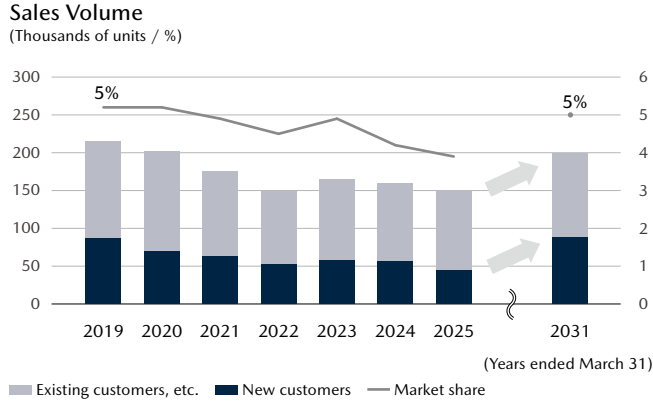


MAZDA TRANS AOYAMA (Minato-ku, Tokyo)

The third priority measure is the development of mechanisms and systems to instill brand value in stores. At dealerships in the United States, behavioral standards for dealership staff have been defined by working backward from the ideal customer experience. This approach has been contributing to increases in customer satisfaction as well as in dealership staff motivation. In Japan, we will follow suit by establishing brand standards defining Mazda brand experiences that better satisfy customers. At the same time, we will implement training and support programs to entrench these standards within dealerships.

The fourth priority measure is to establish a new company to improve the efficiency of back-office functions. Specifically, we established Mazda Business Partner Co., Ltd. in January 2025. By consolidating back-office functions performed by sales company management divisions into this company, we aim to provide an environment in which dealerships and sales companies are able to concentrate more on serving customers and providing them with brand experiences.

As we conduct such growth, marketing, and other investments aimed at facilitating ongoing growth, we will also seek to achieve the optimal balance between investments and cost reductions. At the same time, we will instill brand value management into the Japanese market with the goal of cementing our foundations over the period from 2025 to 2027—Phase 2 of the Management Policy up to 2030—so we can achieve domestic sales volumes of more than 200,000 vehicles during Phase 3.



Q. What do you view to be your role? Also, what do you see as your mission for transforming Mazda’s operations in the Japanese market?

I believe it is my mission to help reinvigorate the growth of the Japanese market by cementing Mazda’s foundations for practicing brand value management. I have experience serving as a member of management in Russia, Taiwan, and Thailand, where I have worked with colleagues in these countries to promote brand value management while tailoring our approach to the local cultures and business customs. In each of these markets, we succeeded in identifying issues, implementing reforms, and cultivating successors over a period of just three years, thereby constructing the foundations for ongoing business growth. I look forward to applying this experience to the Japanese market.

At the moment, we are moving ahead with reforms aimed at strengthening sales networks and brand power in the domestic market. In addition, we reorganized the domestic business divisions at our Head Office in July 2025, and are now advancing business structure reforms focused on brand value management under a new organizational structure. Mazda is also working together with dealerships and sales companies to foster a more customer-oriented corporate culture. Joining hands with those on the front lines, I will dedicate all my experience and all my passion to heightening Mazda’s presence in the Japanese market.

* For J.D. Power award information, visit <http://japan.jdpower.com/en/awards>

PERFORMANCE BY MARKET

Mazda is strengthening its global sales foundations and tailoring its product launches and branding activities to match the characteristics of the specific markets it serves. In this section, you will find information on sales volumes and other performance metrics and forecasts on an individual market basis.

Global Sales Volumes

	FY March 2025		FY March 2026 (Forecast)*	
	Sales volume (thousands of units)	Change from prior year (%)	Sales volume (thousands of units)	Change from prior year (%)
North America	617	+20%	595	−4%
Japan	152	−5%	161	+6%
Europe	174	−3%	177	+2%
China	74	−23%	76	+2%
Other Markets	285	−1%	291	+2%
Total	1,303	+5%	1,300	0%

In FY March 2025, Mazda’s global sales volume was 1,303,000 units, an increase of 5% year on year, as a result of favorable sales in the North American market. During this fiscal year, the Company augmented its lineup of large products with the introduction of the Mazda CX-70 in North America and other markets and the Mazda CX-80 in markets such as Europe, Australia, and Japan. As the third and fourth additions to this lineup, respectively, these large products join the existing Mazda CX-60 and Mazda CX-90. Furthermore, we launched the Mazda CX-50 Hybrid, which is equipped with a Toyota Motor Corporation hybrid system, in North America while China saw the release of

the Mazda EZ-6, which was developed through collaboration with Chongqing Changan Automobile Co., Ltd.

In FY March 2026, we forecast that global sales volume will be around 1,300,000 units, the same level as FY March 2025, as the projected decline in sales volume in North America will be counterbalanced by growth in other markets. Future business growth in Japan is anticipated to be supported by branding activities whereas growth in Europe will be driven by the Mazda6e electrified vehicle released in September 2025 and the new Mazda CX-5 to be launched late in the same year.

North America

In FY March 2025, the total sales volume in the North American market rose 20% year on year, to 617,000 units, following strong performance in Canada and record-breaking sales volumes in the United States and Mexico. Sales volume in this market are anticipated to amount to 595,000 units in FY March 2026.

In the United States, sales growth was supported by the introduction of the CX-50 Hybrid and by sales of large products, leading sales volume to increase 16% and reach a new record high of 435,000 units. Although the outlook for demand in FY March 2026 in this market is uncertain, we will continue to

Japan

In Japan, sales volume in FY March 2025 declined to 152,000 units because of the discontinuation of sales of the Mazda CX-8. In FY March 2026, we will continue to work toward our sales volume target for this market of 161,000 units, which will represent a 6% year-on-year increase, through efforts to promote our value proposition and improve brand recognition by capitalizing on our diverse lineup of SUVs, which include the CX-60 and the

limit sales incentive payments while carefully monitoring competition trends. Other initiatives will include maximizing sales of the CX-50, which is manufactured at Mazda Toyota Manufacturing, U.S.A., Inc., a joint venture production company established together with Toyota [P43](#).

In Mexico, sales volume increased 37%, to a new record high of 106,000 units, in FY March 2025, due to growth in sales of the Mazda CX-30. We will continue to emphasize brand value management as we pursue further growth in the market [P47](#).

CX-5 as well as the newly released CX-80. Moreover, we will enhance frameworks for supporting frontline organizations and advance other business structure reforms to heighten productivity and place greater emphasis on customer experience based on our brand value management in our domestic sales operations [P49](#).

Europe

The FY March 2025 sales volume for Europe declined to 174,000 units, as the decrease in sales of the pre-upgrade CX-60 and the CX-5 surpassed the increase in sales of the CX-30 and the Mazda2 Hybrid produced by Toyota on an OEM basis.



New Mazda CX-5

In FY March 2026, we project an increase in sales volume of 2% year on year, to 177,000 units, to be achieved by promoting sales of large products, the CX-30, and other existing models and by capitalizing on the launches of the Mazda6e released in September 2025 and the new CX-5 scheduled to hit the market in late 2025.



Mazda6e electrified vehicle

China

In China, the FY March 2025 sales volume decreased to 74,000 units due to the impacts of shrinking demand for internal combustion engine vehicles and intensifying price competition. The EZ-6 was launched in this market in October 2024.

The new Mazda EZ-60 electrified crossover SUV exhibited at the 21st Shanghai International Automobile Industry Exhibition, held in April 2025, was released in September 2025. With this new vehicle and the existing EZ-6, we will seek to reclaim our share of the Chinese market given its rapid embrace of electrified vehicles. We thereby expect to achieve a sales volume of 76,000 units, an increase of 2%, in FY March 2026.



New Mazda EZ-60 electrified crossover SUV

Other Markets

On the whole, the total sales volume for other markets in FY March 2025 declined to 285,000 units following lower sales in Thailand, Malaysia, and other ASEAN markets. In the major market of Australia, sales volume decreased to 97,000 units. The main factor behind this decrease was the discontinuation of sales of the Mazda CX-9 and CX-8, which offset the benefits of the increases in sales of the newly released CX-80 and the Mazda CX-3 and CX-5.

In FY March 2026, total sales volume for other markets is projected to increase 2% year on year, to 291,000 units.

Going forward, Mazda will work to inject the essence of the successful brand value management-inspired business reforms implemented in the United States into operations in China and Thailand to recover performance in these countries. In addition, we will begin development and production of new compact SUVs in Thailand in 2027. These vehicles will be sold in Thailand and also exported to other markets. Meanwhile, we will start up local production of the CX-30 in Indonesia and seek to grow sales in this country.

MESSAGE FROM THE CSO



Mazda is implementing its Multi-Solution Strategy and collaborating with partners to deliver its distinctive value to customers around the world while also making contributions to the global environment and to carbon neutrality.

Takeji Kojima
Director, Senior Managing Executive Officer and Chief Strategy Officer (CSO)

Multi-Solution Strategy
Q. Could you please explain the factors that led Mazda to adopt its Multi-Solution Strategy?

Mazda serves customers in some 130 countries and regions around the world. Our decision to implement our Multi-Solution Strategy [P59](#) was prompted by an examination of the way we can help these customers enjoy Mazda products while limiting our emissions of CO₂.

Some may think that the Multi-Solution Strategy is something new. Quite the contrary, though, we actually began talking about this approach in the 2000s, before the term “electrification” had even entered the public lexicon. Some may remember that it was in 2007 that Mazda announced “Sustainable Zoom-Zoom,” its long-term vision for technology development. The social and environmental report issued that year explains how the environmental issues facing the automotive industry can vary based on region, vehicle type, or fuel characteristics. It goes on to explain that addressing these multiple issues will require multiple solutions, or a “Multi-Solution Strategy.” As can be seen in this early mention, we believe that the Multi-Solution Strategy represents a consistent stance on contributing to the global environment and to carbon neutrality.

Every country and region is different in terms of customer values, lifestyles, and uses for automobiles. There are also differences when it comes to energy policies, regulations, and incentives as well as fuel and charging infrastructure and crude oil prices. For example, renewable energy use has become quite widespread in Northern Europe, and BEVs have a strong presence in this market accordingly. In Japan, meanwhile, fossil fuel-derived electricity is a principal source of power, and charging infrastructure is therefore not yet commonplace. In markets like Japan, HEVs and PHEVs, which combine internal combustion

engine and electrification technologies, are effective tools for contributing to reductions in CO₂ emissions and to carbon neutrality.

Our response to these varied circumstances is the Multi-Solution Strategy, which entails introducing diverse options—including internal combustion engine vehicles, HEVs, PHEVs, and BEVs—at the ideal timings. Of course, this strategy is shaped by our concept of brand value management and by our focus on the customer. In other words, the Multi-Solution Strategy is an effective way to capitalize on the strengths of a company with Mazda’s scale in order to respond flexibly to volatile operating environment changes while exercising our corporate philosophy.

Q. How does the Multi-Solution Strategy differ from an all-encompassing strategy?

Mazda’s Multi-Solution Strategy is fundamentally different from an all-inclusive strategy. Generally, an all-inclusive strategy would involve a company devoting massive amounts of resources to simultaneously develop a wide range of technologies. Our Multi-Solution Strategy, meanwhile, is about selection and concentration of our limited resources to develop element technologies on a staggered timeline. As such, this strategy requires a long-term perspective and structured thinking. This strategy is made possible by the Building Block concept that has been a cornerstone of initiatives based on “Sustainable Zoom-Zoom.” The Building Block concept involves backcasting from our outlook for the timing of global proliferation of CO₂ emissions reduction technologies to guide the development of element technologies through projects advanced one at a time. The Multi-Solution Strategy is based on the belief that the technologies developed through this approach will represent a distinctive value proposition that is unique to Mazda.

00 CONTENTS	01 MAZDA'S VALUE CREATION APPROACH	02 VALUE CREATION ROAD MAP LEADING UP TO 2030	03 VALUE CREATION INITIATIVES ● Human Resource Strategies and Digital Transformation ● Brand Value Management Initiatives Targeting the Markets ● Lean Asset Strategy ● Mazda Monozukuri Innovation 2.0 ● Variable and Fixed Cost Reduction ● Pursuit of Zero Environmental Impact	04 VALUE CREATION FOUNDATIONS	05 DATA SECTION
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Q. The growth of the BEV market is slowing, and the outlook is becoming increasingly opaque. Given this reality, what are Mazda’s development plans and policies related to electrification and carbon neutrality technologies?

In 2022, we announced our outlook that BEVs would represent 25% to 40% of Mazda’s global sales by 2030. In the years that followed, however, the BEV market slowed to a degree that surpassed our expectations. Today, caution is needed with regard to the environmental policies of the U.S. government, and we project growth in BEV and PHEV sales in China. Meanwhile, certain environmental regulations and BEV purchase subsidies have been discontinued in Europe. In this manner, we recognize that trends in the BEV market are quite fluid. Although this is our current outlook, we cannot deny the possibility that the actual government policies and trends might differ substantially from what we are projecting at the moment.

Mazda will thereby be taking a flexible approach toward advancing electrification in response to the trends in demand seen around the world while also seeking to improve management efficiency. Measures toward this end will include collaborating with partners and combining Mazda’s products to concentrate our resources on areas of expertise based on our Lean Asset Strategy [P57](#) and Mazda Monozukuri Innovation 2.0 [P67](#).

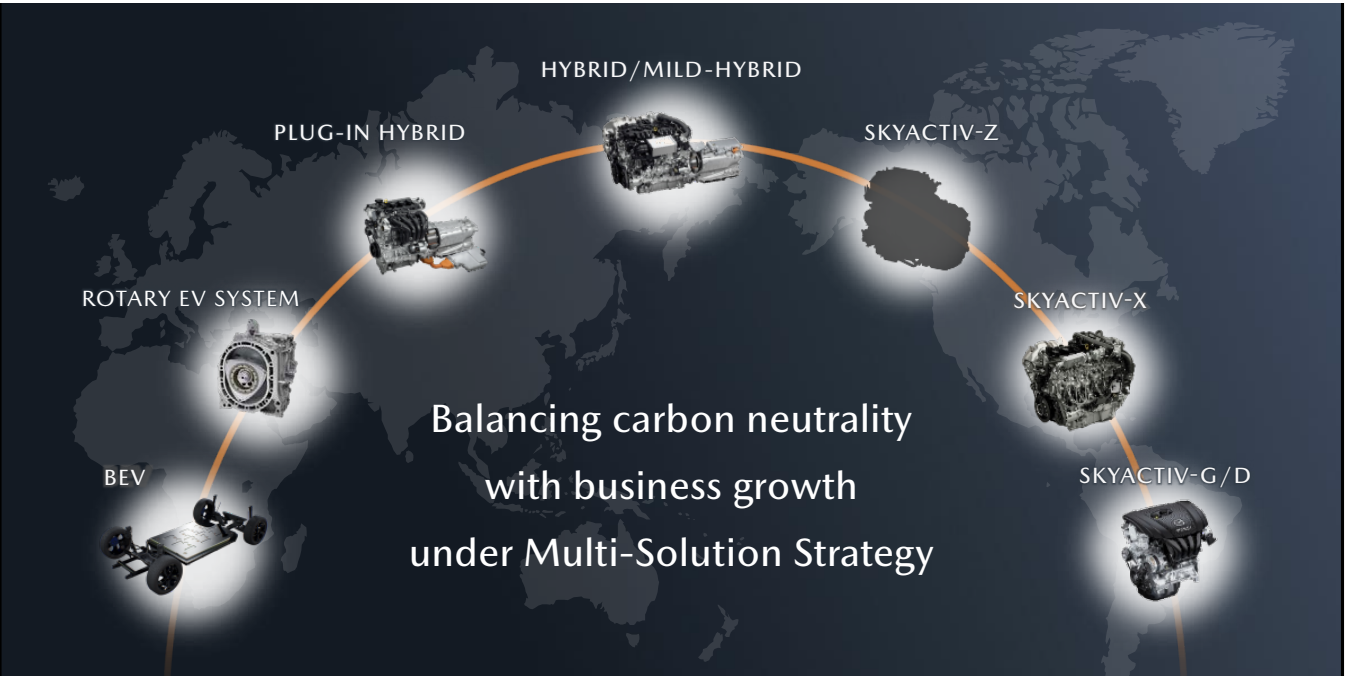
Specific carbon neutrality technologies we are researching include technologies that enable automobiles to capture CO₂ and those that can be used for the production of carbon-neutral fuel from microalgae.

The carbon-neutral fuel produced from microalgae is created by absorbing CO₂ from the atmosphere. This means that, if we can also capture the CO₂ emitted during combustion of this fuel, we can create mobility that is effectively carbon neutral, or maybe even carbon negative. Such mobility would allow us to produce cars that use the strengths of the Japanese automotive industry’s internal combustion engine technologies to reduce the amount of CO₂ in the atmosphere while driving. This would all be possible while limiting the social cost of installing new infrastructure. We plan to conduct a verification test of our CO₂ capture technologies during the ENEOS Super Taikyu Series 2025 Empowered by BRIDGESTONE race event scheduled to be held in November 2025.

Collaboration with Partners
Q. What are your thoughts with regard to the collaboration being pursued with various partners as part of the electrification strategies of the Management Policy up to 2030?

Everything we do is focused on delivering distinctive value through products and services based on our concept of brand value management and Lean Asset Strategy to ensure that Mazda is the brand customers continue to choose.

In collaboration with partners, we maintain this focus as we team up with partners who share our aspirations and goals, regardless of industry or business model. We work together with these partners to create better automobiles, evolve automotive cultures, and supply customers with superior mobility experiences and services. Moreover, we combine our strengths and



MESSAGE FROM THE CSO



insights with those of partners to create new social value and maximize value for the customer. This is the approach we emphasize when collaborating with partners.

We also recognize that we must not become overly dependent on such collaboration as it is imperative that Mazda maintain its own strengths as an independent company. I believe that the best way to accomplish this is to enhance our own value so that Mazda remains the partner that other companies continue to choose. Going forward, we will continue to pursue ongoing growth while striving to achieve the ideal balance between independence and collaboration.

Q. What type of companies is Mazda partnering with in its efforts to create distinctive products and technologies?

The automotive industry is currently undergoing a once-in-a-century turning point. One characteristic of this turning point is the rapid increase in demand related to electrification, software-defined vehicles, and carbon neutrality. As the industry seeks to cope with these changes, its structure is undergoing a transformation, moving away from the conventional vertical integration approach to instead adopt a new co-creation-oriented approach in which various partners work together as equals. We also recognize that what we can accomplish entirely by ourselves is limited. This is why Mazda is teaming up with various partners, including Toyota Motor Corporation, Chongqing Changan Automobile Co., Ltd., and Panasonic Energy Co., Ltd. Areas in which we are accelerating collaboration include electrification, electrical/electronic architecture, and software.

Mazda will continue to collaborate with partners to create innovative technologies while using resources efficiently in its quest to supply distinctive and appealing products that deepen the bond between people and automobiles.

Q. As you mentioned, Mazda is currently pursuing collaboration with partners based on the Lean Asset Strategy. What, then, are the reasons behind and the goals of the Company's in-house development of BEVs and proprietary hybrid systems? Also, how do you expect to tie these in-house efforts to success?

We will continue to invest in areas that constitute Mazda's unique strengths and the fundamental value of its brand, such as those linked to supplying the joy of driving. Based on this policy, we are advancing in-house development of BEVs and proprietary hybrid systems to further refine our value proposition with our own hands. Mazda remains committed to the development of human-centered automobiles. As such, our unique approaches and policies shape the driving performance, control technologies, and driver ergonomics of Mazda vehicles. This distinctiveness is what makes people feel the true value of the Mazda brand and is something that we will continue to emphasize going forward. Meanwhile, we will actively engage in collaboration in areas where scale and standardization are key to being competitive with the goal of improving capital efficiency while increasing both quality and competitiveness. BEV batteries are one example of such an area. Rather than blindly pursuing growth in our scale, we intend to concentrate on the core elements of our brand. Through the best possible balance of in-house efforts and collaboration, we hope to continue to supply customers with products, technologies, and services steeped in Mazda's distinctive value. This is how we will work toward ensuring that Mazda is always the brand that customers choose.

* "Sustainable Zoom-Zoom" is Mazda's declaration to tackle CO₂ reduction and other challenges faced by the automotive industry as it develops technologies supporting the sustainability of the global environment and transportation infrastructure, and strives to create an evolving mobility world that offers the joy of driving and is safe for the environment.

00 CONTENTS	01 MAZDA'S VALUE CREATION APPROACH	02 VALUE CREATION ROAD MAP LEADING UP TO 2030	03 VALUE CREATION INITIATIVES ● Human Resource Strategies and Digital Transformation ● Brand Value Management Initiatives Targeting the Markets ● Lean Asset Strategy ● Mazda Monozukuri Innovation 2.0 ● Variable and Fixed Cost Reduction ● Pursuit of Zero Environmental Impact	04 VALUE CREATION FOUNDATIONS	05 DATA SECTION
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COLLABORATIVE PROJECTS
WITH VARIOUS PARTNERS

Partner: Toyota Motor Corporation

- Establishment of joint venture production company Mazda Toyota Manufacturing, U.S.A., Inc. (United States)
- Development of electrical/electronic architecture, advanced driver assistance system, electric drive powertrains, etc.*¹
- Procurement of hybrid systems
- Procurement of compact and commercial vehicles
- Sales financing operations (United States, Canada, Japan, Australia, New Zealand, United Kingdom, etc.)
- Verification tests of sweep energy storage systems utilizing automotive batteries for developing battery ecosystems

*¹ Development promoted through collaboration with Toyota, DENSO CORPORATION, and BluE Nexus Corporation



Mazda CX-50 Hybrid

Partner: Chongqing Changan Automobile Co., Ltd.

- Establishment of joint venture vehicle production company Changan Mazda Automobile Co., Ltd. and joint venture engine and electric drive unit system production company Changan Mazda Engine Co., Ltd. (China)
- Development, production, and sales of Mazda EZ-6 and Mazda6e*² midsize electrified sedans and Mazda EZ-60 electrified crossover SUV at Changan Mazda Automobile

*² Name of the Mazda EZ-6 when sold outside of China



Mazda EZ-60

Partners: DENSO CORPORATION and BluE Nexus Corporation

- Development of electrical/electronic architecture, advanced driver assistance system, electric drive powertrains, etc.

Partner: Panasonic Energy Co., Ltd.

- Procurement of cylindrical automotive lithium-ion batteries



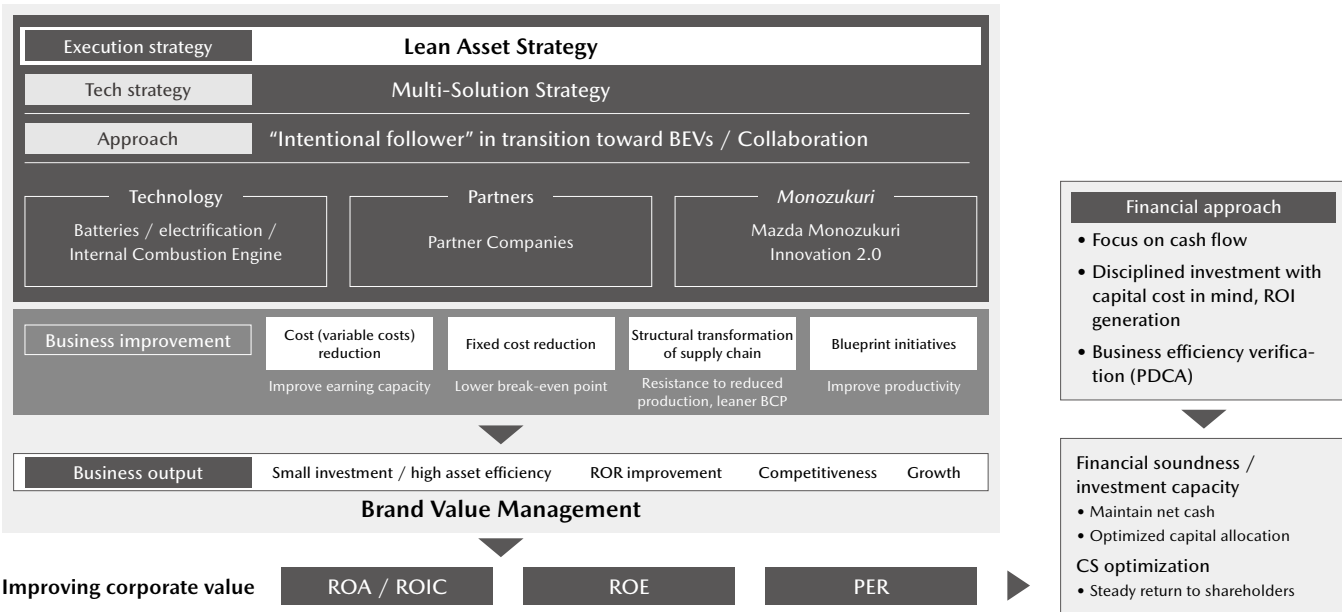
Mazda President and CEO Masahiro Moro (left) with Panasonic Energy President Kazuo Tadanobu (right)

Partners: ISUZU MOTORS LIMITED, Suzuki Motor Corporation, and DAIHATSU MOTOR CO., LTD.

- Procurement of automobiles

LEAN ASSET STRATEGY

Trends toward electrification are increasingly being affected by uncertainty, including growing investment costs due to inflation, regional differences in the pace of electrification, and rising geopolitical risks. Given this uncertainty, as well as Mazda's limited management resources, we must work to minimize management risks while bolstering business competitiveness and also responding flexibly to changes. The Lean Asset Strategy will be our vessel for this undertaking. Through this strategy, we aspire to achieve higher levels of asset efficiency and profitability with low investments in order to heighten competitiveness and drive ongoing growth, thereby spurring continuous enhancements in corporate value.



The Lean Asset Strategy is our approach to reduce asset-related costs while fully utilizing those we hold to maximize our competitiveness as a smaller player. In our development of electrification technologies, we will implement our Multi-Solution Strategy [P59](#) for technology development. We will also act as an “intentional follower” in the transition toward BEVs by planning our steps based on careful assessment of the regulatory and electrification trends of specific regions. Meanwhile, collaboration will be promoted with partners and reforms will be promoted through Mazda Monozukuri Innovation 2.0 [P67](#) to achieve drastic improvements in development productivity and flexibly combine technologies developed through selection and concentration to respond to diverse customer needs.

Our business reforms are focused on the four pillars of variable cost reductions, fixed cost reductions, structural transformation of supply chain, and Mazda's Blueprint organizational

culture reform initiatives. Through initiatives based on these pillars, we seek to bolster earning power, lower our break-even point, heighten resilience to production declines, increase business resilience, and improve productivity.

In terms of our finances, we are emphasizing free cash flow as we utilize diverse fund procurement methods and practice increased financial discipline with a focus on cost of capital. At the same time, the Company will work to maximize investment returns and improve business efficiency while verifying the associated benefits. We thereby aim to ensure financial health and secure a capacity for investment while also achieving balanced increases in shareholder returns and internal reserves in order to develop an optimal capital structure. The resulting financial base will act as our foundation for supporting improvements in corporate value.

COLLABORATION FOR HEIGHTENING SPEED AND TECHNOLOGICAL COMPETITIVENESS WHILE LIMITING INVESTMENT

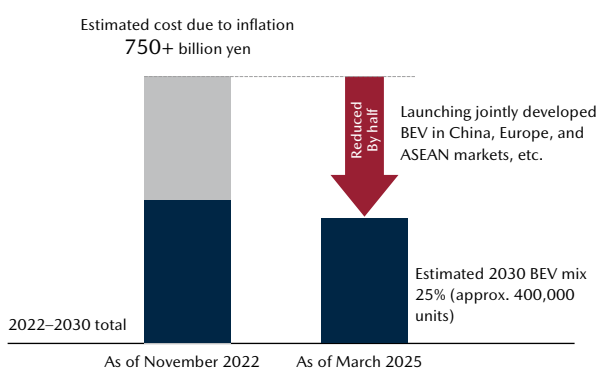
When the Management Policy up to 2030 was initially announced in November 2022, we had estimated that electrification-related investments would amount to 1.5 trillion yen. However, subsequent inflation and material price increases indicated the possibility that this investment amount might rise to 2 trillion yen. Regardless of this possible increase, we aim to limit the total amount of investment to the initially projected 1.5 trillion yen by optimizing investment through strategic collaboration aimed at flexibly responding to such changes. As we seek efficiency in growth investments in this manner, we will also continue to evolve Mazda's unique technologies. For example, ongoing development is being carried out with regard to Mazda's proprietary hybrid systems, Skyactiv-Z technologies, and rotary electric vehicles that utilize its rotary engines. In this manner, Mazda aspires to secure a competitive edge by providing diverse options for responding to future electrification.

Halving of Battery Investments Through Collaboration

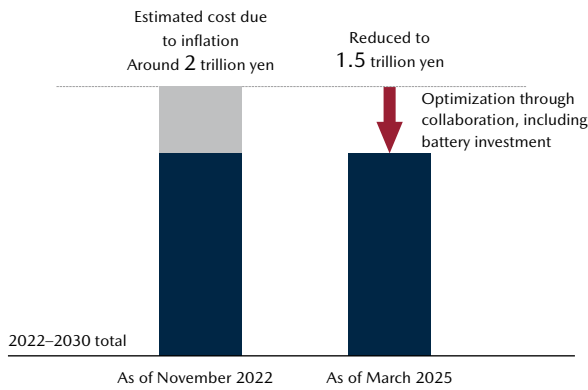
Batteries are an electrification-related area requiring particularly large amounts of investment. At the same time, this area will be heavily impacted by future trends in demand and in technological innovation, and is thus an area with a high degree of uncertainty. To address this uncertainty, Mazda is developing collaboration frameworks to help it flexibly respond to such trends while strategically limiting investment risks.

At the time of the November 2022 announcement of the Management Policy up to 2030, Mazda's plans assumed that we would be procuring batteries entirely by ourselves. When adjusted for inflation, the initial plans would require an investment of more than 750 billion yen. However, we have since ramped up collaboration with partner Chongqing Changan Automobile Co., Ltd., to launch jointly developed vehicles that utilize this company's electrification technologies. Through this collaboration, we estimate that the amount of battery investment necessary should BEVs come to represent 25% of global vehicle sales in 2030 will be 50% lower than our initial forecast.

Improving Efficiency of Electrification Investment



Anticipated Impact of Electrification Investments (Growth Investments)

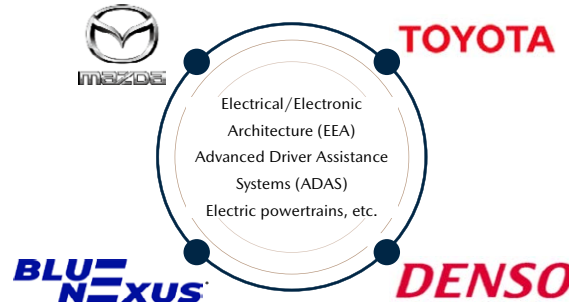


Collaboration for Enhancing Electrification Technologies While Heightening Development Efficiency

The evolution of electrification requires sophisticated expertise and the allocation of massive amounts of development resources to various areas. To facilitate these efforts, Mazda is teaming up with Toyota Motor Corporation, DENSO CORPORATION, BluE Nexus Corporation, and other partners to create efficient development structures for areas including electrical/electronic architecture, advanced driver assistance systems, and electric drive powertrains.

We are also working to reinforce our electrification platforms and bolster medium- to long-term competitiveness through collaboration with local industries in conjunction with the cultivation of the electrification unit production hub located in Mazda's birthplace of Hiroshima, which was announced in 2022.

Efficient Development of Electrification Technology Through Collaborative Partnerships



* BluE Nexus Corporation is an electrification systems company that combines the technologies of AISIN CORPORATION, DENSO CORPORATION, and Toyota.

MULTI-SOLUTION STRATEGY

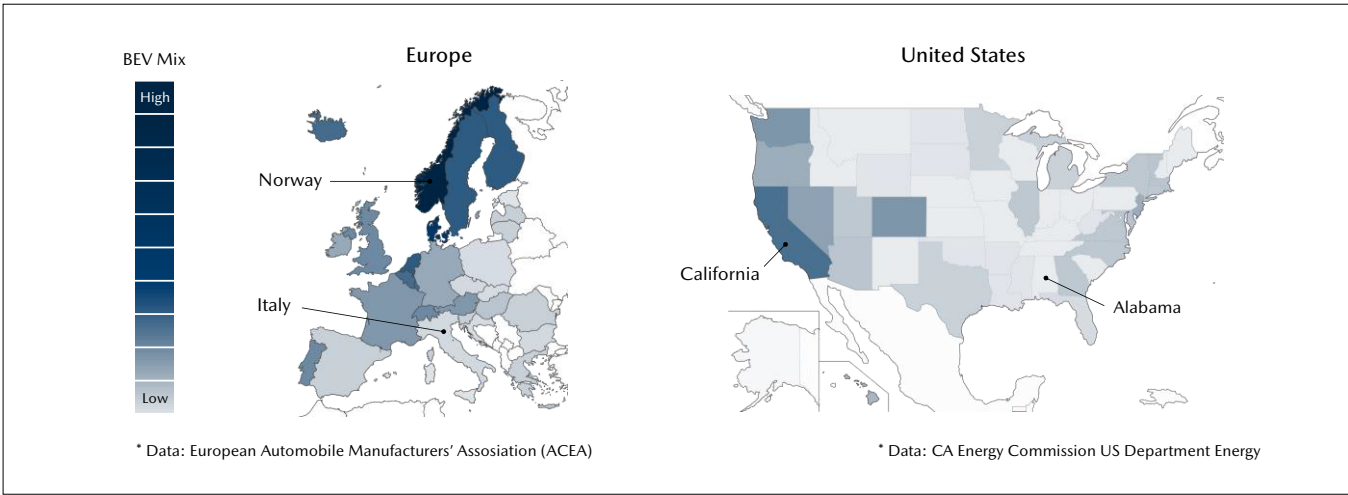
To achieve business growth while promoting carbon neutrality, Mazda is implementing its Multi-Solution Strategy, which entails offering vehicles with diverse powertrains, including internal combustion engine vehicles, HEVs, PHEVs, and BEVs, to respond to the various energy conditions and regulations as well as customer values and lifestyles that can vary by country and region. The foundation for this strategy is formed by Mazda's Building Block concept, which itself is shaped by "Sustainable Zoom-Zoom," our long-term technology development vision formulated in 2007. Our efforts continue to evolve based on our consistent stance toward developing our technology portfolio from a long-term perspective.

ELECTRIFICATION TRENDS AND POLICIES

Mazda recognizes the period leading up to 2030 as the "dawn of electrification." Trends pertaining to electrification are affected by a great deal of uncertainty, including growing investment costs due to inflation, regional differences in the pace of electrification, conservative trade policies, economic security policies, and rising geopolitical risks. Looking at the rates of BEV adoption, for example, we see a stark difference by country and region with Norway having a 90% adoption rate while the adoption rate in Italy remains below 5% in Europe. In the United States,

similarly, California has an adoption rate of around 20% while BEVs have almost no presence in Alabama. There are also differences in government policy by country, and some policies represent a reversal in trends, such as the United States' decision to change corporate average fuel economy regulations to eliminate fines for violations in July 2025. In light of this uncertainty in the long-term outlook, Mazda has declared its intention to take a flexible response to electrification trends as an "intentional follower" in the transition toward BEVs.

BEV Market Penetration Rates (2024)



Building Block Concept

The Building Block concept is an approach toward pursuing the ideal form for all constituent technologies in a phased, long-term manner to deliver the joy of driving while ensuring high levels of environmental and safety performance. Products of this approach have included our Skyactiv Technology, which has contributed to significant improvements in engine, transmission, and other fundamental

technologies and has been incorporated into numerous Mazda products beginning with the original CX-5 launched in 2012. Skyactiv Technology enabled us to achieve an effective reduction in global CO₂ emissions while preventing overdependence on specific types of eco-friendly vehicles. Mazda's product and technology development activities continue to be shaped by the Building Block concept even today.

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

SKYACTIV-Z GASOLINE ENGINE SCHEDULED FOR 2027 LAUNCH

Even in the age of electrification, Mazda aspires to be a front-runner for internal combustion engines. A cornerstone of our engine lineup for the age of electrification will be the currently under development Skyactiv-Z 2.5L in-line 4-cylinder gasoline engine. This engine will be combined with electrification technologies to achieve superior environmental performance and driving performance. We expect that this engine will enable us to meet the strict emission regulations of Europe and the United States as we also offer a tangibly higher level of driving performance.

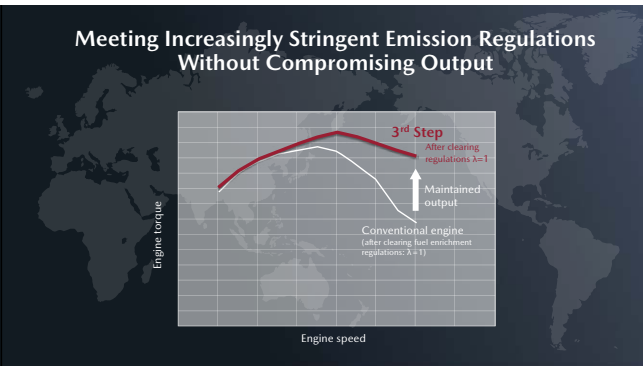
Following the Skyactiv-G gasoline engine introduced in 2011, the Skyactiv-Z is the final step on the road map toward the ideal internal combustion engine. For the Skyactiv-X commercialized in 2019, use of AI in the combustion model substantially accelerated development in conformity with the necessary standards and contributed to the practical application of SPCCI combustion, the world's first* lean compression ignition combustion approach. No other company has yet to achieve practice application of this combustion method. By expanding the application of SPCCI combustion and advancing development of combustion technology to reach the ultimate combustion threshold, the Skyactiv-Z will be the engine that balances excellent fuel consumption performance and driving performance. The Skyactiv-Z will be combined with Mazda's unique hybrid system and is scheduled to be introduced to the new-generation CX-5 that will be launched by the end of 2027.

The combustion improvement technologies that were created before and during the development of the Skyactiv-Z will be applied to the in-line 6-cylinder engines of Mazda's large product offerings, and will also serve as a road map for meeting the strict emission regulations for rotary engines. Based on this, in the future, the number of engine units as hardware, including the Skyactiv-Z, will be reduced to less than half through consolidation, and the control software will also be reduced to two-thirds.

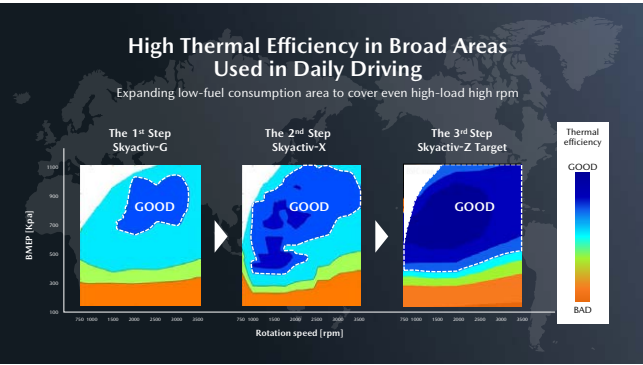
Achieving SPCCI combustion that conforms to necessary standards was estimated to require 16,000 times as many hours as were used to develop the Skyactiv-G, and was therefore considered impossible to complete using conventional methods. However, with the Skyactiv-X, we began using combustion models to advance high-speed measurement and data processing and to develop AI machine learning technology. We were thus able to limit development time to less than one-third of the Skyactiv-G. This technological prowess is fueling ongoing innovation in engine development.

* Source: Mazda Motor Corporation

For more information, please refer to the following MAZDA MIRAI BASE article.
Where Engine Dreams Meet Possibilities: The SKYACTIV-Z Challenge and Mazda's Internal Combustion-Focused Electrification Strategy
<https://www.mazda.com/en/mazda-mirai-base/articles/20250319-multisolution-skyactivz/>



Response to stricter exhaust gas regulations while maintaining engine output on par with prior levels



Improvement of thermal efficiency to achieve high levels of fuel efficiency coupled with comfortable driving

Roadmap to Ideal Combustion						
	Gasoline			Diesel		
	1 st Step	2 nd Step	3 rd = Final Step	2 nd Step	1 st Step	
	Skyactiv-G (2011)	Skyactiv-X (2019)	Skyactiv-Z (2027)	eSkyactiv-D (2022)	Skyactiv-D (2012)	
Seven Control Factors						
Compression ratio			1st Super lean burn (lean combustion)			
Air fuel ratio						
Combustion period			Heatshielding film			
Combustion timing						
Wall surface heat transfer			Increase displacement			
Pumping loss						
Mechanical loss						

Progress toward final step in creating the ideal internal combustion engine

MULTI-SOLUTION STRATEGY

PROPRIETARILY DEVELOPED MAZDA BEVS

Based on its Lean Asset Strategy, Mazda teamed up with Chongqing Changan Automobile Co., Ltd., a partner of around two decades, to release the EZ-6 in China and the Mazda6e in Europe and other markets during Phase 1 of the Management Policy up to 2030. These products use Changan's electrification and software technologies as the foundation into which Mazda injects its unique designs and craftsmanship as well as its *Jinba-ittai*—a sense of oneness between driver and vehicle—driving feel. In this manner, we are collaborating with partners to furnish swift and efficient responses to market needs while concentrating resources on the development of proprietary Mazda BEVs.

Amid the rapid evolution of battery technologies, we are seeing the emergence of risks related to procurement. Given Mazda's small scale, it is imperative for us to be prepared to respond swiftly and flexibly, and with minimal investment, to technological progress and operating environment changes. Mazda's proprietary dedicated BEV platform is able to incorporate various battery types and adapt to various vehicle models to achieve incredibly high levels of flexibility and efficiency in adopting batteries.

We must also create models of the hardware structures that need to be controlled by software. For example, there is a need to control temperatures to ensure that vehicle interiors are comfortable, while also heating batteries to prevent declines in charging performance in cold environments and cooling motors and inverters as they heat up during driving. We have therefore developed a full-vehicle model for our thermal management system to support optimization and efficiency through AI-powered control to guarantee vehicles function ideally while consuming minimal energy. Mazda wants to provide its distinctive joy of driving,

which entails feeling the happiness of driving and moving as one pleases, through BEVs. For this reason, we are utilizing the integrated control technologies for the entire vehicle developed through Mazda Monozukuri Innovation 2.0 initiatives. With these technologies, Mazda is set to deliver driving control linked to the powertrain by optimizing powertrain control and tire weight bearing based on steering inputs. Prototype vehicles have already been driven on snowy roads, demonstrating how these technologies allow drivers to feel that their vehicle is driving stably and quickly responds to their will, thereby supplying the feeling of *Jinba-ittai* through BEVs.



In response to the rising demand for BEVs, Mazda's proprietary BEVs are developed swiftly using a combination of model-based development* and AI to deliver a distinctively Mazda feel.

* Model-based development involves creating computer models of vehicles, control systems, drivers, passengers, driving environments, and other development subjects and conducting development via computer simulation to improve efficiency.

Signing of Iwakuni Plant Construction Agreement

In September 2025, Mazda signed an agreement with Yamaguchi Prefecture and Iwakuni City regarding the construction of the Iwakuni Plant, a new module pack plant for automotive cylindrical lithium-ion battery cells to be built in the city of Iwakuni. Based on this agreement, construction will commence in November 2025 with the aim of starting plant operations in FY March 2028. The Iwakuni Plant will be Mazda's first new domestic plant in 35 years and will have an important role in its strategies going forward as a foundation for supporting the production of electrified products for the global market. Mazda is committed to delivering the joy of driving to delight customers around the world by incorporating the technology and high quality produced at the Iwakuni Plant into its electric vehicles.



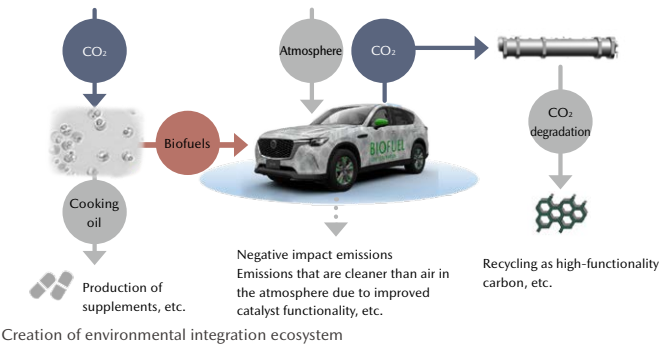
Signing ceremony for Iwakuni Plant construction agreement (From left, Yoshihiko Fukuda, mayor of Iwakuni City; Tsugumasa Muraoka, Governor of Yamaguchi Prefecture; and Masahiro Moro, president and CEO of Mazda)

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FUTURE-ORIENTED TECHNOLOGY FOR REDUCING CO₂ THROUGH DRIVING

Mazda is advancing research on microalgae-derived biofuel and CO₂ capture technologies to deliver sustainable mobility together with the joy of driving.

Research on Microalgae-Derived Biofuel



Mazda has been working to develop a next-generation clean fuel for diesel engines since the 2010s. Research in this area has focused on a project aimed at converting organisms classified as *Nannochloropsis*—a genus of microscopic algae found in rivers and lakes—into a biofuel. *Nannochloropsis* organisms can store 50% to 60% of lipids in their cells, making them among the most suitable algae for biofuel production. Mazda is advancing joint research on this subject with Hiroshima University, and has also begun experiments on the cultivation of algae at its plants.



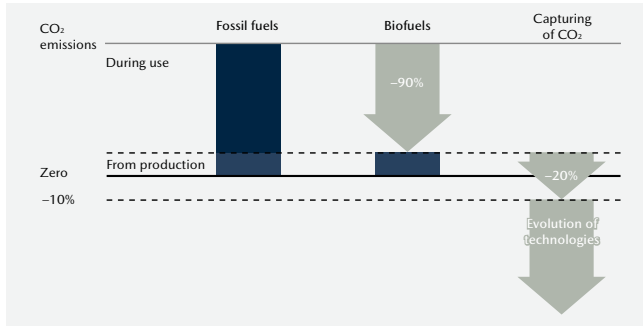
Microalgae cultivation test tanks set up next to the power plant at the Hiroshima Plant

Microalgae used to produce biofuels absorb CO₂ as they grow via photosynthesis. When the resulting fuels are burned through combustion, the only CO₂ they emit is that which was absorbed during the growth of the microalgae. Accordingly, in theory, these biofuels do not result in changes in CO₂ in the atmosphere. When including the amount of CO₂ emitted during production, biofuels contribute to a 90% reduction in total CO₂ emissions compared with fossil fuels, making them a sustainable option for the future.

Capture Negative Mobility Made Possible
by CO₂ Capture Technologies

Mazda is developing technologies for capturing the CO₂ emitted by its vehicles.

Using an approach similar to that used by direct air capture, a technology for capturing CO₂ directly from the air, Mazda seeks to capture CO₂ emitted from internal combustion engines. As internal combustion engines have greater concentrations of CO₂ than the air, this approach would allow for more efficient capture of CO₂. If even 10% of the CO₂ emitted during the combustion of biofuels, which, in theory, do not increase the amount of CO₂ in the atmosphere, could be captured, it would offset the CO₂ emitted during the production process, making these fuels completely carbon neutral. Moreover, larger amounts of carbon capture would mean that, in theory, vehicles using biofuel could contribute to greater reductions in the amount of CO₂ in the atmosphere the more they drive, becoming effectively carbon negative. Mazda is advancing research on this unique decarbonization opportunity that only internal combustion engines can offer, something BEVs cannot provide.



Approach toward carbon negativity

We plan to conduct a verification test of our CO₂ capture technologies during the ENEOS Super Taikyu Series 2025 Empowered by BRIDGESTONE race event scheduled to be held in November 2025.

For more information, please refer to the following MAZDA MIRAI BASE article.
Next-Gen Biofuel: High School Students Explore Mazda and Hiroshima University's Joint Microalgae Project
<https://www.mazda.com/en/mazda-mirai-base/articles/20241031-microalgae/>

MESSAGE FROM THE CTO



Mazda will deliver a more energized future for customers through human-centric vehicle development.

Ryuichi Umeshita
Director, Senior Managing Executive Officer and Chief Technology Officer (CTO)

Q. What goals does Mazda pursue in its vehicle development efforts?

Mazda aims to develop cars that energize people, society, and the earth the more they are driven. We do not view cars merely as a means of getting around. Rather, we see them as a partner that aids people in chasing their ambitions and broadens their horizons. When one is able to sit in the driver’s seat and drive where they please, it empowers them with a sense of optimism. We are firm believers in the value of this feeling. This is why we have continued to focus our vehicle development efforts on providing an exhilarating joy of driving that matches people’s sensibilities. By making cars that invigorate people both physically and emotionally and energize them the more they drive, we offer empowering experiences. The energy resulting from these experiences can be seen in how customers around the world have been starting up fan clubs for the MX-5 (Roadster in Japan), a symbol of the Mazda brand. In this manner, Mazda vehicles are being used to form communities that help customers build bonds with other fans and have enriching and empowering experiences that contribute to the joy of living. It gives me great joy to hear how Mazda vehicles are fostering a sense of optimism in this manner. The joy of driving is an integral part of



Gathering of MX-5 (Roadster in Japan) owners and fans in Karuizawa, Japan

all Mazda vehicles. As society becomes increasingly more convenient, this joy of driving will also become ever more important. We are therefore committed to providing the joy of driving to as many individuals as possible in order to move them emotionally and heighten their feelings of the joy of living.

Mazda’s approach toward vehicle development has long been supported by its human-centric research. Based on the study of Kansei engineering*¹ founded by Hiroshima University, which shares Mazda’s hometown, in the 1970s, the Company has continued to seek means of tailoring its *Monozukuri* (engineering and manufacturing) activities to the sensibilities of people for some five decades. Today, our development approach has evolved to incorporate neuroscience, and we continue to enhance our efforts by combining our strength in model-based development*² with AI technologies. One product of our ever-evolving efforts is the practical application of our Driver Emergency Assist (DEA) system, which applies research on saliency—or where people look and direct their attention—to help reduce damage caused by accidents resulting from driver emergencies. Future efforts will include working to track and quantify aspects of people’s senses and sensibilities, such as the levels of comfort they feel in vehicles and their ability to concentrate on driving. We thereby look to supply control mechanisms and technologies that are responsive to individuals’ driving skills, cognitive abilities, and health conditions. Through ongoing adherence to this human-centric approach, we aspire to develop vehicles that support people and expand their potential.

To contribute to society, we are evolving our human-centric safety technologies based on the Mazda Proactive Safety concept [P72](#) to contribute to the realization of an automotive society that offers safety and peace of mind. In accordance with this concept, we are striving to empower customers to experience the joy of driving with peace of mind by developing cockpit designs that support swift and accurate driver recognition, judgment, and control. Also for this purpose, we have developed such technologies as the DEA system and i-Activsense, an

advanced safety technology that supports accident avoidance and damage reduction in high-risk scenarios. The superior safety performance of these technologies has earned high evaluations by institutions around the world, with the CX-80 receiving the highest possible ratings under the JNCAP*³ system of Japan and the Euro NCAP*⁴ system of Europe in 2024. In addition, eight models of five Mazda vehicles were recognized in the 2025 TOP SAFETY PICK+ selection of the Insurance Institute for Highway Safety of the United States.

Furthermore, we are also working to contribute to carbon neutrality and thereby to the global environment. We are going about this by cutting greenhouse gas emissions based on a well-to-wheel perspective that looks at emissions from driving as well as from fuel excavation and refining and power generation and a life cycle assessment perspective that encompasses the entirety of vehicle life cycles. At the same time, we are moving forward with research on carbon negative mobility that reduces CO₂ the more a vehicle is driven. This research employs cutting-edge technologies including CO₂ capture technologies and technologies for producing biofuel from microalgae. We hope that these technologies will help create a future in which customers are able to experience the joy of driving without being concerned about how they are impacting the environment.

Q. What are Mazda’s policies for technology development for contributing to the realization of a carbon-neutral society, and what type of progress has been seen in the implementation of these initiatives?

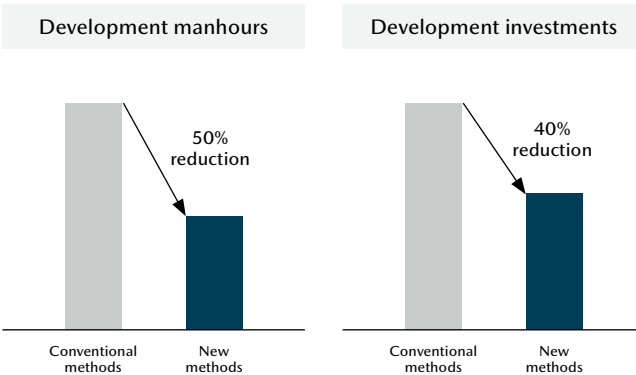
Based on “Sustainable Zoom-Zoom,” Mazda recognizes its mission of bringing about a beautiful earth and contributing to the enrichment of society, and is thus committed to emotionally energizing people with the value of automobiles. One aspect of our efforts toward achieving these goals is to accumulate technology assets from a long-term perspective based on the Building Block concept. We maintain this approach even in the era of electrified vehicles. At the same time, Mazda is implementing its Multi-Solution Strategy [P59](#) to deploy products with various powertrains, including internal combustion engine vehicles, HEVs, PHEVs, and BEVs, to flexibly respond to the differing conditions found in countries and regions around the world. As Mazda’s development team, we are charged with the important task of creating products and technologies that will make customers feel confident that, no matter what Mazda vehicle they choose, they will be able to enjoy satisfying driving experiences together with superb environmental performance.

Mazda has positioned the period leading up to 2030 as the “dawn of electrification.” Over this period, we will move forward with a systematic approach toward technology development based on three phases: preparation, transition, and full-fledged deployment. There are a lot of markets where the existing

infrastructure makes internal combustion engine vehicles an important option. Internal combustion engines are also a critical component of HEVs and PHEVs. The development of high-efficiency internal combustion engines, therefore, has the potential to contribute to smaller motors and lower electrification costs for these vehicles. Accordingly, Mazda is devoted to continuing to be a frontrunner in the field of internal combustion engine vehicles. In this regard, we are currently in the process of developing the Skyactiv-Z gasoline engine [P60](#). This engine is anticipated to deliver the joy of driving at more affordable prices while also meeting the stringent environmental requirements of Europe and the United States. We plan to combine the Skyactiv-Z engine with Mazda’s proprietary hybrid system in the new Mazda CX-5 scheduled for launch in 2027. In this manner, we are moving forward with development aimed at creating distinctively Mazda driving experiences that resonate with driver sensibilities.

As part of our BEV development, we are currently utilizing the platforms of our partners, into which we are injecting the craftsmanship techniques that sculpt Mazda’s unique designs and driving feel so that these values can be delivered to customers. As seen in the Mazda EZ-6 and Mazda6e, both developed through collaboration with Chongqing Changan Automobile Co., Ltd., we endeavor to swiftly provide markets with the electrified vehicles they need through joint efforts with our partners. At the same time, we are focused on the development of proprietary Mazda BEVs in preparation for the coming age of electrified vehicles, through a policy of selection and concentration based on our Lean Asset Strategy [P57](#). To advance us down this path, product development and business innovation efforts are being carried out by the roughly 300 individuals gathered from 23 divisions across the Company at the Electrification Business Division, an organization established in November 2023 that is casually referred to as “e-Mazda.” This experimental team, which spreads across organizational and hierarchical boundaries, is swiftly making decisions and addressing issues to prepare us for the full-fledged era of electrified vehicles. We are also engaging in collaboration and sharing technologies. These efforts are projected to result in reductions of 50% in development manhours

BEV Development Efficiency



MESSAGE FROM THE CTO

and 40% in development investments when compared to conventional methods. We thereby aim to heighten management efficiency and support Mazda’s ongoing growth.

Q. How will Mazda respond to the trend toward software-defined vehicles?

In recent years, the automotive industry has been undergoing a shift to emphasis on software with regard to what determines the value of automobiles. This trend necessitates that we make our vehicles more intelligent. However, even in the impending era of software-defined vehicles, we will remain true to the human-centric approach that has guided Mazda thus far. Leveraging the insight gained through years of human-centric research, we will continue to deliver the joy of driving through an intuitive driving feel that makes the driver naturally feel at one with their vehicle. We will also comprehensively manage the safety of entire vehicles as we strive to constantly supply distinctly Mazda value.

Software-defined vehicles use software to achieve the integrated control and evolution of various functions, including those of safety devices or cockpits as well as connectivity and driving dynamics. Mazda was quick to turn its eye to the structural changes that would be brought about by these vehicles, prompting it to establish the Integrated Control System Development Division, a dedicated software control organization, about a decade ago. This division is contributing to the phased and systematic reinforcement of our software development frameworks. At the moment, we are ramping up development of vehicles and technologies in conjunction with activities

based on Mazda Monozukuri Innovation 2.0 P67 while utilizing model-based development and AI technologies.

Mazda is also teaming up with Toyota Motor Corporation and various other partners in all areas of the development of electrical/electronic architecture, which acts as the underlying foundation for software-defined vehicles. By working together with partners possessing advanced technologies, we look to efficiently create unique value. Meanwhile, Mazda will directly handle tasks such as the development of complete vehicle models and the orchestration of technologies. Through such a flexible development approach combining the technological prowess of our partners together with the comprehensive capabilities of Mazda, we hope to bolster efficiency while effectively responding to customer needs.

The successes of these efforts can be seen in the new CX-5 announced in July 2025. This vehicle was designed to deliver increased convenience for expanding the scope of customer experiences while also enabling all passengers to enjoy drives in comfort and safety with peace of mind. Features of the new CX-5 include real-time monitoring of drivers’ eyelines and brain functioning as well as surrounding traffic conditions to inform drivers of situations that increase the risk of collisions, such as rapid deceleration by the car in front of them. Declines in brain functioning are said to be the cause of roughly 90% of illness-related accidents. When such declines are detected, the CX-5 will quickly activate the DEA system to support safe driving. Other features of this vehicle include sophisticated voice recognition, highly functional steering switches, a large touch panel, and other technological innovations we are able to utilize thanks to our partners. In addition, the AI assistants scheduled to be

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introduced in certain markets are anticipated to let drivers control navigation and entertainment functions as well as air conditioning safely and conveniently even when driving through voice commands. This integration of Mazda’s human-centric philosophy and technologies is sure to make everyday driving more comfortable while enriching customers’ lives.

Q. What are the goals of Mazda Monozukuri Innovation 2.0 in terms of development? Also, how will these initiatives contribute to enhanced corporate value?

Mazda’s small scale means that we need a unique development process that is both flexible and efficient. Mazda Monozukuri Innovation initiatives are how we achieve such a process. We expect that these reform initiatives will contribute to enhanced corporate value in three areas.

The first of these three areas is the enhancement of competitiveness through improved development efficiency. The Mazda Monozukuri Innovation program was originally introduced in 2006. By utilizing model-based development to convert phenomenon associated with specific vehicle units into numerical formulas, this program enabled us to conduct high-precision simulations via computers prior to building prototypes. The result was a substantial decrease in the number of prototypes needing to be built as well as in the time and costs associated with this process. The trends toward electrified and more-intelligent vehicles are spurring rapid increases in the complexity of vehicle development processes. To respond to these trends, we have begun promoting reforms based on Mazda Monozukuri Innovation 2.0 to move beyond models of stand-alone units to create models of entire vehicles. Through these reforms, we have built high-speed, high-accuracy development systems via AI and digital transformation measures. Together with the Lean Asset Strategy, these reforms have effectively tripled development productivity. Currently, the software contained in a single vehicle requires more than 200 million lines of code, and this number will only continue to skyrocket going forward. We are responding to these increased development requirements through measures for improving development efficiency and heightening competitiveness.

The second area is the creation of distinctive Mazda value. Even in the era of electrification and software-defined vehicles, we remain committed to building on the value we provide through a joy of driving crafted with intuitive controls and through a driving experience offering safety and peace of mind by minimizing accident risks via support for driver decisions and inputs. Once again, we have always held true to our principle of human-centric vehicle development. This principle can be seen manifested in technologies such as G-Vectoring Control. This technology allows for granular control of engine output in response to steering to optimize the shifting of vehicle weight and produce a natural and satisfying feel when cornering. We

were able to create this human-centric technology by utilizing our unique development methodologies, which are used to produce comprehensive models for optimizing steering and powertrain behavior, as part of the Mazda Monozukuri Innovation 2.0 program. G-Vectoring Control can also be used with BEVs to heighten motor responsiveness and thereby achieve highly precise control. With such technologies, Mazda will continue to enhance the joy of driving.

The third area is contributions to the realization of a carbon-neutral society. Under Mazda Monozukuri Innovation 2.0, we are developing shared structures and modules for vehicle control units and software. The goal of this undertaking is to support the implementation of the Multi-Solution Strategy with improvements to development and production flexibility and speed. By efficiently deploying vehicles using diverse powertrains with its limited resources, Mazda aims to respond to the needs of customers around the world while also contributing to the realization of a carbon-neutral society.

Through these initiatives, Mazda will create efficient development structures that will allow it to enhance its unique value proposition while responding to environmental issues and diverse needs even in times of great volatility. We will thereby work to achieve the ongoing enhancement of corporate value.

Q. What do you believe to be your mission as CTO?

Competition is intensifying in the automotive industry. Those of us involved in product development thus find ourselves pressed to reexamine what exactly constitutes the Mazda brand and what approach we must take toward evolving and strengthening this brand based on our concept of brand value management. This introspection should be directed toward crafting the foundations that will be used by those who come after us. We also look to entrench brand value management in our development activities, and, based on this concept, engage in in-depth discussion within the organization about the true value that customers seek when they purchase a Mazda vehicle. Rather than just looking to enhance all of our vehicle functions, we will take a more targeted approach, strengthening only those areas necessary to deliver a distinctively Mazda joy of driving. This will be our approach toward developing cars that energize people, society, and the earth the more they are driven.

*1 Kansei engineering is a research methodology for assessing objects from a sensibility standpoint by using statistical methods and people’s subjective evaluations.
*2 Model-based development involves creating computer models of vehicles, control systems, drivers, passengers, driving environments, and other development subjects and conducting development via computer simulation to improve efficiency.
*3 The Japan New Car Assessment Program is a safety rating program introduced by the National Agency for Automotive Safety and Victims’ Aid in 1995 to encourage the proliferation of safe vehicles. Vehicles are rated based on their preventative safety and collision safety performance as well as their automated accident reporting systems.
*4 The European New Car Assessment Programme is administered by an independent agency comprised of the transport authorities of European countries. In this program, 5 stars is the highest possible rating.

Phase 1 2022–2024				Phase 2 2025–2027				Phase 3 2028–2030			
Skyactiv-Z						Combustion improvement technology to be rolled out to in-line 6-cylinder engine, to be utilized for rotary engine					
In-house HEV Mazda Hybrid System				First adoption in new Mazda CX-5 scheduled for launch in 2027		Considering to roll out technical elements of in-house HEV to large platform products					
MHEV				Compact SUV built in Thailand 		Launch in Japan and Global South					
PHEV		Large products (CX-60, CX-70, CX-80, CX-90)		Continuous improvement							
Dedicated EV platform				BEV 		Considering to offer derivatives					
HEV with partner Toyota hybrid system		CX-50 equipped with Toyota hybrid system 		Continuous improvement							
BEV with partner Joint venture with Changan Automobile		MAZDA EZ-6 (BEV & PHEV) MAZDA6e (BEV) 		EZ-60 crossover SUVs (BEV & PHEV) 		Considering 3rd and 4th models					

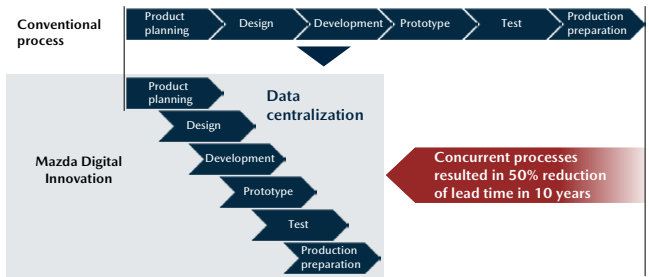
Electrification road map

MAZDA MONOZUKURI INNOVATION 2.0

Mazda was quick to begin embracing digital technologies, and the expertise and assets it has accumulated through this undertaking have been utilized to innovate development and production processes to leverage the strengths arising from the Company's small scale. One product of these efforts was the introduction of the Mazda Monozukuri Innovation 1.0 program in 2006 and its later evolution into Mazda Monozukuri Innovation 2.0 in 2015. Amid the recent rise of electrified and more-intelligent vehicles, software development workload requirements are growing increasingly large. Mazda looks to curb these work requirements to achieve highly efficient and flexible development through reforms based on Mazda Monozukuri Innovation 2.0 and through the implementation of the Lean Asset Strategy.

MAZDA'S HISTORY OF MONOZUKURI DIGITAL TRANSFORMATION

Mazda began adopting digital technologies in its *Monozukuri* (engineering and manufacturing) activities early in its history. In the 1960s, the Company introduced computers, a cutting-edge technology at the time, into production lines. Then, it launched its Mazda Digital Innovation activities in 1996. Through these activities, we developed processes that integrated data previously stored on a division-by-division basis to create three-dimensional digital master data and thereby achieve process concurrency and prevent data transfer losses. We were thus able to achieve massive efficiency gains and eventually reduce the amount of time between design finalization and mass production by around half in 2006. Our Mazda Digital Innovation activities would later give rise to Mazda Monozukuri Innovation, a program built on Mazda's strengths in model-based development.*



Mazda Digital Innovation approach achieving massive efficiency gains through process concurrency, etc.

* Model-based development involves creating computer models of vehicles, control systems, drivers, passengers, driving environments, and other development subjects and conducting development via computer simulation to improve efficiency.

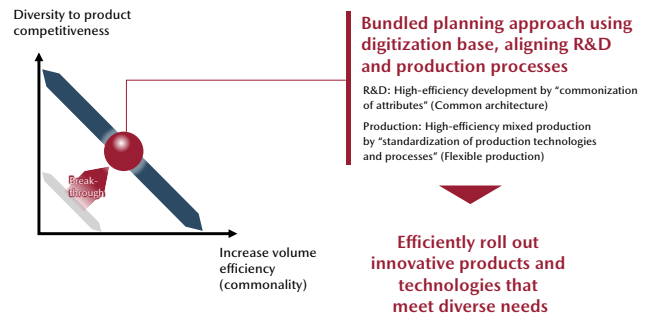
MAZDA MONOZUKURI INNOVATION 1.0

Mazda Monozukuri Innovation 1.0 was launched in 2006 in response to the need to address environmental and safety regulations. This program entailed redeveloping all of our base automobile technologies and making a breakthrough achievement to accommodate more diverse products and specifications while maintaining commonalities. We thereby succeeded in applying these innovations to the entirety of our vehicle lineup swiftly and with minimal resources.

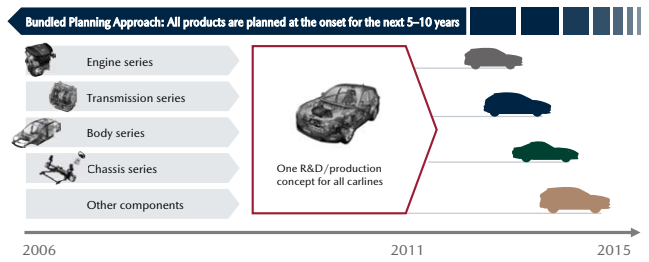
Mazda was thus able to achieve a bundled planning approach that entailed developing and producing vehicles of various sizes and types through an approach similar to that used for individual vehicles with an eye to five or 10 years in the future.

This bundled planning approach entails coordination between development and production divisions to design standard structures (common architecture) and standard processes that can be used for a wide range of products, after clarifying the fixed elements that can be shared across carlines and the variable elements that give each carline its own unique characteristics.

In terms of development, we took steps to achieve consistency in combustion characteristics, that is, the model for the combustion method that is responsible for engine performance, as this approach presented a greater potential to drive improvements in efficiency than the shared use of hardware. The standardization of combustion characteristics allowed for the consequent standardization of control software. We were



Breakthrough achievement for accommodating more diverse products and specifications while maintaining commonalities



Development and production of vehicles of various sizes and types through an approach similar to that used for individual vehicles

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

thereby able to achieve efficiency gains in development processes aimed at obtaining compliance with different exhaust emission and market standards, processes that were among the most time-consuming parts of engine development. The result was a roughly 50% reduction in the average amount of time and resources used for development of specific vehicle series.

As for production, we pursued standardization of transportation standards, parts assembly steps, installation directions, and other processes and methodologies across our vehicle lineup. We then introduced production facilities based on this approach to achieve mixed production of vehicles of various models and generations on our main production lines. Meanwhile, powertrains, interior instrument panels, and other components that require different steps and procedures by vehicle are produced on sublines. The sublines are used to assemble multiple such

MAZDA MONOZUKURI INNOVATION 2.0

After entering the 2010s, we noticed a rise in the amount of resources required for the development of software amid the rise of carbon neutrality and connected, autonomous, shared and service, and electric (CASE) technologies. Currently, the software contained in a single vehicle requires more than 200 million lines of code, and this number is only expected to increase going forward.

This rise in programming requirements is a product of a drastic increase in the range and complexity of the solutions that need to be provided in relation to conventional engines as well as to electrified and more-intelligent vehicles. In response to these growing requirements, Mazda is compelled to find a way to accommodate diverse electrification and vehicle intelligence needs with its small scale.

For this reason, we are utilizing the Mazda Monozukuri Innovation 2.0 approach, which is an evolution of our prior Mazda Monozukuri Innovation 1.0 activities, to achieve end-to-end consistency in all areas of whole-vehicle models. We thereby aim to promote innovation that blurs the lines between organizations and companies and spreads across our value chain and supply chain to support the creation of value using fewer resources.

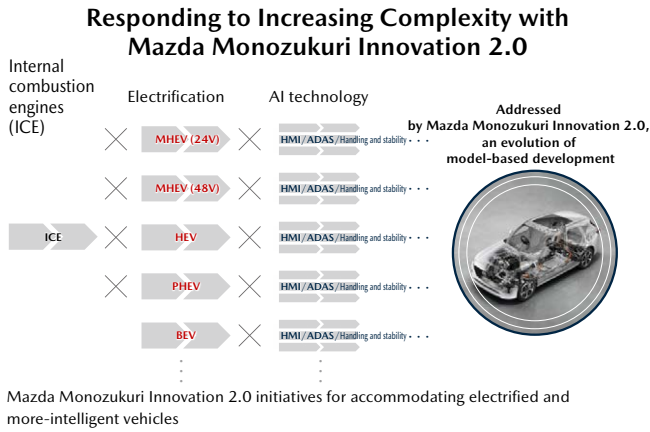
Evolution of Development Activities

Mazda has been developing its model-based development activities through an approach entailing three steps: modeling by unit, whole-vehicle modeling, and model distribution throughout the supply chain. Framing the entirety of a vehicle as a single model makes it possible for us to take an integrated approach toward design and verification of structure- and control-related methodologies focused on the targeted functions and performance.

However, we also recognize that it is unrealistic to expect Mazda to perform all development activities related to

components into modules, which are then installed on the main lines. In addition, main lines were simplified and shortened, reducing the number of processes performed thereon by around 40%, to better accommodate fluctuations in production volume. These innovations helped to significantly improve the flexibility of production lines and contributed to the maintenance of high utilization rates.

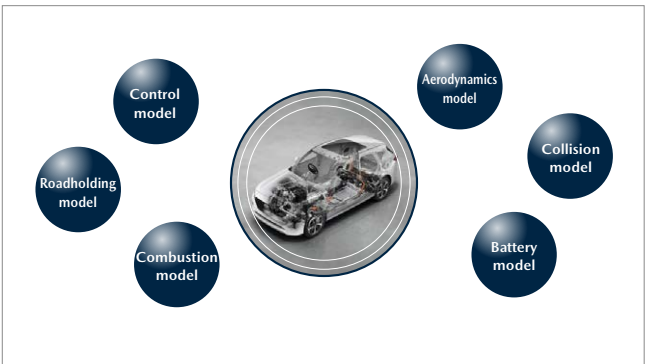
Through this approach, we were able to reinvent our fundamental technologies to create Skyactiv Technology, which has been applied to the original Mazda CX-5 and all subsequent vehicles, contributing to massive improvements in development, production, and investment efficiency. This ability to leverage its small scale to promote close coordination between development and production divisions is a distinctive strength of Mazda.



electrification and software exclusively in-house. Accordingly, we will go beyond simply using model-based development when it comes to the electrical/electronic architecture that forms the foundations for the development of software-defined vehicles. Specifically, we aim to build upon our collaboration with Toyota Motor Corporation and other partners, and advance our Lean Asset Strategy to provide solutions that offer diverse and moving mobility experiences through a distinctively Mazda joy of driving.

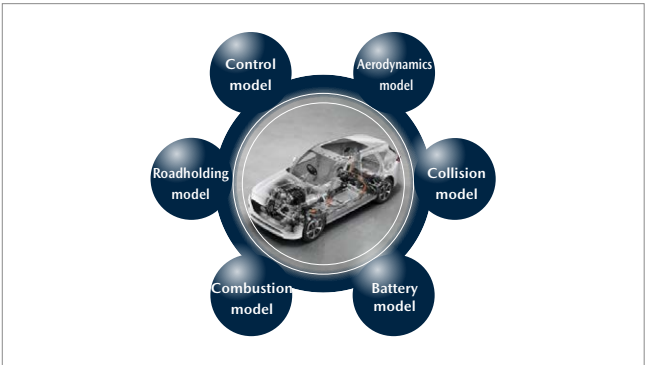
We implemented the Mazda Monozukuri Innovation 2.0 program using the same amount of resources and time as its predecessor. Nevertheless, this program generated more than triple the amount of resources in terms of large and other product platforms, evolutions to internal combustion engines, and electrification technologies. Accordingly, Mazda Monozukuri Innovation 2.0 can be said to have tripled development productivity. Going forward, we will continue to implement our Lean Asset Strategy and Mazda Monozukuri Innovation 2.0 with the goal of achieving similar levels of productivity for BEVs and other vehicles.

Evolution of Model-Based Development



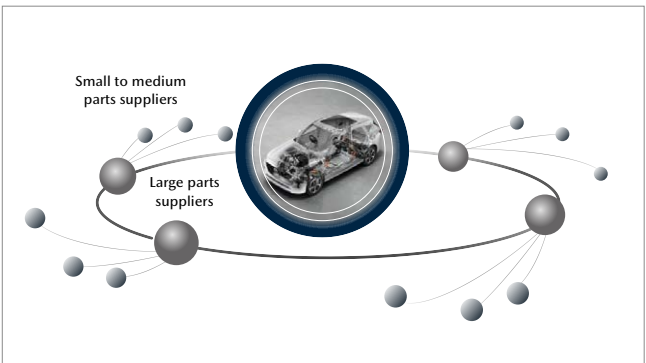
Step 1: Modeling by Unit

Mazda has been promoting model-based development in light of its forecasts of a rapid increase in the software development requirements in relation to electrified and more-intelligent vehicles. The first step of model-based development taken under the Mazda Monozukuri Innovation 1.0 program was to create models of stand-alone units, including combustion and collision units. These models enabled us to improve development efficiency by standardizing the software that had previously varied by vehicle model.



Step 2: Whole-Vehicle Modeling

In 2015, Mazda established the Integrated Control System Development Division to evolve its model-based development approach by linking its individual unit models to produce whole-vehicle models. With this step, our approach evolved to the point that we were able to produce models of entire vehicles to clarify exactly what needed to be done to control these vehicles in a digital environment before testing using actual vehicles. The G-Vectoring Control technology, which controls a vehicle's chassis with the engine to produce a feeling of *jinba-ittai*—a sense of oneness between driver and vehicle—was an important step toward realizing practical application of complete vehicle models.



Step 3: Model Distribution Throughout the Supply Chain

Producing whole-vehicle models required us to expand our range of models of the various components used to create vehicles in their entirety. For this reason, Mazda established the Japan Automotive Model-Based Engineering center (JAMBE) in 2021 through cooperation with OEMs, government agencies, academic institutions, other companies, and suppliers, and then proceeded to lead the activities of this organization as its first director. By distributing our models across the supply chain, we look to improve development efficiency and productivity.

Pursuit of *Jinba-ittai* Feeling with G-Vectoring Control Technology and Kinematic Posture Control

Globally marketed Mazda vehicles feature technologies that optimize vehicle control based on drive mechanisms and suspension structures. Specifically, front-wheel drive vehicles are equipped with G-Vectoring Control technology while rear-wheel drive vehicles use Kinematic Posture Control technology. These proprietary Mazda technologies were developed through a process of model-based development shaped by our human-centric principles.

Accordingly, the technologies allow drivers to remain relaxed and experience peace of mind and comfort, while also enabling them to maneuver their vehicle however they please under a wide variety of driving conditions, ranging from low-speed everyday driving to winding roads, expressways, and snow-covered or otherwise slip-prone roads, and even when taking emergency action to avoid an accident.

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

Evolution of Production Activities

In production, the scope of bundled planning is being expanded to include vehicles ranging from internal combustion engine vehicles to BEVs. We are also branching out from our prior focus on hardware to include software. At the same time, our bundled planning efforts are being implemented in-house as well as at business partners. For example, our module design approach for vehicle structures and processes is evolving to enable production lines to accommodate the differing structures found across the full spectrum of vehicles. On main lines, process steps and procedures are standardized across all vehicle models. Meanwhile, the components supplied to the main lines are produced on sublines, where modules that combine multiple parts are assembled through steps and procedures that can vary by model. This approach is being implemented to improve production efficiency.

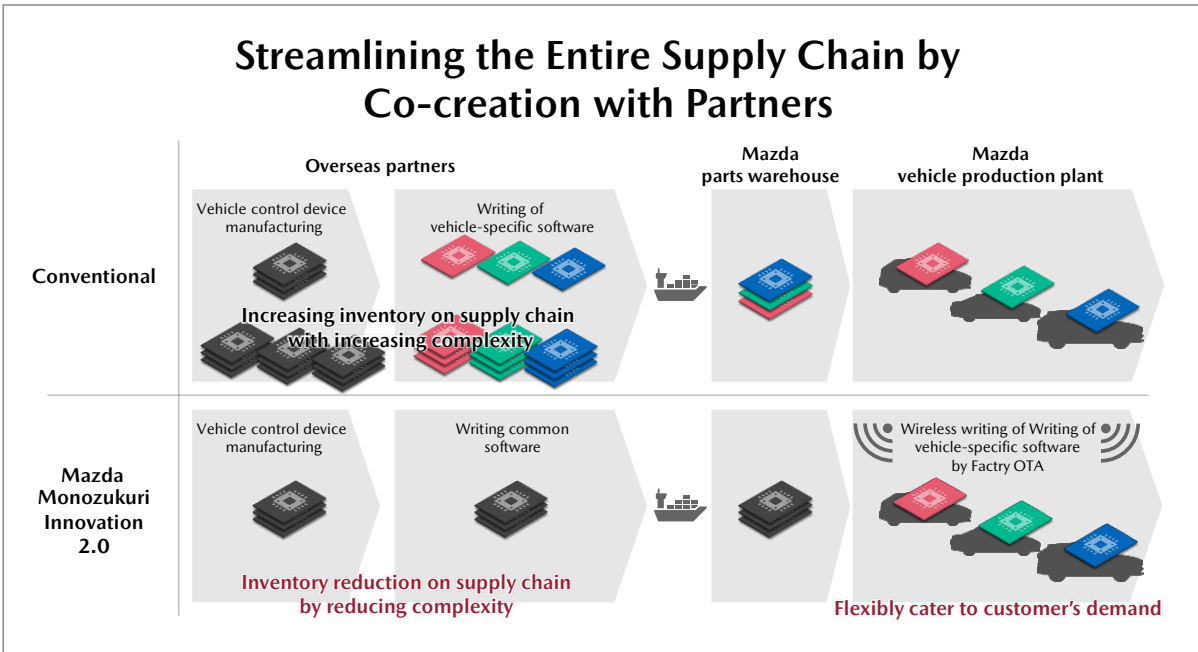
We are also introducing automated guided vehicles into Mazda's long-standing mixed production approach to utilize production equipment that is not rooted to any set location. This allows us to produce internal combustion engine vehicles, BEVs, and the full spectrum of other vehicles while improving asset efficiency by securing flexibility in response to demand fluctuations.

In addition, Mazda is engaging in co-creation with business partners to implement structural transformation of supply chain through the optimization of part numbers and the assembly of parts in locations closer to production sites. Using vehicle

control devices and software, the variations of which are expected to grow in number in conjunction with the electrification trend, as an example of how these reforms are being enacted, we are taking steps to limit the number of hardware variations to one while only asking business partners to install shared software that is used for all vehicle models. For software that differs by vehicle model, Mazda installs the software on the production line via wireless communication using its Factory OTA (Over the Air) technology. We are thereby able to respond flexibly to changes in demand from customers while also achieving a roughly 75% reduction in the inventories found across the supply chain.



Automated guided vehicles moving freely around factories



For more information, please refer to the following MAZDA MIRAI BASE article.
Mazda's Vision for the Future of Japanese Car Manufacturing: The Ambition Behind Monozukuri Innovation 2.0
<https://www.mazda.com/en/mazda-mirai-base/articles/20250404-multisolution-production/>

HUMAN-CENTRIC RESEARCH AND DEVELOPMENT

— EFFORTS FOR UPLIFTING CUSTOMERS’ MINDS AND BODIES

BASIC APPROACH

In light of the rapid changes taking place in the global automotive industry, Mazda hopes to create moving experiences in driving and mobility for people’s everyday lives through its human-centered philosophy and based on the joy of driving, the fundamental appeal of the automobile.

EVOLUTION OF KODO: SOUL OF MOTION DESIGN PHILOSOPHY

Mazda’s *KODO*: Soul of Motion design philosophy is founded on the principle that cars are more than just lumps of metal, they are living, breathing things. The relationship between driver and car is akin to the emotional connection a rider has with their horse. At Mazda, designs that emphasize this connection are

labeled *KODO* design. *KODO* design goes deeper than conventional design, and focuses on a “less is more” aesthetic that cherishes space and eliminates all unnecessary elements to create simplicity of form. The challenge then is to bring the vehicle to life via carefully honed reflections on the body surface.

EVOLUTION AND ENHANCEMENT OF JOY OF DRIVING

For Mazda, beyond simply driving performance, the joy of driving is crucial to the value we seek to provide and is expressed not only in the emotions and inspiration felt the moment one touches a Mazda vehicle but also in the experience of connections with

others that our vehicles offer. We aspire to supply uplifting experiences. Mazda pursues this goal by evolving and enhancing the joy of driving based on human-centered values to provide customers with inspiration, energy, and confidence.

NEUROSCIENCE AND AI RESEARCH ON HUMAN EXPERIENCES IN MAZDA VEHICLE DEVELOPMENT AND WELL-BEING

Based on its human-centric philosophy and exploration of how mobility can enhance well-being, Mazda is taking a different approach to vehicle development, positioning cars as things that can actively contribute to driver health rather than simply as a means of getting around.

In this undertaking, we are teaming up with Hiroasaki University to conduct joint research on the relationships between health, happiness, well-being and vehicles.

For more information, please refer to the following MAZDA MIRAI BASE article.
Can Driving Make You Healthier? Neuroscience and AI Research on Human Experiences in Mazda Car Creation and Wellbeing
<https://www.mazda.com/en/mazda-mirai-base/articles/20250214-wellbeing-car/>



CREATION OF UPLIFTING DRIVING EXPERIENCES

Mazda is diligently exploring how cars can best draw out people’s inherent abilities and sensibilities. Through deep research on people, we entrench a human-centered design philosophy into all areas of vehicle development. The Company thereby seeks to alleviate stress and anxieties to allow people to drive with comfort and deliver their maximum performance to support more comfortable and enjoyable mobility for drivers and passengers alike. As Mazda continues its efforts to create uplifting driving experiences, it will also cherish opportunities for communication with customers, such as those that allow employees to directly communicate the appeal of the joy of driving.



Mazda Fan Festa 2024 open participation brand experience event

Efforts for Uplifting Customers’ Minds and Bodies
<https://www.mazda.com/en/sustainability/social/uplifting-mind-body/>

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CONTENTS

01
MAZDA’S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

03
VALUE CREATION
INITIATIVES

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

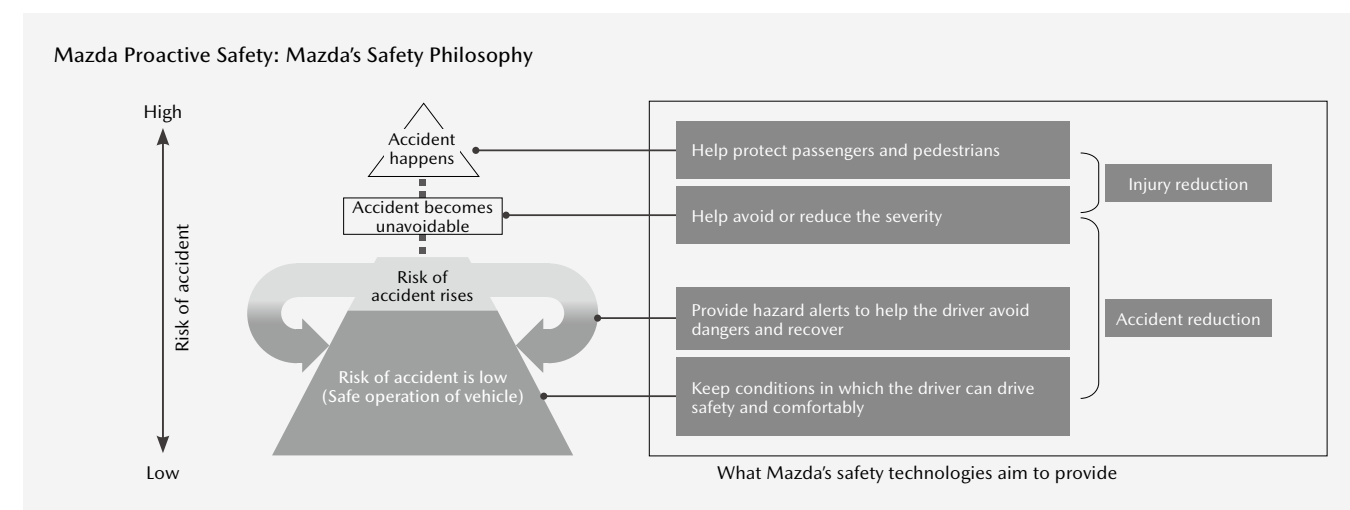
HUMAN-CENTRIC RESEARCH AND DEVELOPMENT

— REALIZATION OF AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

MAZDA’S SAFETY PHILOSOPHY

Mazda Proactive Safety is Mazda’s safety philosophy. Mazda places this philosophy at the heart of its research on and development of safety technologies. Ensuring safe driving under a variety of circumstances requires one to operate their vehicle while predicting potential risks of accidents and making appropriate decisions. However, no matter how careful people are,

some accidents cannot be avoided. To address such accidents, the Company is utilizing the insight gained through years of research on human-engineering mechanisms to develop advanced safety technologies that reduce risks prior to being exposed to dangerous circumstances and to provide systems using these technologies to drivers.



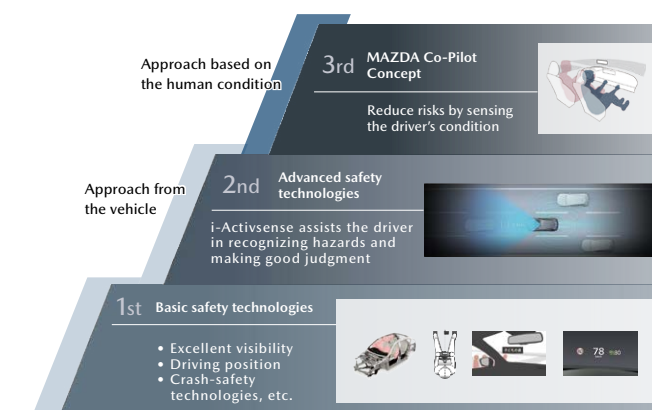
GOALS

Based on the Mazda Proactive Safety concept, Mazda is continuing to develop advanced driving support technologies that utilize IT. The Company is also working to create vehicles that enhance the safety and peace of mind for drivers, passengers, and everyone else around. In terms of what Mazda can achieve through automotive technologies, the Company aims to achieve zero deaths resulting from its new vehicles by 2040.



BUILDING BLOCK CONCEPT FOR SAFETY TECHNOLOGY

In addition to refining its safety technologies, Mazda promotes technology development based on the belief that the very act of spreading these technologies throughout society is a way of demonstrating the value it offers. In developing safety technologies, the Company applies the Building Block concept in a manner similar to the approach used for environmental technologies. For example, we are advancing the ongoing development of basic safety technologies that provide excellent visibility, comfortable driving position, and crash-safety features as well as of advanced safety technologies and Mazda Co-Pilot Concept.



HUMAN-CENTRIC RESEARCH AND DEVELOPMENT

—REALIZATION OF AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

MAZDA CO-PILOT CONCEPT

An important part of our relentless mission to eliminate fatalities from traffic accidents is to reduce risks associated with the condition of the driver, such as those arising from drowsiness or sudden feelings of illness when driving. Mazda Co-Pilot Concept is a concept for advanced safety technologies based on the idea of addressing such risks. Technologies shaped by this concept are created through extensive research on human-engineering mechanisms to understand and model physical bodies and brain mechanisms.

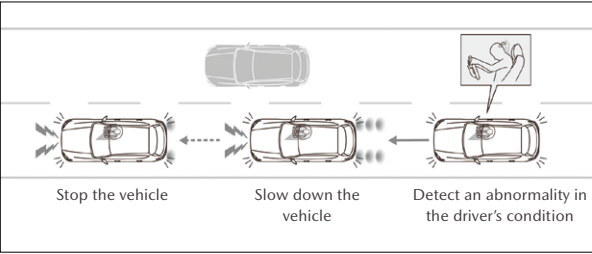
By linking these technologies to driver monitoring systems in order to facilitate appropriate interactions between vehicles and drivers based on their condition, we seek to reduce the risk of drivers, passengers, and others becoming involved in traffic accidents. It is people who drive cars. Our technologies are thus designed to function as a co-pilot that looks after the driver, helping them feel the joy of driving and freedom of mobility throughout their lives as well as supporting their lives and the joy of living.

Driver Emergency Assist System

The Driver Emergency Assist (DEA) system is a function that helps reduce damages from accidents resulting from driver emergencies.

Should the DEA system detect a driver closing their eyes, taking their hands off the wheel, or assuming a suspicious driving position and then judge that the driver has been struck by a downturn in condition, it will alert the driver via auditory and visual warnings. If the driver is unable to resume driving after these alerts, the system will use hazard lights, brake lights, and the vehicle's horn to alert those in proximity of the emergency. When driving on an expressway or pay-to-use road designated only for automobile usage, the system will then decelerate the vehicle while driving it as close to the side of the road as possible. On standard roads, the vehicle will slow to a stop while maintaining its current lane. These steps are taken to prevent accidents or reduce damages in the event that an accident

is unavoidable. After the vehicle is stopped, the DEA system will then unlock doors and issue an automatic emergency assistance request to emergency report centers to summon aid and prepare for assistance from outside of the vehicle. The CX-80 features a DEA system that is an evolution of the system available in the CX-60 and includes audio guidance announcing when deceleration has been commenced.



Process of DEA system activation

For more information, please refer to the following MAZDA MIRAI BASE article.
Driver Emergency Assist in Mazda's CX-80: Program manager's Vision for a Trusted Co-Pilot
<https://www.mazda.com/en/mazda-mirai-base/articles/20241202-cx80-dea/>



Third-Party Safety Evaluations (April 1, 2024–March 31, 2025)

Country/Region	Third-Party Evaluation Program	Rating	Vehicle Models	Ratio of Vehicles Receiving Said Rating to Total Vehicles Rated
Japan	JNCAP*1	5 stars (highest rank)	CX-80	1/1
United States	USNCAP*2	5 stars (highest rank)	MAZDA3, CX-30, CX-5, CX-50, and CX-90	5/5
	IIHS*3	TOP SAFETY PICK+	MAZDA3, CX-30, CX-50, CX-70, and CX-90	5/5
Europe	Euro NCAP*4	5 stars (highest rank)	CX-80	1/1
Australia/New Zealand	ANCAP*5	5 stars (highest rank)	CX-80	1/1

*1 The Japan New Car Assessment Program is a safety rating program introduced by the National Agency for Automotive Safety and Victims' Aid in 1995 to encourage the proliferation of safe vehicles. Vehicles are rated based on their preventative safety and collision safety performance as well as their automated accident reporting systems.

*2 The National Highway Traffic Safety Administration's 5-Star Safety Ratings program rates overall safety performance with 5 stars being the highest possible rating.

*3 In the overall safety rating program of the Insurance Institute for Highway Safety, TOP SAFETY PICK+ is the highest possible rating.

*4 The European New Car Assessment Programme is administered by an independent agency comprised of the transport authorities of European countries. In this program, 5 stars is the highest possible rating.

*5 The Australasian New Car Assessment Program is an overall safety rating program operated by municipal government agencies in Australia and New Zealand. In this program, 5 stars is the highest possible rating.

QUALITY

BASIC APPROACH

Mazda believes it is important to enhance the quality of its products, services, and all other things offered outside the Company to satisfy customers and to exercise its corporate philosophy. This must be accomplished by improving quality of behavior, quality of work, quality of management, and quality of work environment. For this purpose, we continue to enhance our distinctive value through coordination among all functions based on the Mazda Quality Policy of “To enrich the lives of our customers by providing products and services that reflect steady and uncompromising work.”

Our approach toward quality assurance is to position the customer as the focal point for all of our processes and to seek to deliver safety, reliability, and moving experiences through both product performance and the act of use by the customer. We are thus dedicated to fostering people who can think and act based on the perspective of the customer.

Vehicle Production Based on the “100 – 1 = 0” Belief

The “100 – 1 = 0” belief expresses Mazda’s belief that, even if it produces 100 vehicles, the customer that buys one of these vehicles will not see their car as one of this 100. Accordingly, if that one car is defective, it has zero value for the customer. In keeping with this belief, Mazda aspires to ensure that every vehicle it sells is of the utmost quality and aims to achieve zero defects. All related departments thus work in close collaboration to ensure consistent quality in all processes, spanning from planning to production.

Process Initiatives for Changing “100 – 1 = 0” to “100 + 1”

Mazda implements quality assurance activities to allow for the early detection and resolution of unpredictable problems that may arise in the market. Through coordination among sales locations and consistently earnest engagement with customers as well as close communication, Mazda aims to establish an emotional connection with customers based on enduring trust (“100 – 1 = 0” → “100 + 1”).

CUSTOMER-ORIENTED QUALITY IMPROVEMENT

Recognizing that customer feedback from across the globe is our most valuable asset for vehicle development, Mazda accumulates such input to be reflected in product planning and development. We also conduct ongoing quality awareness-raising and education programs targeting employees. Furthermore, Mazda has been

promoting quality control (QC) circle activities for over 60 years. These activities target production function employees as well as employees at domestic dealerships and overseas production bases, encouraging them to exercise autonomy in seeking resolutions to issues.

COMMITMENT TO CONSISTENT QUALITY IN PROCESSES SPANNING FROM PLANNING TO PRODUCTION

In its quality assurance efforts, Mazda seeks to understand the desires and expectations of customers and clarify the importance of ensuring its products deliver the intended functions and performance. We are therefore developing quality assurance and management frameworks for processes spanning from planning and

development to purchasing, vehicle production, logistics, and customer services. The Company thereby aims to embed quality throughout its operations with a focus on process consistency. Mazda also promotes personnel and technology exchanges as well as other joint activities together with partners.

EARLY DETECTION AND RESOLUTION OF MARKET PROBLEMS

To facilitate early detection and resolution of market problems, Mazda has established a system for integrated management of all quality information. Such information is gathered from dealerships in Japan and overseas and by employing the results of surveys by external institutions, conducting the Company's own market research, and utilizing connectivity technologies to collect vehicle information.

The information collected through this system is shared throughout the Company. In addition, the Company closely monitors daily progress to achieve swift and comprehensive improvement in areas encompassing investigations of incidents and their causes and the implementation and confirmation of improvement measures.

CUSTOMER SERVICE WITH A FOCUS ON THE CUSTOMER

Mazda aims to provide customer service that customers can always rely on and offer an ownership experience that allows customers to enjoy all areas of vehicle ownership with no stress. To this end, the

Company is working with dealerships in Japan and overseas to develop people and platforms, reform operations, and create new touch points with customers.

MESSAGE FROM THE CSCO



Mazda seeks to contribute to Japan’s manufacturing industry, strengthen its management foundation, and improve management efficiency through structural transformation of supply chain to be more customer-oriented and by embracing co-creation.

Takeshi Mukai
Director, Senior Managing Executive Officer and Chief Supply Chain Officer (CSCO)

Q. What are some of the characteristics and strengths of production at Mazda?

Mazda employs a mixed production approach that entails the production of multiple vehicles, powertrains, and power units on the same production line. My colleagues and I often receive questions from individuals outside the Company inquiring as to why we do not create dedicated vehicle production lines for specific models or for BEVs. To respond to this, we have to consider the situation if we were to create such lines. If we had vehicle-specific production lines, it is possible that a line might go to waste if demand were to drop for the model it produced. Meanwhile, if demand for a certain model were to increase, we might not be able to ready the required number of vehicles to meet this demand due to the restrictions on production capacity presented by using dedicated lines. Mazda is smaller than other automobile manufacturers. Given our small scale, constructing production lines dedicated to specific vehicles is not a rational approach as it would impede our ability to fully utilize our assets and thereby limit production capacity on a Companywide scale. Conversely, the mixed production approach allows us to flexibly adjust production based on the demand for specific models and to compensate for capacity deficiencies at one location with the capacity of another. This leads to increased productivity and management efficiency and is thus a major strength of Mazda.

In 2006, we utilized the strength of the mixed production approach to overcome the dichotomy between product diversity and efficiency via economies of scale. This was the start of Mazda Monozukuri Innovation 1.0 [P67](#). This innovation scheme entails a bundled planning approach of the products and technologies that we expect Mazda to need over the next five to 10 years. As part of this scheme, development and production functions were coordinated from the development planning stage to standardized methodologies and processes including the ways vehicles are mounted on equipment, the

order of parts assembly, and installation directions. By introducing production facilities based on this approach, we were able to achieve high levels of production efficiency, regardless of the given model or its respective iteration. The application of Mazda Monozukuri Innovation 1.0 informed the development of our Skyactiv Technology and of all Mazda products beginning with the original Mazda CX-5, which was launched in 2012.

Q. What factors led to the decision to introduce Mazda Monozukuri Innovation 2.0 into production, and what were the goals of this move?

Amid the recent trend toward electrified and more-intelligent automobiles, vehicle structures are becoming more complex. There is thus a need for increasing volumes of software to be installed in vehicles in order to achieve precise control of these functions. We currently find ourselves in a time of transitioning to electrified vehicles. Mazda therefore needs to provide a wider range of vehicles, including internal combustion engine vehicles, HEVs, PHEVs, and BEVs, to respond to diversifying customer tastes and regional characteristics. At the same time, we must consider the constantly changing speed of the transition to electrified vehicles.

Mazda is implementing its Multi-Solution Strategy based on its brand value management. Given our small scale, we will seek to effectively advance this approach by targeting 100% production line utilization rates through flexible responses to changes in production efficiency for this full spectrum of automobiles, ranging from internal combustion engine vehicles to BEVs, via mixed production. We thereby aim to build a resilient management foundation while achieving higher levels of production efficiency. At the same time, we must recognize that the amount of software installed in vehicles will continue to expand at an explosive pace. Currently, the software contained in a single

vehicle requires more than 200 million lines of code, and this number is only expected to increase going forward.

Mazda Monozukuri Innovation 2.0 [P68](#) is our answer to this situation—the next step in the evolution of the policies and technologies of Mazda Monozukuri Innovation 1.0. Under this reinvented approach, the scope of comprehensive planning has been expanded to include the full spectrum of automobiles, ranging from internal combustion engine vehicles to BEVs, and these initiatives will now be applied to both hardware and software. Furthermore, we will seek to extend this approach outside of the organization to include applicable business partners and thereby drive efficiency improvements across the entire supply chain. Such efforts to improve efficiency across the supply chain will, of course, be tied to the structural transformation of supply chain being implemented by Mazda. I would like to talk about these reforms a little later.

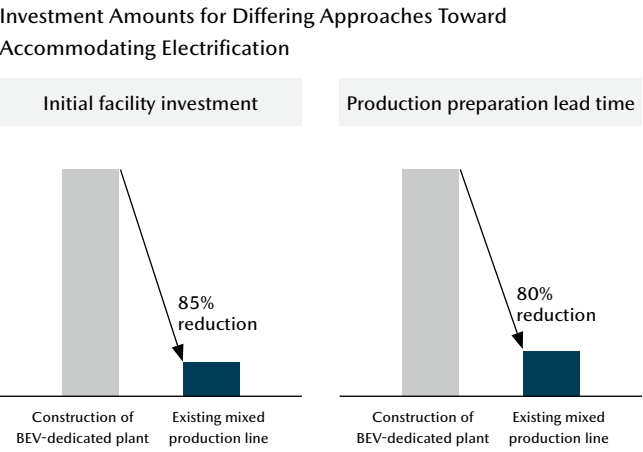
In addition, we will look to further evolve our modular design approach for vehicle structures and processes to make it easier for production lines to be crafted to accommodate various different structures found across the full spectrum of automobiles. At Mazda, vehicle assembly processes are performed on the main production lines, using process steps and procedures that are the same, regardless of model. Meanwhile, the components supplied to the main lines are produced on sublines, where modules that combine multiple parts are assembled through steps and procedures that can vary by model. This approach is used to improve production efficiency. We also employ automated guided vehicles that freely move around factories along with production equipment that is not rooted to any set location. The various models of internal combustion engine vehicles, BEVs, and other types of automobiles—and the variety of powertrains and power units they utilize—all feature different production sequences and efficiency levels. Mazda seeks to address these differences by creating lines capable of flexible and efficient production through such provisions.

We also must address the rise in the variety of electronic control devices needed to accommodate the development of electrified and more-intelligent vehicles. In the past, business partners were responsible for inputting all the software used in electronic control devices. Today, however, we only ask business partners to install shared software that is used for all vehicle models. For software that differs by vehicle model, Mazda inputs the software on the production line using its Factory OTA (Over the Air) wireless communications technology [P70](#). In this manner, accommodations for the different vehicle models produced are made within Mazda factories. This approach is helping us advance reforms to build a more resilient supply chain that allows us to respond flexibly to changes in demand from customers while also achieving a roughly 75% reduction in the inventories found across the supply chain. Evolving production lines in this manner to be more flexible and support the integration of procurement

and production across value chains and supply chains is at the heart of Mazda Monozukuri Innovation 2.0.

Q. What quantitative targets have been set to be achieved through Mazda Monozukuri Innovation 2.0? Also, how is this approach contributing to enhancements in Mazda’s corporate value?

Mazda Monozukuri Innovation 2.0 enables us to use existing production lines when introducing new models of BEVs or other electrified vehicles. This benefit is anticipated to contribute to a reduction of 85% in initial facility investment and 80% in production preparation lead time in comparison to what would be required to build a new dedicated factory for producing such new models. In this manner, Mazda Monozukuri Innovation 2.0, in combination with our Lean Asset Strategy, allows us to make full use of our limited resources to eliminate disparities in production line operation and achieve consistent levels of production across all lines. This, in turn, is anticipated to contribute to a more resilient management foundation and increased management efficiency.



Q. What is the background behind the aforementioned structural transformation of supply chain, and what are their goals?

The automotive industry currently finds itself at a once-in-a-century turning point. Against this backdrop, relative value, importance, and risks can change based on various factors. These factors include the trends toward electrified and more-intelligent vehicles, environmental measures, rising material and parts prices, and business continuity plans for responding to geopolitical risks and the government policies being implemented around the world. At the same time, digital

MESSAGE FROM THE CSCO

technologies and software are becoming an increasingly critical part of automobiles. This change is creating a need for a shift in the structure of value chains to move away from the conventional vertical integration approach led by automobile manufacturers to a new co-creation-oriented approach in which various partners work together as equals.

Based on this recognition, Mazda is endeavoring to develop a resilient supply chain that features lower costs while being resistant to the impacts of production declines with the goal of achieving ongoing business growth and corporate value enhancements. I am responsible for supply chains, an area where we can exercise control. In this area, we are adopting a customer-oriented approach to advance reforms across the supply chain that blur the lines between conventional supply chain segments. We thereby aim to improve asset and parts turnover rates by limiting the number of parts we use and assembling parts closer to production sites.

Q. What types of structural transformation of supply chain initiatives is Mazda implementing?

Today's globalized supply chains involve complex procurement networks that spread across various countries and regions as well as multiple supplier tiers. A change in production levels could thus require sudden shipments of parts to be arranged, which could necessitate international negotiations. This situation has the potential to result in increases in business continuity risks as well as in costs. Moreover, the recent trends toward electrified vehicles and expansions to model lineups have resulted in our needing to accommodate an increasingly large number of parts. These trends are creating inefficiencies in terms of management, quality, and inventory turnover at business partners, placing downward pressure on earnings. At the same time, we are finding ourselves pressed to develop intelligent functions and other technologies that are not mere evolutions of existing automotive technologies.

Meanwhile, heightened geopolitical conditions and increasingly complex and diverse conditions are making it all the more important for Mazda to find a way to survive while improving capital efficiency in a manner suited to its small scale. This is why we believe it is important to practice co-creation with business partners to make new discoveries by bringing together different perspectives with regard to the waste, irregularities, and overburdens that can be found across the supply chain. We must thereby seek to improve frameworks to achieve overall optimization and pursue mutual growth.

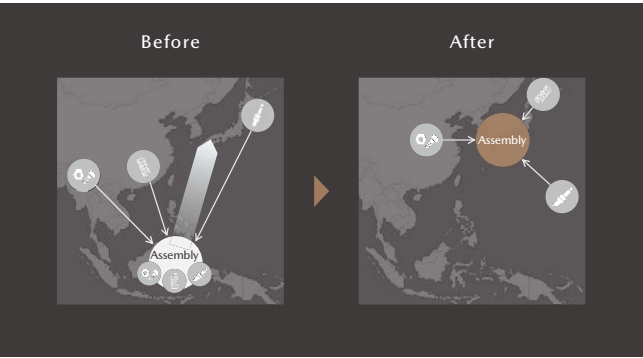
In this undertaking, we must not allow ourselves to be limited by our preconceptions. Rather, we should change how we think and act. Accordingly, Mazda has been revising its previous processes, which were shaped by its perspective as an automobile manufacturer, to make co-creation a normal part of operations

by incorporating the expert insight of business partners right from the initial planning and engineering phases. Through this approach, we look to promote rational and efficient manufacturing across the supply chain, beginning from the early stages of development, and thereby reduce costs.

The underlying goal of these initiatives is to enhance competitiveness while building trust based on co-creation and contributions to communities. We want our relationships with business partners to go beyond the price negotiations we engage in through competitive bids. For this reason, we base our actions on building enduring relationships with partners who share our ambitions. Such relationships are anticipated to help us be more open in our communication and facilitate the sharing of insight. We also expect these relationships to help our business partners gain a greater understanding of automobiles as a whole—one that is not just limited to specific parts for which they are responsible—and to enable the development of technologies and proposals that better match customer needs. This will enable Mazda to utilize its partners' technologies to make even better cars. The process of building such win-win relationships is also anticipated to bolster our manufacturing capabilities across the supply chain.

Q. What are some specific examples of Mazda's structural transformation of supply chain?

Let me explain the initiatives we are advancing in partnership with NIPPON STEEL CORPORATION regarding the steel sheet parts used in the body of the new Mazda CX-5, announced in July 2025. This vehicle was shaped through co-creation that began with the initial phases of its development processes. We were thus able to share information on the issues faced by frontline organizations while incorporating NIPPON STEEL's expert insight and specialized technologies into development processes. Moreover, this partnership led to the development of steel sheet production technologies unprecedented in the automotive industry. Specifically, through co-creation we were able to achieve a 10% reduction in steel use compared to the previous CX-5 model,



Assembly closer to production sites to minimize impacts of operating environment changes

00
CONTENTS

01
MAZDA'S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

03
VALUE CREATION
INITIATIVES

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

without having to replace said steel with aluminum or other alternative materials. NIPPON STEEL also spoke highly of this venture, mentioning how the increased ability to share concerns and engage in more in-depth discussion helped build mutual understanding and allowed us to propose technologies that better accommodated customers' circumstances. I believe that this project proved to be an excellent opportunity to learn and make new discoveries for both parties.

Another example of our structural transformation of supply chain can be seen in our efforts to assemble parts in locations closer to production sites via co-creation with business partners. Rather than completing production of parts that come in various different types at overseas or other remote locations, we are focusing on procuring materials and structural components so that they can be assembled into their completed state at locations closer to vehicle production sites. The aim of these efforts is to simplify procurement networks, reduce costs and CO₂ emissions associated with transportation, decrease inventories across the supply chain, mitigate geopolitical risks, and secure reliable supplies. This approach has been adopted for certain harness parts used in the new CX-5, resulting in lower costs than would have been incurred using prior procurement approaches.

Mazda has set the targets of reducing structural costs by around 100 billion yen and fixed costs by another 100 billion yen through streamlining by Phase 2 of the Management Policy up to 2030. These co-creative initiatives are anticipated to contribute to the accomplishment of these targets as well as to operational improvements and simplifications at business partners.

Q. Mazda has announced its commitment to preserving production functions in Japan and to support mutual prosperity with business partners in the Hiroshima and Yamaguchi areas by bolstering international competitiveness through constant co-creation across the supply chain. What factors prompted this decision and what are the reasons behind this commitment?

Since its founding, Mazda has grown with the support of the people of Hiroshima and Yamaguchi. We therefore recognize that we cannot hope to continue to grow without the cooperation and support of, not to mention co-creation with, the community. This is why Mazda believes that it is its obligation as a Japanese manufacturer to build strong supply chains and manufacturing industries in Hiroshima and Yamaguchi, and other parts of Japan.

The Company operates in some 130 countries and regions. We do not favor any particular market, and instead seek to seize sales opportunities in the best possible manner on a global scale. Through this approach, we aim to achieve reliable operation at factories, safeguard against sudden and unpredictable



operating environment changes, reduce the costs that we have the capacity to control, and transform supply chain structures themselves through co-creation. By heightening management resilience in this manner, we will seek to fulfill this obligation.

Q. What do you see as your mission, and what are your aspirations as Mazda's CSCO and as the individual responsible for the production function?

As the person responsible for our supply chain and production functions, I place extreme emphasis on customers when making decisions and when seeking to resolve issues. It is my goal to respond to the trend toward electrified and more-intelligent automobiles while continuing to supply distinctively Mazda value through our designs and through the joy of driving. By promoting the creation of products that appeal to customer sensibilities, I want to help ensure that Mazda is always the brand that customers choose. I also aspire to protect our employees, business partners, and everyone else who helps Mazda deliver its products and services to customers while contributing to greater capabilities and value for Japan's manufacturing industry. To this end, I will direct integrated initiatives that target the entirety of our supply chains and value chains to support the ongoing growth and enhancement of the corporate value of Mazda.

STRUCTURAL TRANSFORMATION OF SUPPLY CHAIN

The cost reduction and supply chain enhancement initiatives prescribed by the Management Policy up to 2030 are not limited to reducing product- and manufacturing-related costs. They also include measures for bolstering the resilience of Mazda's supply chain to heighten its capacity to reduce costs and prevent declines in production by cutting costs through the structural elimination of waste, irregularities, and overburdens across the entirety of its supply chain and value chain.

To this end, we are implementing structural transformation of supply chain and value chain that blur the boundaries and expand upon the relationships between conventional material and parts manufacturers and automobile manufacturers. This approach entails teaming up with business partners that share Mazda's aspirations to practice co-creation as a normal part of operations through production activities that utilize our respective insight and expertise based on long-term relationships. Through such co-creation, we look to improve capital efficiency and achieve ongoing growth while also growing together with partners by pursuing improvements that optimize our respective operations as a collective whole.

Co-Creation of New Value Together with NIPPON STEEL

The body framework for the new Mazda CX-5 announced in July 2025 was a product of co-creation with NIPPON STEEL CORPORATION practiced as part of normal operations. NIPPON STEEL is a partner that has continued to supply Mazda with various steel materials throughout our long relationship dating back to the post-World War II period.

Our relationship with NIPPON STEEL is not limited to steel transactions, as this company has also long been a leading member of the Yoshinkai, an organization comprised of suppliers of materials and equipment to Mazda. This partner also conducts sales activities promoting Mazda vehicles both within and outside this company. In this manner, a strong trusting relationship has been forged between NIPPON STEEL and Mazda.

Path to Co-Creative Project

In response to the global spikes in raw material prices that began in the early 2020s, Mazda engaged in discussions with NIPPON STEEL on ways to counteract these prices through co-creation as a normal part of operations. Specifically, we abandoned all preconceptions in the search for means to promote more rational and efficient vehicle production beginning from the initial development phases based on our long-standing, trusting relationship with NIPPON STEEL. In recent years, we have been able to begin developing more concrete schemes for acting based on this concept. It was thus decided that the new CX-5 would be the first vehicle to be made by incorporating this approach toward co-creation, kicking off a never-before-seen vehicle production undertaking.

Seeking to ensure that this arrangement proved beneficial for both parties, we began by sharing our respective goals for the project. Specifically, NIPPON STEEL sought to enhance its ability to accommodate the conditions required throughout the automobile development process, heighten its capacity to propose its technologies, and fully utilize its resources. Mazda, meanwhile, aimed to reduce vehicle weight and cost while also absorbing steel insight for use in improving its development and technological capabilities.

Details of Co-Creative Project

In the past, development of new vehicles was conducted entirely within Mazda. When the materials and parts needed were finalized, the Company would accept bids from multiple suppliers before finally choosing the partners with which it would place orders. This process limited business partners to making proposals that reflected the specifications that had already been decided by Mazda.

The process adopted in the co-creative project with NIPPON STEEL, however, entailed this company getting involved with the development of the new CX-5 right from the initial phases. We were thus able to combine NIPPON STEEL's rigidity analysis technologies with Mazda's model-based development* approach to achieve new heights in vehicle body optimization. In this manner, we shared our respective insight and expertise to give form to the concept of co-creation as a normal part of operations and thereby invented a completely new approach toward vehicle development that has significant potential to be further evolved going forward.

* Model-based development involves creating computer models of vehicles, control systems, drivers, passengers, driving environments, and other development subjects and conducting development via computer simulation to improve efficiency.



Body of new CX-5 developed through co-creation between NIPPON STEEL and Mazda

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
- Lean Asset Strategy
- Mazda Monozukuri Innovation 2.0
- Variable and Fixed Cost Reduction
- Pursuit of Zero Environmental Impact

Results of Co-Creative Project

The new CX-5 features a body structure that was optimized through co-creation. This structure was achieved with significantly lower weight and cost, the result of a roughly 10% reduction in the amount of steel used in comparison to prior models, while still maintaining the rigidity needed to provide customers with the joy of driving. Moreover, NIPPON STEEL was able to further evolve the advanced technologies used for its "NSafe™-AutoConcept ECO³" next-generation automobile concept. Benefits for Mazda included a shorter development process for optimizing the body structure as well as the acquisition of expertise for reducing vehicle weight through effective use of steel materials, with no need to rely on the use of aluminum or other alternative materials.

Future of Co-Creative Activities

Our partners in such co-creation as a part of normal operations will not be limited to NIPPON STEEL, as Mazda is committed to engaging in co-creation that expands upon existing relationships and blurs the boundaries between fields with other partners that share its aspirations. This approach will also be applied to an ever-wider range of automobile models going forward. One goal of such co-creative activities is to achieve structural cost reductions totaling around 100 billion yen by FY March 2027.

MESSAGE FROM CO-CREATION PARTNER



Takashi Hirose
Representative Director
and Executive Vice
President
NIPPON STEEL
CORPORATION

The co-creative project with Mazda allowed us to make contributions that went beyond our traditional role of developing steel products and providing reliable quality. We were thus able to create results that benefited the entire value chain. Even though our technologies and corporate cultures may be different, our shared aspirations brought us together for this industry-first undertaking. By working toward a common goal, we were able to discover new perspectives and ideas together as we moved forward with a creative and efficient development process. This project also gave us both the opportunity to learn and refine our skills in a synergistic manner that will no doubt contribute to the production of better automobiles. Our wide-ranging involvement in this project was not limited to the proposal of cutting-edge materials but also included working with Mazda in areas such as vehicle engineering, processing, and mass production. The successes of the project were thus equally multifaceted. NIPPON STEEL also gained the ability to make more appealing proposals to its customers from a perspective that accounted for the entire process, spanning from steel production to automobile manufacturing. In the future, I hope to help tackle increasingly challenging issues through ever-deeper co-creation that more seamlessly combines material technologies with automobile engineering and production technologies.



Co-creative meeting attended by executives and other relevant individuals from both companies



Regular meeting among representatives from both companies

MESSAGE FROM THE OFFICER RESPONSIBLE FOR OVERSIGHT OF COST REDUCTION



Always reflecting on the origins of Mazda's brand value management, we are engaged in a concerted effort to reduce costs from the perspective of the customer.

Yasuhiro Aoyama
Director, Senior Managing Executive Officer

Q. What are the reasons and goals for Mazda's cost reduction activities?

In promoting cost reduction efforts, I aspire to always reflect on the origins of Mazda's brand value management and to emphasize providing quality products at affordable prices. Specifically, I want to deliver value that resonates with customers at prices that are based on their perspective. Even from the early stages of planning, we focus on the needs of customers. We also strive to make our activities something that business partners deem to have value. This is why we work to eliminate waste, irregularities, and overburdens across the entirety of our value chain and supply chain. This approach enables us to advance effective cost reduction activities while also improving profitability across the value chain.

Our operating environment is growing increasingly opaque. We must therefore ensure that our automobile manufacturing activities are sufficient for contributing to ongoing growth. This will require us to build a corporate constitution that supports higher management efficiency while also being resilient to changes in the operating environment. Given that costs are an area where we can exercise control, we are pursuing continuous reductions to costs from a short-, medium-, and long-term perspective. These efforts will be aimed at securing the funds needed to drive Mazda's future growth.

I am thus promoting cost reduction activities in conjunction with structural transformation of supply chain and Mazda Monozukuri Innovation 2.0 P68 activities from a short-, medium-, and long-term perspective.

Mazda has continued to launch large products and other next-generation products to enhance the competitiveness of its products. These efforts have enabled us to increase the per-vehicle sales amount and thereby achieve net sales surpassing 5 trillion yen for the first time in FY March 2025. This success

demonstrates that our products have resonated with a large number of customers. At the same time, however, I cannot deny that, as we sought to create even better products, we might have been lacking in terms of our focus on achieving our ideals through streamlined variant lineups and affordable specifications. As such, the cost of making our products rose to a degree that surpassed our expectations, and we were thus unable to generate the profits we had initially projected.

We are seeking to address this issue by rethinking our prior approach and revising our standards. I want to encourage everyone at the Mazda Group, in all business lines and across the globe, to get involved in efforts to determine how best to allocate costs and to then reduce costs based on the perspective of customer value. This must be our top priority.

Q. What specific steps will be taken to reduce costs?

When I took up the position of officer responsible for oversight of cost reduction in April 2025, the Company also established the Cost Planning Innovation Office to equip itself to aggressively advance cost reduction activities.

As we move forward with structural cost reduction activities, we are also revising our quality standards and performance targets to optimize specifications and vehicle equipment load-outs. These efforts are being informed by consideration of changes in the times and customer tastes as well as the evolution of cost reduction technologies and, most importantly, the value Mazda seeks to deliver to its customers. Such examinations have resulted in us reworking our variant lineups to be more ideal from the customer's perspective and standardizing parts and applying parts from existing models to other models.

One clear example of this can be seen in the new Mazda CX-5. With this vehicle, we are looking to lower the number of

variants by 60% in comparison to the prior model. We also aim to reduce the number of variants when it comes to other models and engines. Furthermore, the new CX-5 will employ a larger number of parts that are shared with the prior model. For design changes and other portions that solicit a new value proposition for customers, we will utilize existing parts when we are able to deliver consistent quality and reliability with our refined techniques. We thereby aim to make the most use of existing assets to provide value to the customer. The expanded use of existing parts is an approach that is also beneficial for society as it allows us to continue to use our assets longer.

For other marketed models, we are gathering ideas from throughout the Company's various functions and conducting thorough customer-oriented assessments and optimization in relation to equipment, specifications, and performance targets. In fact, we have received more than 1,000 ideas produced by employees examining this matter from the perspective of the customer. A large number of these ideas were innovations that would result in savings of a few yen. Those that promised savings in the area of tens of thousands of yen have already been implemented. While these amounts may seem small by themselves, if we collect enough of these ideas, it will lead to massive cost reductions. This is the very definition of steadfast effort.

We are also pursuing cost reductions in manufacturing processes. For parts, we have established unique internal rules to ensure that they can fulfill their functions in terms of processing standards. However, if you look at standards from the perspective of whether they actually contribute to the value proposition for customers or if we are just spending money to meet unnecessary standards, you will find cases in which increased costs are incurred just to conform to strict rules, despite the fact that parts would still function as needed without said rules. We were thus able to cut costs by revising such superfluous rules.

The same can be said for fixed costs. Questioning things we had previously taken for granted can help us find practices that we should abandon. In this manner, we are moving forward with steadfast efforts for the selection and concentration of processes from the perspective of the customer.

If we view streamlining as the process of revising conventions, rules, and work practices to find the best way to do things, we will get an idea of what we do and do not need to do. Even if the gains of each change are small, we can achieve significant benefits if we make enough small changes. Moreover, such cuts will help us better focus on the work that actually needs to be done and thereby concentrate more on the tasks that create value and generate greater returns on investment. This may require steadfast effort, but I am confident that such ongoing efforts will contribute to structural cost reductions that support Mazda's future growth.

Q. What quantitative targets have been set for cost reduction activities?

For Phase 2 of the Management Policy up to 2030, we have set the targets of reducing structural costs by around 100 billion yen and fixed costs by another 100 billion yen. At the moment, we have determined where about 60% of the structural cost reductions will be implemented. Structural cost reductions account for approximately 15 billion yen of the 40 billion yen in cost reductions projected for FY March 2026, and this amount is expected to increase going forward. We still have some work to do when it comes to fixed cost reductions, but we have already formulated a clear road map for the 40 billion yen in cost reductions, and look to capitalize on the benefits of these cost reductions in FY March 2026. I do not think that cost reductions are anything special. This is why, as the officer responsible for oversight of cost reduction, I am committed to helping Mazda carry out its fundamental business activities with the appropriate level of costs.

Q. How will cost reductions contribute to the enhancement of Mazda's corporate value?

Supplying value that resonates with our customers requires that everyone act as a united team guided by a sense of conviction based on our shared quest to promote distinctively Mazda manufacturing activities and provide quality products at affordable prices. Cost reductions are not just the job of functions like development, production, sales, and marketing. Rather, it is important for everyone at Mazda to be an active and consistent proponent of cost reduction and related improvement activities. We must continue to advocate for this approach on a Companywide basis until it becomes an ingrained part of our culture. I am confident that this undertaking will help heighten our fundamental management constitution and prove to be the best path toward enhancing corporate value.

CARBON NEUTRALITY

Working together with its partners and with local communities, Mazda is aspiring to achieve carbon neutrality throughout the entire supply chain by 2050. As a milestone along our path toward this goal, we aim to reach carbon neutrality at our factories worldwide by 2035.

Mazda has formulated a road map for achieving carbon neutrality at its plants and operating sites in Japan,*1 which account for approximately 75% of the Company's global total CO₂ emissions, together with medium-term CO₂ emissions reduction targets for FY March 2031. Based on the three pillars of energy conservation, shift to renewable energy, and introduction of carbon-neutral fuels, we are pursuing the accomplishment of these goals through coordination with municipal government agencies and other industries. At the same time, we are seeking out the optimal approach toward reducing emissions at overseas factories through initiatives modeled after those implemented in Japan.

In September 2025, we updated our road map to enable us to act more flexibly in response to the trends in alternative fuel procurement and technological advancements. We thereby announced our intent to promote reductions in CO₂ emissions while ensuring reliable procurement of the energy needed to operate our business.

In accordance with this road map, Mazda switched the fuel used to supply the in-house power generation facilities at the Hiroshima Plant, Ujina District from the originally planned coal to ammonia, which will serve as its sole source of fuel. However, we now plan to transition to a gas cogeneration system fueled by city gas produced using liquefied natural gas (LNG), a proven power generation technology, to more steadily pursue decarbonization. This system will allow us to undertake a phased shift toward hydrogen fuel, which is gaining attention as a carbon-neutral form of fuel, with only small-scale equipment modifications. In this manner, we look to promote decarbonization in step with society's future adoption of carbon-neutral fuels. Going forward, we will work to determine ideal

specifications for this generation system through co-creation with Kawasaki Heavy Industries, Ltd. in order to achieve high energy efficiency while allowing for optimal energy management to be practiced based on actual factory operating conditions.

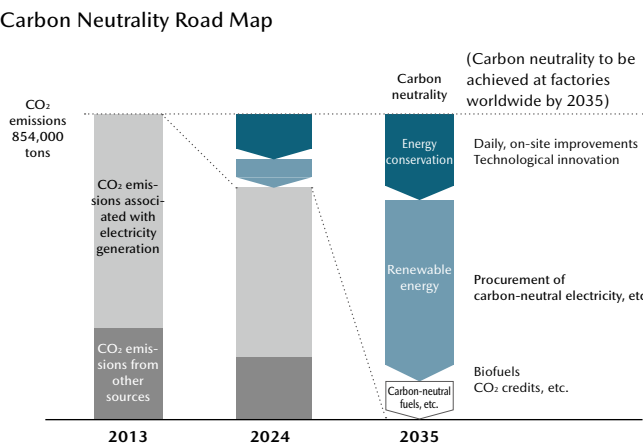
In conjunction with the introduction of this system, the coal-fired thermal power generation systems currently in operation at the Hiroshima Plant and the Hofu Plant are scheduled to be decommissioned around 2030. This plan will be advanced together with the community as we enlist the support of local power producers HIROSHIMA GAS Co., Ltd. and The Chugoku Electric Power Co., Inc.

Moreover, the update to the road map entailed reassessing our interim CO₂ emissions reduction target for FY March 2031 and resulted in our announcing a new target of a reduction of 46% or more in comparison to FY March 2014, in line with the Japanese national target. This target replaces the prior target of a 69% reduction from the same year. The new target will guide Mazda's steadfast efforts toward achieving carbon neutrality.



Gas cogeneration system to be introduced
(Photograph: Kawasaki Heavy Industries, Ltd., Kobe Plant Power Center No. 3)

Greenhouse Gas Emissions*1
Statistics from FY March 2025
Total Scope 1*2 and Scope 2*3 emissions (market-based*4)
649,000 t-CO₂e (down 24% from FY March 2014)



*1 Sites including Mazda's Head Office and Hiroshima Plant (Aki-gun and Hiroshima City in Hiroshima Prefecture), Hofu Plant (Hofu City, Yamaguchi Prefecture), and Miyoshi Plant (Miyoshi City, Hiroshima Prefecture)
*2 Direct emissions from consumption of fuels and from industrial processes
*3 Emissions associated with consumption of purchased heat and electricity (indirect emissions from energy consumption)
*4 Calculated using emissions factors provided in the Ministry of the Environment's greenhouse gas accounting and reporting system

00	01	02	03	04	05
CONTENTS	MAZDA'S VALUE CREATION APPROACH	VALUE CREATION ROAD MAP LEADING UP TO 2030	VALUE CREATION INITIATIVES	VALUE CREATION FOUNDATIONS	DATA SECTION
			● Human Resource Strategies and Digital Transformation ● Brand Value Management Initiatives Targeting the Markets ● Lean Asset Strategy ● Mazda Monozukuri Innovation 2.0 ● Variable and Fixed Cost Reduction ● Pursuit of Zero Environmental Impact		

THREE PILLARS OF CARBON NEUTRALITY INITIATIVES AT PLANTS AND OPERATING SITES IN JAPAN

1. Energy Conservation

Mazda is working to achieve Companywide improvements in operational productivity and efficiency while reforming the operating practices for production and infrastructure equipment, heightening efficiency, and promoting technological innovation to conserve energy. These initiatives are shared with business partners so that we can pursue energy conservation together.

- Initiatives**
- Adoption of low-CO₂-emissions production technologies and advancement of wide-reaching energy conservation initiatives (Aqua-Tech Paint System, etc.)
 - Supply of technologies for cleaning specific portions of heat exchange equipment to business partners
 - Introduction of internal carbon pricing system (9,100 yen per t-CO₂)

2. Shift to Renewable Energy

Mazda plans to transition to a gas cogeneration system fueled by city gas produced using LNG for the in-house power generation facilities used at the Hiroshima Plant to facilitate a steady approach toward decarbonization. This system will enable a phased shift toward hydrogen fuel requiring only small-scale equipment renovations and thereby allow us to pursue decarbonization in conjunction with society's future adoption of carbon-neutral fuels. In addition, the Company intends to decommission the coal-fired thermal power generation systems it is currently using by around 2030. At the same time, we are examining the possibility of expanding solar power use and adopting storage battery systems as we gradually decarbonize together with our partners and with the community.

- Initiatives**
- Introduction of gas cogeneration systems for supporting shift to carbon-neutral fuels
 - Procurement of LNG and other low-emissions fuels as well as carbon-neutral fuels
 - Expansion of solar power use
 - Conclusion of off-site solar power corporate power purchase agreements
- For more information, please refer to the following MAZDA MIRAI BASE article.
Building a Regional Ecosystem Through Renewable Energy: Mazda's Offsite Corporate PPA Initiative - The Road to Carbon Neutrality Episode 4
<https://www.mazda.com/en/mazda-mirai-base/articles/20250515-lca-corporateppa/>
- Expansion of carbon-neutral electricity supply and demand in the Chugoku region
 - Verification test involving Sweep Energy Storage System utilizing automotive batteries

3. Introduction of Carbon-Neutral Fuels

Mazda is coordinating with constituents of its entire supply chain to replace fossil fuels with carbon-neutral fuels in vehicle production processes that cannot be performed using only electricity. In cases when we must use power sources that are not easily replaced with carbon-neutral fuels, we will make use of J-Credits to promote forest preservation and reforestation in order to absorb CO₂ with the communities we serve.

- Initiatives**
- Verification testing of cupola melting furnace using 100% biomass fuel
 - Participation in Research Association of Biomass Innovation for Next-Generation Automobile Fuels
 - Underwriting of convertible bonds issued by Euglena Co., Ltd.
 - Research on microalgae
 - Expansion of carbon-neutral electricity supply and demand in the Chugoku region
 - Utilization of J-Credits

Climate Change (Endeavoring Toward Carbon Neutrality by 2050)
<https://www.mazda.com/en/sustainability/environment/climate-change/>

DISCLOSURE BASED ON TCFD RECOMMENDATIONS

BASIC APPROACH

In May 2019, Mazda declared its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium,*¹ thereby showing its commitment to ramping up its efforts to address climate change. Going forward, we will continue to proactively disclose information based on the TCFD recommendations.

GOVERNANCE

Transition Risks

At Mazda, the Board of Directors appoints an officer responsible for overseeing and promoting carbon neutrality strategies. This individual heads a dedicated department that has been set up within the Corporate Strategy Division to formulate carbon neutrality strategies and lead internal organizations in implementing these strategies.

The Company has integrated the management of carbon neutrality-related processes into its ISO 14001-compliant environmental management system in order to more effectively promote business activities that are considerate of the environment at all Group companies and across the entire supply chain. Carbon neutrality action plans are drafted and enacted by the relevant internal divisions, and the twice-annual Carbon Neutrality Promotion Meeting, which is attended by the officer responsible for carbon neutrality-related matters, is used as an

opportunity to share information on the progress of carbon neutrality initiatives. Carbon neutrality strategies, climate change, and other sustainability issues are reported and discussed at Executive Committee Meetings and meetings of the Board of Directors, in which the president participates.*²

Physical Risks

Measures for responding to physical risks, such as those of torrential rains, an acute physical risk associated with climate change, are managed through an emergency risk management structure as part of the Company's business continuity plan (BCP). In addition, the Company is promoting the reinforcement of seawall infrastructure and water resource conservation efforts through dedicated divisions in response to concerns about storm surges and water depletion, which are chronic physical risks.

STRATEGY

With reference to the scenarios released by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA), policy and regulatory trends, and industry trends, Mazda has formulated a scenario based on its own assumptions, which the Company has used to identify the following major opportunities and risks.

Major Risks and Opportunities

Transition Risks	Policy and Legal	• Stricter regulations on fuel economy and exhaust gas emissions and carbon pricing, including introduction of carbon tax
	Technology	• Increase in resources to develop electrification technologies, including electric drive system or batteries
	Market	• Rise in raw material prices for electrification and weight reduction and tight procurement situation for semiconductor components • Energy price spikes and supply instability due to tight fossil fuel and renewable energy supplies caused by political conditions and market forces
	Reputation	• Implications on ESG-minded investment decisions by investors
Physical Risks	Acute	• Damage by torrential rain, production halts caused by supply chain disruptions, and health hazards caused by heat waves
	Chronic	• Increasing impact of production halts due to more severe and frequent natural disasters and higher frequency of high tides caused by rising sea levels, water resource depletion and rising prices of water necessary for operations, and spread of tropical diseases
Opportunities	Resource Efficiency	• Efficient use of raw materials through thorough material recycling
	Energy Resource	• Stable reception of carbon-neutral electricity by promoting the expansion of demand and supply of electricity • Diverse selection of renewable energy sources
	Products, Services, and Markets	• Deployment of products that suit each region through Building Block concept and Multi-Solution Strategy • Diversification of products that accommodate next-generation automobile fuels (alternative fuels such as biofuels, synthetic fuels, etc.) • Expansion of market opportunities through deployment of products that suit each region and diversification of products

- Human Resource Strategies and Digital Transformation
- Brand Value Management Initiatives Targeting the Markets
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RISK MANAGEMENT

Transition Risks

Mazda has identified major risks and opportunities based on scenarios released by the IPCC and the IEA, government policies, and regulatory and industry trends, and is advancing initiatives to capitalize on the identified opportunities and avoid the indicated risks. Strategies derived from these processes are discussed at Executive Committee Meetings and meetings of the Board of Directors, both of which are attended by the president. Mazda also regularly shares climate-related information with suppliers through a shared platform.

Physical Risks

- Mazda has established a system for rapid response to torrential rain and other natural disasters. These risks are managed through an emergency risk management system as part of our BCP. In addition to these efforts, the Company has been taking steps to enhance its ability to collect weather forecast information and facilitate making quick disaster prevention decisions based on a predetermined time schedule. These steps are being taken in response to the recent rise in the

METRICS AND TARGETS

Global Warming Response

Achieving carbon neutrality throughout Mazda's entire supply chain by 2050 will require the Company to track Scope 1, Scope 2, and Scope 3 greenhouse gas emissions. To facilitate these efforts, Mazda has defined metrics and targets, and is managing progress toward these goals through a plan-do-check-act (PDCA) cycle. Furthermore, we officially participated in the GX League*³ sponsored by the Ministry of Economy, Trade and Industry, in May 2023. As part of this participation, Mazda will present its emissions reduction targets for domestic factories and operating sites and disclose progress toward these targets through the GX dashboard.

Major Metrics and Targets

Target for FY March 2026	Reduce Mazda's non-consolidated CO ₂ emissions by 27% compared to FY March 2014
Target for FY March 2031	Reduce Mazda's non-consolidated CO ₂ emissions by 46% or more compared to FY March 2014
Target for 2035	Achieve carbon neutrality at Mazda's global factories
Target for 2050	Achieve carbon neutrality across the entire supply chain

*¹ The TCFD Consortium is an organization established in Japan for the purpose of holding discussions on effective corporate information disclosure related to climate change and efforts to link disclosed information to appropriate investment decision-making by financial institutions and other entities. The Ministry of Economy, Trade and Industry, the Financial Services Agency, and the Ministry of the Environment participate in the consortium as observers.

*² Sustainability issues had been reported and discussed at Board of Directors' meetings nine times as of May 2025.

*³ The GX League is an organization that aims to provide value for social structural reform toward carbon neutrality together with member companies through the four initiatives of voluntary emission trading (implementation), market rule formation (co-creation), business opportunity creation (dialogue), and "GX studios" (exchange). "GX" is an abbreviation for "green transformation."

- frequency and severity of torrential rain disasters. Moreover, the Company's response measures are reviewed every heavy rain season to improve response capabilities.
- In response to concerns about storm surges and water resource depletion, Mazda is promoting the reinforcement of seawall infrastructure and water conservation efforts by dedicated departments.
 - To combat the heat waves that have become more frequent in recent years, we regularly measure and evaluate the heat environment of each workplace as part of employee health management, and the information gained is used to guide the appropriate maintenance and management of air conditioning equipment. In addition, we use heat-insulating materials and heat-insulating paints in our buildings as part of our eco-friendly measures.
 - Measures against the spread of epidemics include the implementation of workplace guidelines providing support when an employee or a member of their family residing with them has become infected.

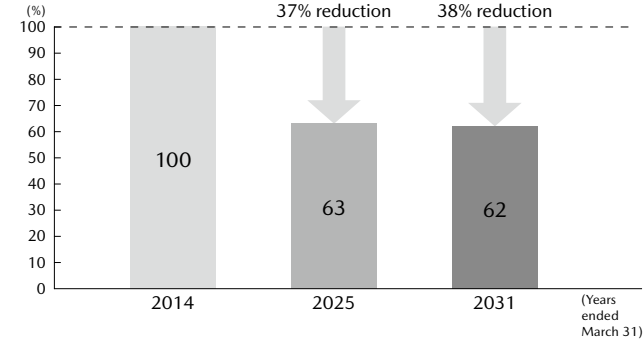
Conservation of Water Resources

Water is essential in automobile manufacturing processes such as cooling. In preparation for potential risks and concerns for the future related to matters such as water resource depletion and rising water prices, we are testing water resource reuse and recycling initiatives to be deployed on a wider scale in FY March 2031 at a domestic model plant. By FY March 2051, we aim to implement these initiatives throughout our global production processes.

Major Metrics and Targets

Target for FY March 2031	Reduce water intake by domestic Mazda Group companies by 38% compared to FY March 2014
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Domestic Water Intake



TCFD
<https://www.mazda.com/en/sustainability/environment/tcfd/>

RESOURCE CIRCULATION

BASIC APPROACH

Mazda aspires to be a company that coexists in harmony with the planet and is committed to comprehensive resource recycling and waste reduction measures.

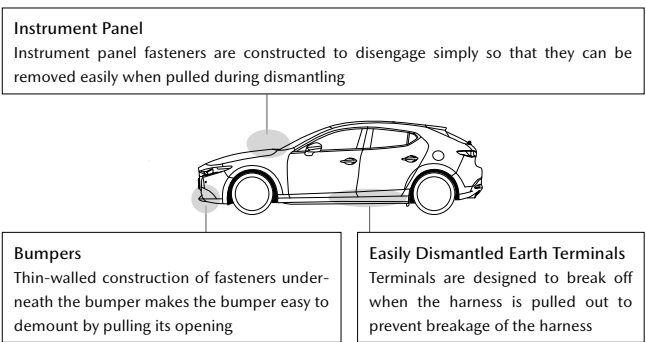
Development-related resource recycling measures include promotion of the 3Rs (reduce, reuse, and recycle) and circular economies for a perspective encompassing the entirety of automobile life cycles. Meanwhile, the Company will advance initiatives in production, logistics, and other areas to contribute to the realization of a recycling-oriented society from a well-to-wheel perspective and a global and supply chain perspective, taking into account the entirety of the automobile supply chain.

PRODUCT AND TECHNOLOGY DEVELOPMENT
Efforts to Increase Recyclability of New Vehicles

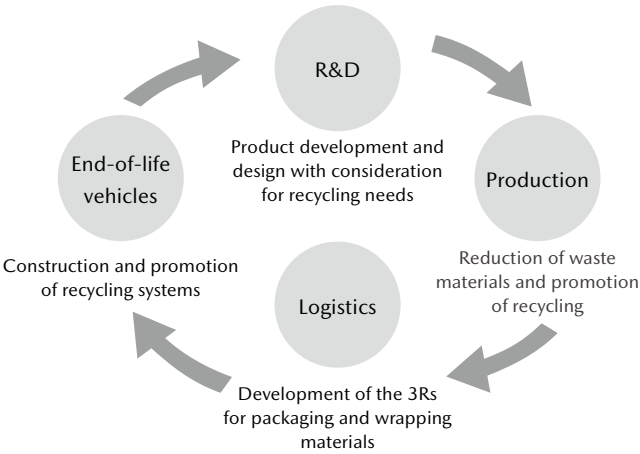
Many limited resources, such as steel, aluminum, plastics, and rare metals, are used in the production of vehicles. Mazda is incorporating 3Rs design principles into all vehicles currently under development to increase the recyclability of new models.

Specific Initiatives

- Research into vehicle design and dismantling technologies that simplify dismantling and separation to make recyclable parts and materials easier to remove
- Use of easily recyclable plastics, which constitute the majority of automobile shredder residue by weight



Resource Recycling Based on the 3Rs



Expanded Adoption of Biomaterials

Mazda has been developing plant-derived biomaterials that have the potential to help reduce environmental impacts by curbing the use of fossil fuels and lowering CO2 emissions. In 2006, the Company became the first in the automotive sector to develop high heat-resistant, high-strength bioplastic for vehicle interior parts. In 2007, Mazda succeeded in the development of the world's first biofabric for vehicle seat covers made with completely plant-derived fibers.*1 In 2014, a bio-based engineering plastic*2 suitable for use in vehicle exterior parts was developed by the Company. Mazda is currently expanding its adoption of these materials.

Recognition for Bio-Based Engineering Plastic Development Initiatives

2020	Award for Science and Technology (Development Category) of the 2020 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology
2021	31st (FY March 2021) Aoki Katashi Innovation Award from the Japan Society of Polymer Processing
2023	Ministry of Economy, Trade and Industry Minister's Prize at the Ninth Monodzukuri Nippon Grand Awards

*1 Source: Mazda Motor Corporation (September 2007)
*2 The bio-based engineering plastic was developed by Mazda Motor Corporation in collaboration with Mitsubishi Chemical Corporation.

PRODUCTION AND LOGISTICS

Plant 3Rs and Global Zero-Emissions and Resource Recycling Initiatives

The Mazda Group continues to expand its global efforts to achieve zero emissions and recycle resources through measures such as efficiently using resources to prevent waste and promoting the 3Rs for resources.

Material-Related Statistics and Targets

2030 Goals	2050 Goals
Achieve zero emissions in manufacturing and logistics processes on a global basis • 0.1% or lower rate of waste sent to landfill among total waste generated (achieved by domestic Group companies in 2018)	Zero emissions through expanded resource recycling initiatives in manufacturing and logistics processes on a global basis • Elimination of dependence on thermal recycling and other combustion-based recycling methods • Expansion of material recycling

Production Materials:

Maintenance of Zero Landfill Waste Status and Reduction of Waste

To reduce landfill waste at its four principal domestic sites to zero, Mazda is promoting reductions in the volume of manufacturing by-products and waste, more rigorous sorting of waste, and increased recycling. The Company was thereby able to achieve zero landfill waste, and it has maintained this status from FY March 2009 to FY March 2025. As part of its waste reduction efforts, the Company has been recycling materials to ensure that plastic packaging materials used in the vehicle and transmission assembly processes can be reused as raw materials through stricter sorting of packaging by material and quality. Furthermore, Mazda has been proactively utilizing plastic pallets made from recycled materials to transport parts overseas.

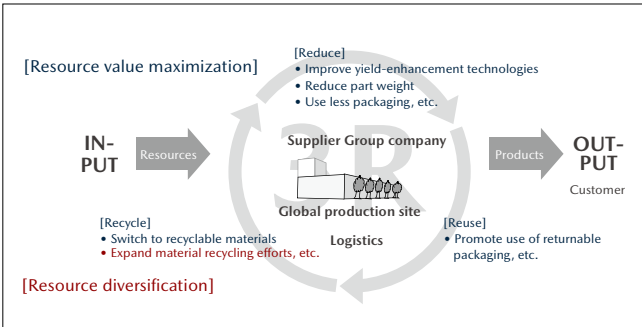
Logistic Materials:

Reduction of Packaging and Wrapping Materials

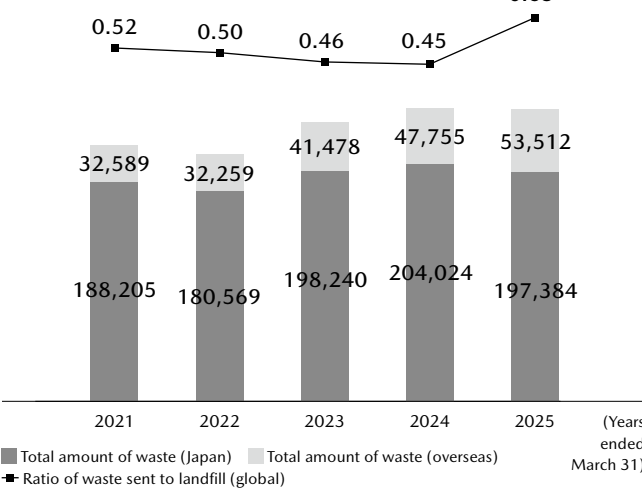
Mazda is moving forward with 3Rs initiatives including using returnable containers, simplifying packaging specifications, and recycling materials. In regard to the transportation of repair parts in Japan and overseas and the export of parts to overseas plants, ongoing coordination is being promoted between departments in five areas—development, production, procurement (purchasing), logistics, and quality—to optimize parts procurement and vehicle manufacturing from the stage of product development and to facilitate strong cooperation across the supply chain. These efforts are anticipated to result in reduced volumes of packaging and wrapping materials and an increased packaging filling rate.

Resource Circulation
<https://www.mazda.com/en/sustainability/environment/resource-circulation/>

Vision



Total Amount of Waste / Ratio of Waste Sent to Landfill (t / %)

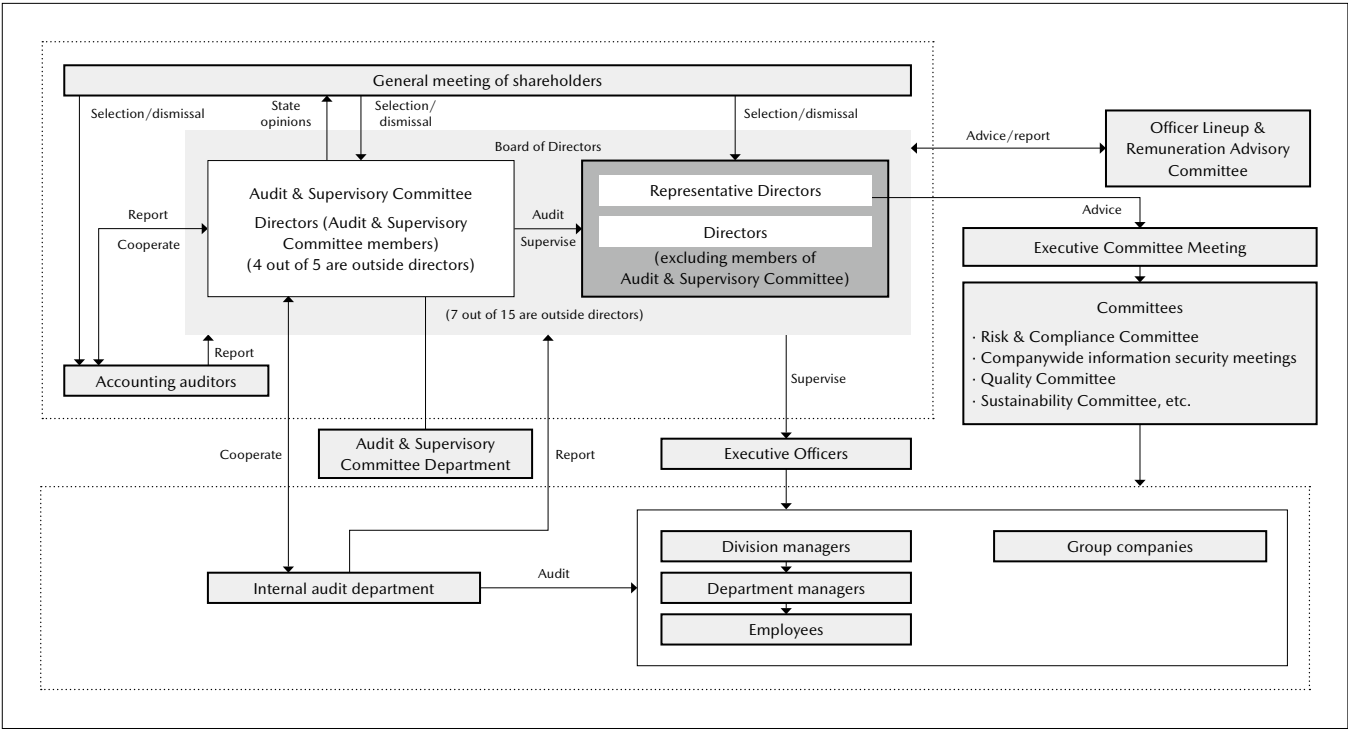


CORPORATE GOVERNANCE

Mazda respects the principles of Japan’s Corporate Governance Code, formulated by Tokyo Stock Exchange, Inc., and works to maintain strong relationships with its stakeholders, including shareholders, customers, suppliers, local communities, and its employees. By doing so, the Company strives to sustain growth and enhance its corporate value over the medium and long term through transparent, fair, prompt, and decisive decision-making and to continue to enhance its corporate governance. The Company’s business environment is undergoing rapid changes.

In order to enable faster business decision-making, further enhance discussion of management strategies, and strengthen supervisory functions of the Board of Directors, the Company has adopted the company with audit and supervisory committee structure described in the Companies Act of Japan. Based on this structure, the Company maintains legally mandated governance organizations including the general meeting of shareholders, the Board of Directors, and the Audit & Supervisory Committee. Furthermore, to raise the transparency of the processes behind the nomination and selection of officers and the remuneration decision-making process, the Company established the Officer Lineup & Remuneration Advisory Committee as an advisory body to the Board of Directors.

Corporate Governance System



Changes in Initiatives to Strengthen Corporate Governance

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
Organization design, etc.		Company with board of company auditors					June 2019: Adopted company with audit and supervisory committee structure								
Advisory body related to officer lineup and remuneration		Officer Lineup & Remuneration Advisory Committee (majority of the members are independent outside directors)													
Board of Directors	Number of independent outside directors	Selection of 2 members					Selection of 6 members (one-third or more of the Board of Directors)					Selection of 7 members*			
	Evaluation of effectiveness and operational improvement	Evaluation of the effectiveness of Board of Directors													
Audit & Supervisory Board Number of Outside Audit & Supervisory Board members		Selection of 3 members													
Audit & Supervisory Committee Number of outside directors who are Audit & Supervisory Committee members									Selection of 4 members						
Executive remuneration							Remuneration in the form of stock options					Restricted stock / Performance share unit			

* Including 4 outside directors who are Audit & Supervisory Committee members (one-third or more of the Board of Directors)

BOARD OF DIRECTORS

The Company’s Board of Directors deliberates and makes decisions on important business execution-related matters, such as management strategy and basic management policies, and supervises the execution of individual directors’ duties. In addition, authority for a substantial part of decision-making regarding important business execution-related matters will be delegated to management, and executive directors including and below the president to whom authority has been delegated based on the Company’s rules of administrative authority will make decisions regarding these matters. This provision is based on the Articles of Incorporation and meant to facilitate quick and flexible decision-making. The Board of Directors is made up of 15 directors, seven of whom are highly independent outside directors. The Board of Directors generally meets once per month.

Major Matters Discussed in FY March 2025

- Electrification and market strategy for 2030
- Progress of measures for achieving management that is conscious of cost of capital and stock price
- Approach to issues around sustainability and progress of action for human rights due diligence
- Status of operation of systems for internal control and risk management (efforts to prevent the recurrence of inappropriate incidents in Applications for Type Designation, measures to cybersecurity risks, and others)

AUDIT & SUPERVISORY COMMITTEE

The Company’s Audit & Supervisory Committee audits and supervises the Board of Directors’ decision-making process and business execution through the execution of voting rights at Board of Directors meetings and the execution of its right to state opinions on the personnel changes and remuneration of directors (excluding directors who are Audit & Supervisory Committee members) at the general meeting of shareholders. The Audit & Supervisory Committee is made up of five members, four of whom are highly independent outside directors. To ensure the smooth operation of the Audit & Supervisory Committee’s audits, one of its members is full-time.

Major Matters Discussed in FY March 2025

- Audit policy, high-priority initiatives, audit plan, work assignment, audit methods for effective functioning of audit activities.
- Strengthening of the mechanisms and means to reflect the opinions of outside directors based on multifaceted perspectives and outside viewpoints in audits while striving to enhance opportunities to provide outside directors with information, as well as the nature of such information
- Checking and enhancement of the execution of duties (including the formulation and progress of management strategy matters) by directors (excluding directors who are Audit & Supervisory Committee members), executive officers, general managers of major departments, and management of subsidiaries and affiliates

- Cooperation with the Internal Audit Department and accounting auditors to facilitate organizational audits
- Evaluation of appropriateness of audits by the accounting auditors based on quarterly reviews and reports by the accounting auditors, evaluation of validity of the selection and dismissal of the accounting auditor and remuneration for the accounting auditors

ACCOUNTING AUDITORS

Accounting audits are conducted by KPMG AZSA LLC. The certified public accountants who conducted the Company’s accounting audits are Hiroshi Tawara, Koji Yoshida, and Kazumi Kanehara. Those assisting with the Company’s accounting audits include 16 certified public accountants and 36 others, four of whom have passed the certified public accountant examination.

EXECUTIVE OFFICERS

Mazda has introduced an executive officer system. By separating the execution and management functions, Mazda seeks to enhance the effectiveness of the Board of Directors as an oversight organization. In addition, decision-making is expedited through expanded discussion by the Board of Directors and by delegating authority to executive officers. In this way, the Company is working to further managerial efficiency.

OFFICER LINEUP & REMUNERATION ADVISORY COMMITTEE

The Company established the Officer Lineup & Remuneration Advisory Committee, made up of three representative directors and seven outside directors and chaired by a representative director, as an advisory body to the Board of Directors. The committee reports to the Board of Directors the results of its deliberations on matters such as the officer lineup and policies regarding the selection and training of directors, as well as remuneration payment policies and the remuneration system and process based on those policies, which contribute to the Company’s sustainable growth and raising of corporate value in the medium and long term.

Major Matters Discussed in FY March 2025

- Appropriateness of the composition of directors and executive officers to ensure the diversity and skills mix required to achieve Management Policy up to 2030 goals (executive personnel changes effective April 1, 2025 and executive personnel changes effective June 25, 2025)
- Appropriateness of remuneration amounts for directors and executive officers (ensuring conformity with the policies on determining details of individual remuneration levels for directors (excluding directors who are Audit & Supervisory Committee members) and comparison with the remuneration levels of the benchmark companies whose size and line of business are similar to those of the Company, etc.)
- Appropriateness of standard amounts, performance indicators, and target values, etc., of the restricted stock remuneration and the performance share unit remuneration

MEASURES FOR ENSURING EFFECTIVENESS OF THE BOARD OF DIRECTORS

ANALYSIS AND EVALUATION OF THE BOARD'S EFFECTIVENESS

To assess the current effectiveness of the Board of Directors and to steadily promote measures for further improvement, the Company conducts an annual analysis and evaluation of the effectiveness of the Board of Directors.

(1) Method of Analysis and Evaluation

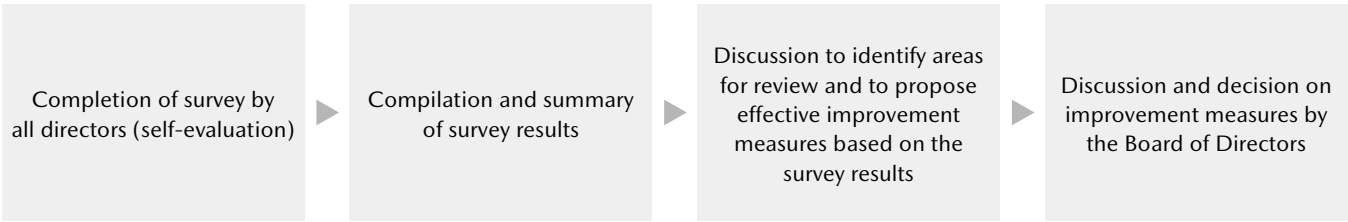
• Survey method

Questionnaire (4-point rating scale and free comments)

• Areas evaluated

Structure of the Board, matters to be deliberated on, timing, duration, materials and briefings, support for outside directors, status of deliberations, monitoring and internal control, etc.

• Evaluation process



(2) Overview of Results

• General comments

The Board of Directors confirmed that 1) all directors are appropriately involved in decision-making on important matters concerning the Company's management, 2) outside directors express their opinions from an independent perspective after gaining an understanding of the Company's situation through briefings on proposals beforehand and other forms of support, and 3) oversight of the execution of operations is ensured. Furthermore, the Board of Directors confirmed that delegation of its authority to representative directors within the appropriate scope under the Company's Articles of Incorporation has expedited decision-making, and that securing ample time for deliberation has resulted in more productive discussions.

• Areas to be reviewed and measures

Areas identified in FY March 2025 and future measures

As a result of this year's evaluation, the Board of Directors confirmed that while there have been improvements in areas identified as requiring improvement in the previous evaluation, further reinforcement of these improvements through the following measures is necessary.

Areas Identified as Requiring Improvement	Summary of Measures Taken
Further deepen discussions of medium- to long-term strategies	In addition to the presentation of and regular reporting on market and product strategies to the Board of Directors, the Board of Directors will utilize off-site meetings and other opportunities to engage in more planned and detailed exchanges of opinions with outside directors regarding management issues, strategies, and their progress.
Hold ongoing discussions on key themes that need reinforcing	Based on content reported in FY March 2025, the Board of Directors will discuss and come to an agreement on how to report on key themes and will incorporate this into the annual plan to be submitted.
Implement measures to further improve the quality of discussions	- The Board of Directors will ensure the use of materials that clearly and concisely state the key points of discussions, and the provision of comprehensive briefings that emphasize the main points. - The Board of Directors will ensure all directors have a common understanding on how to report on the status of the execution of duties and other matters. - The Board of Directors will ensure outside directors are given prior briefings on proposals and other information is shared with them.

EXECUTIVE REMUNERATION

Overview of Remuneration Systems

In June 2024, a revision was instituted to the remuneration systems for directors (excluding directors who are Audit & Supervisory Committee members and outside directors), executive officers, and fellows. This revision was designed to heighten motivation for pursuing medium- to long-term improvements in corporate value by increasing the degree to which officers share the benefits and risks of share price fluctuations with shareholders. Remuneration is comprised of basic remuneration, performance-based monetary remuneration, and restricted stock remuneration.* The ratios of these different forms of remuneration are set to be around the levels described below when all of the targets of the medium-term management plan and the targets for all of the performance indicators defined for performance share units are accomplished. Performance share unit remuneration is determined using return on equity—a financial

indicator that gauges capital efficiency—and employee engagement, customer focus enhancement, and greenhouse gas emissions reductions—non-financial indicators selected based on the Company's medium- to long-term management strategies and challenges. Targets for these indicators are set on an individual fiscal-year basis and with consideration for medium- to long-term targets. The number of shares to be issued is determined based on whether the target for each performance indicator was achieved.

Directors who are Audit & Supervisory Committee members and outside directors receive a fixed amount of basic remuneration only, considering their independence from the execution of operations.

* Restricted stock remuneration is comprised of restricted stock that is not linked to performance and performance share units that are linked to performance.

Structure of Remuneration for Directors



Remuneration Category	Details	Performance Indicators
Basic remuneration	Fixed-sum payments based on the director's position and responsibilities	—
Performance-based monetary remuneration	Payments based on the director's position and responsibilities that are adjusted in accordance with the degree of progress toward the initially announced performance forecasts for defined performance indicators. Also, payments based on personal evaluations that reflect the degree of accomplishment of targets set for each individual	- Consolidated net sales - Net income attributable to owners of the parent
Restricted stock compensation	Number of shares issued based on standard value set in accordance with the director's position and responsibilities	—
Performance share unit remuneration	Number of units allocated equivalent to the base amount (1 unit = 1 share equivalent) based on the director's position and responsibilities and used to determine the number of shares to be issued based on whether the target for each performance indicator was achieved after the performance evaluation period (one fiscal year in which the unit grant date falls)	- ROE - Employee engagement* - Customer focus enhancement* - Greenhouse gas emissions reductions

* Employee engagement and customer focus enhancement are measured based on rates of positive responses in regard to relevant questions on Global Employee Surveys.

For information on director remuneration in FY March 2025, please refer to the Company's securities report.
<https://www.mazda.com/en/investors/library/s-report/>

CORPORATE GOVERNANCE

MEASURES FOR ENSURING EFFECTIVENESS OF THE BOARD OF DIRECTORS

SKILLS MATRIX

As the business environment surrounding the Company rapidly changes, Mazda believes that the Board of Directors must have an appropriate balance in knowledge, experience, and competence and also be diverse in composition to effectively fulfill its roles and responsibilities for the Company’s sustainable growth and the raising of corporate value in the medium and long term.

		Organizational affiliation* ² and attendance in FY March 2025* ³			Fields of experience and expertise* ⁴			Fields of experience and expertise* ⁴							
	Name, age, and gender* ¹ Job title	Board of Directors	Audit & Supervisory Committee	Officer Lineup & Remuneration Advisory Committee	Management (executive experience)	Global business	Product planning / R&D		Manufacturing / Purchasing / Quality	Brand / Marketing / Sales	ESG	IT / DX	HR management / Personnel development	Legal / Risk management	Finance / Accounting
	Kiyotaka Shobuda (66, male) Representative Director and Chairman of the Board	 15/15		 4/4											
	Masahiro Moro (64, male) Representative Director, President and Chief Executive Officer (CEO)	 15/15		 4/4											
	Jeffrey H. Guyton (58, male) Representative Director, Senior Managing Executive Officer and Chief Financial Officer (CFO)	 15/15		 4/4											
	Yasuhiro Aoyama (59, male) Director, Senior Managing Executive Officer	 12/15													
	Takeshi Mukai (63, male) Director, Senior Managing Executive Officer and Chief Supply Chain Officer (CSCO)	 15/15													
	Takeji Kojima (59, male) Director, Senior Managing Executive Officer and Chief Strategy Officer (CSO)	 15/15													
	Ryuichi Umeshita (60, male) Director, Senior Managing Executive Officer and Chief Technology Officer (CTO)	 													
	Kiyoshi Sato (69, male) Director Independent Director Outside Director	 15/15		 4/4											
	Michiko Ogawa (62, female) Director Independent Director Outside Director	 14/15		 4/4											
	Miki Oikawa (56, female) Director Independent Director Outside Director	 		 											
	Hironori Tanaka (61, male) Director, Audit & Supervisory Committee Member (Full-time)	 	 												
	Akira Kitamura (74, male) Director, Audit & Supervisory Committee Member Independent Director Outside Director	 15/15	 16/16	 4/4											
	Hiroko Shibasaki (71, female) Director, Audit & Supervisory Committee Member Independent Director Outside Director	 15/15	 16/16	 4/4											
	Masato Sugimori (68, male) Director, Audit & Supervisory Committee Member Independent Director Outside Director	 14/15	 16/16	 4/4											
	Hiroshi Inoue (68, male) Director, Audit & Supervisory Committee Member Independent Director Outside Director	 15/15	 16/16	 4/4											

Organizational Affiliation

(As of the end of June, 2025)

Board of Directors (including members of Audit & Supervisory Committee)

15 (Inside directors: 8, outside directors: 7), including 3 female directors and 1 foreign-national director
Ratio of outside directors
46.7%
Ratio of female directors
20.0%

Audit & Supervisory Committee

5 (Inside directors: 1, outside directors: 4), including 1 female director

Officer Lineup & Remuneration Advisory Committee

10 (Inside directors: 3, outside directors: 7), including 3 female directors and 1 foreign-national director
Ratio of outside directors
70.0%

*1 The age shown is as of June 25, 2025.
*2 ● indicates that the individual in question is chairperson of the respective body.
*3 Figures for meeting attendance by Ryuichi Umeshita, Miki Oikawa, and Hironori Tanaka have been omitted as these individuals assumed their position on June 25, 2025.
*4 The above table only shows each person's major fields of experience and expertise, instead of providing complete information.

RESPECT FOR HUMAN RIGHTS

BASIC APPROACH

Mazda views human rights as fundamental to its corporate activities. The Company does not tolerate human rights violations of any kind, including discrimination or harassment on the basis of race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, or gender identity, in its corporate activities, whether inside or outside the Company.

Moreover, the Mazda Human Rights Policy was formulated in August 2023. In formulating this policy, the Company prepared a draft through discussion with domestic and overseas Group companies, and this draft was reported to and approved by the Board of Directors, laying the groundwork for our efforts to promote respect for human rights as stipulated by international standards. Going forward, the Company will continue to pursue coordination and update this policy as necessary. It will also strive to spread awareness and understanding of the policy.

Mazda Human Rights Policy
<https://www.mazda.com/en/sustainability/policy/human-rights/>

HUMAN RIGHTS PROMOTION FRAMEWORKS

The Human Rights Committee, comprising executive officers and division general managers, deliberates on human rights activities. Based on the decisions made by this committee, the Human Resources Division promotes human rights protection activities and takes steps to resolve human rights issues throughout the Group. Moreover, global employee surveys are conducted to check the progress of human rights protection activities at bases worldwide and confirm whether there are any problems needing to be addressed. The results of these surveys are communicated to the respective managers to guide improvement measures when necessary. Division managers lead the activities of their divisions as human rights promotion officers, while the designated human rights representative promotes activities at business sites as well as at Group companies in Japan and overseas. At Group companies in Japan, networks are

in place to facilitate the regular exchange of information. Serious human rights violations identified through these networks are reported to management-level members of Mazda, providing a framework that enables the implementation of solutions on a Groupwide basis.

At the same time, Mazda seeks to establish a supply chain in which suppliers are also required to fulfill their social responsibilities in the area of respect for human rights based on the Mazda Supplier Sustainability Guidelines. The Company also actively coordinates with local government agencies, companies, and other external organizations to advance human rights protection activities for local communities. Such activities include participation in community human rights events and exchanges of opinion with human rights organizations.

Major Education and Awareness-Raising Activities*1

Human rights training

- Group training
- In-house sexual minority (LGBTQ+) sensitivity training
- Information distribution via intranet

Messages from senior management issued during Human Rights Week

Messages are issued to all employees every year during Human Rights Week, in recognition of Human Rights Day on December 10, to highlight the importance of respecting human rights.

Human rights meetings

Mazda holds regular meetings (four times a year) on an individual workplace basis on familiar topics to help employees think for themselves about human rights and form their own insights.

Other human rights awareness-raising activities

Mazda holds human rights slogan competitions and has established a dedicated website on its human rights protection activities.

00
CONTENTS

01
MAZDA'S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

03
VALUE CREATION
INITIATIVES

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

HUMAN RIGHTS DUE DILIGENCE

In accordance with the Mazda Human Rights Policy, the Company takes steps to identify and prioritize factors that could negatively affect human rights; introduce human rights due diligence*2 systems that enable ongoing measures to prevent, reduce, rectify, or remedy issues; and expand the scope of its initiatives to include Group companies and suppliers both in Japan and overseas.

The Human Rights Due Diligence Project Team, which is membered by the heads of several relevant divisions, is responsible for confirming human rights due diligence initiatives and their progress and tracking the latest trends on this front so that they can be reflected in initiatives. The team reports to the Executive Committee Meeting and the Board of Directors once every six months and receives instructions as necessary.

In FY March 2024, Mazda began partnering with nonprofit organization Caux Round Table (CRT) Japan to adapt its corrective and remediation measures for responding to human rights issues to its value chain. With an emphasis on Groupwide and global coordination and engagement with rights holders,*3 the Company is moving ahead with a phased process based on the United Nations Guiding Principles on Business and Human Rights and developing a human rights management system that incorporates members of management.

In April 2024, a workshop on assessing potential risks was held for management. The following material human rights themes were identified through discussions at this workshop.

1. Labor and safety environment (including foreign workers) at overseas bases and domestic and overseas suppliers and dealers
2. Human rights issues related to raw material procurement (including conflict minerals)
3. Human rights issues related to AI-related services

In September 2024, we narrowed the scope of our initiatives to focus on the labor environment for foreign workers (including technical intern trainees) at domestic operating sites and in other areas of the supply chain. A human rights impact assessment was then conducted based on direct communication with rights holders. We also enhanced the grievance mechanism.

For information on human rights due diligence initiatives from FY March 2025, please refer to the following document.
https://www.mazda.com/content/dam/mazda/corporate/mazda-com/en/pdf/sustainability/social/human-rights/human_rights_due_diligence_FYMarch2025_e.pdf

■ Results of the Human Rights Risk and Impact Assessment

The human rights due diligence impact assessment conducted by CRT Japan in FY March 2025 identified no serious human rights violations. However, several minor human rights concerns were identified that require attention from a human rights perspective, and we plan to address them appropriately.

■ Corrective Measures

The Mazda Group plans to conduct a follow-up survey to confirm the status of implementation of efforts to resolve human rights issues identified through direct dialogue with rights holders in the human rights due diligence impact assessment, and to follow up on the results of these efforts. Moreover, CRT Japan will once again communicate directly with rights holders to confirm whether the issues have been resolved. As we work to establish trusting relationships with rights holders through these human rights due diligence initiatives, we will promote the following initiatives.

- Expansion of the scope of human rights impact assessment and sharing of knowledge of assessment results (expansion to include Group companies and suppliers)
- Ongoing response to identified material human rights themes “2. Human rights issues related to raw material procurement (including conflict minerals)” and “3. Human rights issues related to AI-related services” (identification of risks and formulation of response measures through discussions with external experts and analysis of recent trends)

Supply Chain Human Rights Due Diligence

The Mazda Supplier Sustainability Guidelines clearly specify nine material rights issues related to suppliers.*4 Based on these guidelines, all suppliers are asked to promote human rights initiatives such as examinations of their own efforts from the perspective of tracking of conditions, systems, impact prevention measures, in-house awareness raising, and regular monitoring. In addition, annual questionnaires are administered to suppliers to verify that they are appropriately conducting such self-examinations.

Statistics from FY March 2025

- No identified issues related to human rights initiatives or other matters

Mazda Supplier Sustainability Guidelines
https://www.mazda.com/content/dam/mazda/corporate/mazda-com/en/pdf/sustainability/policy/supplier_sustainability_guideline_e.pdf

*1 These activities are only conducted at Mazda Motor Corporation.
*2 Human rights due diligence involves continuous implementation of a cycle of procedures to identify, prevent, and reduce adverse impacts on human rights in a company's business activities.
*3 Engagement with rights holders is practiced to build trust with people with respect to their human rights.
*4 The nine material rights issues identified in relation to suppliers are abolition of discrimination, respect for human rights, prohibition of child labor, prohibition of forced labor, non-use of conflict minerals or any other raw materials that may cause social issues, wages, working hours, dialogue with employees, and safe and healthy working environments.

MESSAGE FROM THE OFFICER RESPONSIBLE FOR OVERSIGHT OF ADMINISTRATIVE DOMAIN, COMPLIANCE, AND RISK MANAGEMENT



With compliance as our promise to the customers who trust Mazda, we are advancing ongoing reforms to our education programs and organizational culture.

Makoto Yoshihara
Senior Managing Executive Officer

I would like to begin by apologizing for the immense concern and trouble that we caused our customers and all other stakeholders through the type designation application issues announced on June 3, 2024. We have submitted a plan for our measures to prevent the reoccurrence of such issues to the Ministry of Land, Infrastructure, Transport and Tourism, based on which we are advancing reoccurrence prevention measures on a Companywide basis, including reinforcing certification process frameworks, redesigning processes, thoroughly conducting education programs, and strengthening auditing systems. The Company is also organizing regular meetings to facilitate discussion among relevant personnel, including the leaders of development and quality assurance divisions as well as members of certification and certification auditing divisions. These meetings are used as opportunities to discuss and confirm progress and areas requiring improvement. The findings of these examinations are regularly reported to the Board of Directors.

Having been involved in this incident from the perspective of auditing and compliance, I became more aware of how important it is to go about one's work with an understanding of the laws and rules that apply to it and the reasons behind those regulations. This understanding is imperative to improving compliance, and this is not just limited to the type designation application process. We should always look at the work we do from the perspective of whether or not the process is problematic, and should actively question what we are doing. Right now, Mazda is endeavoring to spread compliance awareness through training and education programs. If we keep this up, I am sure that awareness of laws and rules will become a natural part of everyday work for all employees.

At the same time, the Blueprint organizational culture reform initiatives being advanced on a Companywide basis is expected to help build a critical foundation for supporting compliance. With this foundation, we seek to foster a culture in which

employees feel that they are able to consult with or offer suggestions to their supervisors or other workplace representatives with regard to issues and other concerns that they notice.

Compliance is our promise to customers—while compliance violations are an unforgivable act that betrays the trust of customers. It is crucial for all employees to be fully aware of these facts and to go about their work with integrity. Ongoing training and education programs are imperative to ensuring that we never forget this. In this manner, there is no end goal for compliance, and we continue with steadfast effort in our compliance initiatives based on the understanding that our task will never be completed.

Underlying Causes of Type Designation Application Issues

- Inability to sufficiently accommodate increasingly complicated and sophisticated development environment with traditional processes, resources, and management approaches
- Separation of development and certification functions, tight schedules, excessive process stages, errors due to reliance on human hands, and other structural issues placing undue burden on frontline organizations
- Organizational culture that prevented people from speaking up

Prevention Reoccurrence e-Learning Program

- Start of e-learning program for approximately 10,000 Mazda officers and employees and affiliate employees involved in vehicle development and certification in mid-June 2024 (with the program completed by all applicable individuals by end of June, 2024)

COMPLIANCE ENHANCEMENT INITIATIVES TO PREVENT TYPE DESIGNATION APPLICATION ISSUE REOCCURRENCE

Mazda is implementing Companywide reforms from the following five perspectives to enhance compliance in its certification processes and prevent the reoccurrence of type designation application issues.

1. Revision of Certification Periods

The period for the process from the completion of development to the start of mass production is being extended to accommodate the increased procedures required by tightened regulations. This revision is meant to provide a standardized schedule that prevents excessive physical and mental burdens and allocate sufficient time for ensuring accuracy in certification processes (*1 in diagram below). Furthermore, the committees responsible for approving the completion of development have been elevated to Companywide bodies in order to strengthen management of the steps spanning from development to certification. This change is also meant to heighten objectivity by including representatives from certification, quality assurance, production, and other divisions in addition to development divisions (*2 in diagram below). The resulting frameworks allow for more effective confirmation of preparations for and transition to the certification process.

2. Clarification of Rules for Engineering Change

In principle, any engineering change with the potential to impact product legality or targets must be implemented before the completion of the development process. The committee responsible for confirming the completion of development is expected to confirm whether all changes have been implemented, and there are no more engineering changes after that. Should an engineering change become necessary after the completion of the development process, the heads of development, certification, and quality assurance divisions shall discuss the necessity of the change and whether it should be reflected in prototypes used for certification. These frameworks have been implemented to enhance governance over the certification process (*3 in diagram below).

3. Process Digitalization and System Implementation

Automation systems are being introduced to prevent human errors or alterations in the transference, input, and transmission

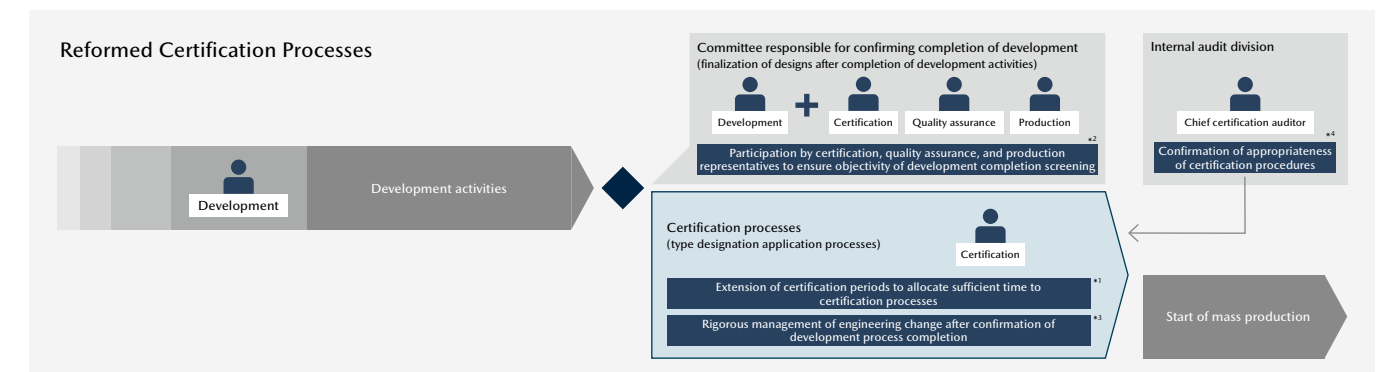
of data and other information during certification processes. We are also examining the possibility of developing frameworks for certification processes in which tablets guide users through test procedures and support them in inputting test results and compiling test reports. Other options being looked at include the development of a comprehensive database for integrating information collected from development divisions and managing records related to application document preparation. The Company aims to introduce such frameworks in April 2026.

4. Enhancement of Staff and Training Programs

The Company is taking steps to ensure and improve the quality of its certification process through phased increases to the staff of certification divisions to accommodate rises in certification workloads and by heightening process efficiency through digital transformation. In addition, all Mazda employees including executives involved in certification processes are required to take part in annual training programs for reviewing fundamental aspects of the legal certification process. The focus of these programs includes prohibition of personal interpretation of certification-related regulations, recent trends in certification systems, actual issues that have occurred at other companies, and the lessons that can be learned from these issues. Through such regular training programs, we seek to ensure that employees have a proper understanding of the relevant regulations as well as high awareness of the importance of compliance with these regulations.

5. Refinement of Testing Infrastructure and Audit Systems

Based on input from individuals involved in actual certification processes, the Company is refining certification testing and other equipment and infrastructure in line with medium-term capital investment plans to ensure that such individuals are adequately equipped to perform appropriate tests. In addition, a chief certification auditor is positioned in internal audit division to verify the appropriateness of test vehicles, equipment, certification testing procedures, and test results. To ensure that the Company's certification processes are always appropriate, the auditor oversees processes to confirm that issues are being properly identified and addressed as part of the underlying frameworks for processes (*4 in diagram below).



COMPLIANCE

BASIC APPROACH

At Mazda, the concept of compliance applies not only to laws and regulations but also refers to building a brand foundation that emphasizes adherence to internal guidelines and responsiveness to social norms and expectations. Based on this approach, business operations are conducted in accordance with the Mazda Corporate Ethics Code of Conduct to ensure fair and honest practices. The Mazda Corporate Ethics Code of Conduct was established in 1998 with the approval of the Board of Directors, and has been revised as needed thereafter. In addition, the Global Employee Engagement Survey is administered on a regular basis to confirm employees’ degree of understanding of 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 one's 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 Company assets.

4. Keep confidential information. Never infringe on any intellectual property rights, 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 profit.

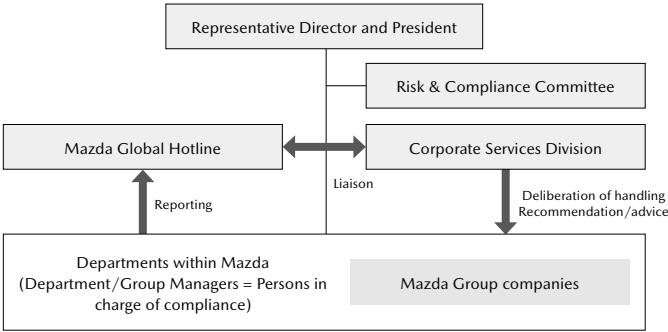
7. Respect human rights and human dignity.

8. State the truth honestly and timely in reporting internally and/or to the public.

COMPLIANCE PROMOTION FRAMEWORK

Mazda has established the Risk & Compliance Committee to oversee Companywide compliance activities in accordance with the Mazda Corporate Ethics Code of Conduct. Meanwhile, division heads are assigned responsibility for promoting compliance as part of our frameworks for ensuring compliance throughout the organization.

Twice a year, the Risk & Compliance Committee issues reports to the Executive Committee Meeting, which is comprised of the president and other executives, and also reports to the Board of Directors on matters including progress in responding to serious compliance issues that have been identified, implementation of the internal reporting system, and compliance training programs.



ANTI-CORRUPTION INITIATIVES

Mazda presents its basic policies on anti-corruption in the Guidelines on the Mazda Corporate Ethics Code of Conduct. In addition, the Company has established the Guidelines on Entertainment and Gifts, which lays out its policies for prohibiting facilitation payments and other forms of bribery to promote highly transparent and fair transactions with all partner companies.

Compliance training for employees includes e-learning programs on themes such as anti-corruption (entertainment and gifts) and prevention of violations of fair competition laws (including bribery of public officials). Meanwhile, the Mazda Supplier Sustainability Guidelines contain anti-corruption provisions pertaining to suppliers, and we ask that suppliers adhere to

these guidelines. When making political contributions, Mazda adheres to the Political Funds Control Act and follows appropriate internal procedures. Overseas, Mazda complies with international regulations and the laws of the relevant countries and regions while also respecting local history, culture, and customs. These guidelines are revised as necessary to accommodate changes in social trends and expectations.

Statistics from FY March 2025

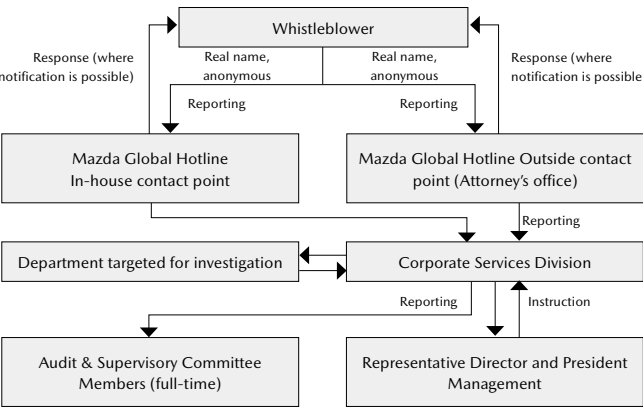
- Political contributions (donations) of 21 million yen
- No incidents of fines for bribery, etc.
- No incidents of employees of Mazda Motor Corporation being subject to disciplinary measures for engaging in corruption

COMPLIANCE INITIATIVES

Internal Reporting System

The Company has established the Mazda Global Hotline as an in-house system for receiving reports regarding compliance and other issues. With its contact points set up both inside and outside (an attorney's office) of the Company, the hotline enables Mazda Group employees to choose a contact point to which to submit their reports either under their real names or anonymously. The content of these reports is carefully handled, and the whistleblowers’ confidentiality is completely protected. In so doing, Mazda takes sufficient follow-up measures to ensure that those who make reports to the hotline or who cooperate in an investigation will not be subject to unfavorable treatment. After taking steps to confirm the validity of reports, corrective and recurrence prevention measures will be implemented to address any compliance violations or misconduct identified. The start of investigations, as well as results of investigations and validity confirmation and details of corrective measures, are communicated to the whistleblower. To spread awareness and understanding regarding the hotline, the Company distributes Compliance Cards with the contact information for the hotline to all employees and informs employees of the hotline through compliance e-learning programs and posters. Our in-house system is also introduced to suppliers so they can receive consultation regarding any doubts that may arise during transactions with Mazda or with Mazda Group companies.

Mazda Global Hotline Framework



Statistics from FY March 2025

Number of reports (including consultations) through the Mazda Global Hotline of 57

Support for Enhancement of Compliance at Dealerships and Parts Sales Companies in Japan

To support transparent management at all Mazda Group companies, we systematically promote the enhancement of compliance at dealerships and parts sales companies in Japan to prevent misconduct.

Examples of Initiatives

- A risk and compliance site has been set up on the intranet used by dealerships in Japan to promote understanding of compliance and internal controls among dealership employees and thereby facilitate appropriate practices. The site provides the following educational content.
 - Standard Operating Procedures and Model Regulations that define the basic business operations to be performed by dealerships
 - One-Point Lessons on Compliance training tools using relatable case studies
 - “Learning from Other Companies” records of the underlying causes of accident cases and recurrence prevention measures
 - Educational tools that help ensure legal compliance
- Questions encompassing risks concerning new standard operating procedures, internal control risks, and examples of recent accidents have been added to the Self-Diagnosis Checklist on Internal Controls, which is used throughout the Mazda Group. By enabling dealerships and parts sales companies to autonomously identify issues, challenges, and best practices, this checklist helps support the promotion of dealership and parts sales company management in compliance with related laws and rules and the improvement of work efficiency. The best practices and issues identified using the Self-Diagnosis Checklist on Internal Controls are quickly shared with other organizations to facilitate activities for preventing the materialization of risks.
- At training sessions and meetings with dealerships and parts sales companies in Japan, we encourage extensive measures for identifying inadequacies in compliance and internal controls and preventing the recurrence of similar problems. Examples of such inadequacies are also shared with related parties and relevant investigations are carried out.
- To facilitate quick detection of issues regarding compliance, internal controls, human rights, and distribution of information via social media, internal consultation venues are set up at dealerships in Japan, and awareness of the Mazda Global Hotline reporting system is promoted among dealership employees.

RISK MANAGEMENT

BASIC APPROACH

Mazda makes ongoing efforts to identify and mitigate various internal and external risks in accordance with its Basic Policy on Risk Management, Risk Management Regulations, and other related internal regulations so as to ensure the continuous and stable progress of its business activities. In addition, the Company takes steps to enhance its business continuity plan (BCP) to prevent serious impacts to society due to halts in its operations.

Basic Policy on Risk Management

Concept

With the advance of IT and globalization and the growing awareness of environmental issues and legal compliance, the environment surrounding Mazda's activities is rapidly changing, and it can be expected to change even further in the future. There is a need to accurately respond to such changes in the environment and to minimize the potential risks that threaten to interfere with the continuity and stability of our business activities. The Company must also create a system that will allow a rapid recovery when abnormal circumstances or emergencies occur and enable it to gain the strong trust of its customers, shareholders, and the community. The entire Mazda Group shall promote risk management and strive to maintain the earnest trust of society.

Goals

Through the following measures, Mazda shall strive to enhance corporate value and maintain harmony with the community.

1. Ensure the health and safety of all those who make up the Mazda Group as well as community members
2. Maintain and increase trust from the community
3. Make appropriate use of the tangible and intangible corporate assets of the Mazda Group
4. Protect the interests of the stakeholders, earn their trust, and meet their expectations
5. Maintain the functions of the organization and seek a rapid restoration of business activities at the time of abnormal circumstances or emergencies

Action Policy

All corporate officers and all employees shall have responsibility for carrying out risk management based on the understanding that risk exists in every facet of business activities. Risk management shall be addressed from all angles at every stage of operations.

Methods

Risk management activities shall be divided into two types:

1. Continuous efforts to prevent and mitigate potential risks existing in everyday duties and the proactive utilization of such measures (risk management)
2. Minimization of damage resulting from a crisis and rapid recovery (crisis management)

Scope of Application

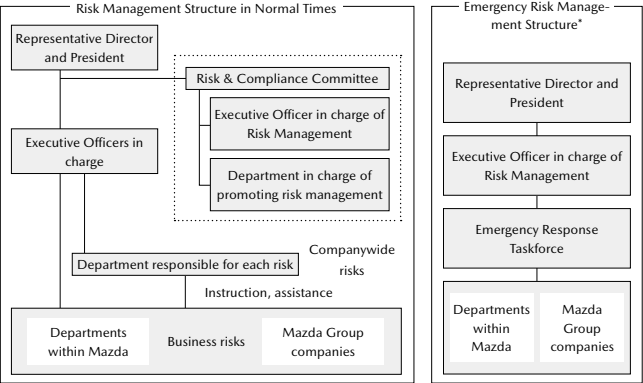
1. Shall include the control of all types of business risk
2. Shall apply to the entire Mazda Group, including subsidiaries and related companies

FRAMEWORKS

To facilitate appropriate risk management, Mazda implements a plan-do-check-act (PDCA) cycle based on the level of materiality of the identified risks. Risks pertaining to specific businesses are managed by the relevant divisions, while Companywide risks are handled by divisions responsible for Companywide processes. In the event of an emergency, such as a natural disaster or other occurrence with the potential to have serious managerial consequences, Mazda takes appropriate measures based on its internal regulations, which may include establishing an emergency response taskforce to respond to the situation when necessary.

Moreover, Mazda has created the Risk & Compliance Committee to further enhance and strengthen risk management at the Company and its affiliates. The committee selects risks to be prioritized in a Companywide manner based on major risks identified by individual departments and information on risk trends and confirms the progress of the related risk countermeasures every six months. Reports on the activities of the Risk & Compliance Committee are submitted to

the Executive Committee Meeting and the Board of Directors every six months for use in verifying the effectiveness of risk management frameworks.



* For incidents that fall outside the scope of existing risk management organizations and require a coordinated interdepartmental response, the officer in charge of risk management will consult with the president and then establish an emergency response taskforce and appoint a leader for this taskforce.

NATURAL DISASTER AND OTHER EMERGENCY RESPONSE MEASURES

Mazda has been implementing ongoing and systematic disaster preparedness measures in preparation for major earthquakes, such as the projected potential Nankai Trough earthquake, and the tsunamis that may follow such earthquakes. Infrastructure-related measures include quake-proofing buildings and facilities and raising embankments. Framework-related measures include introducing an employee safety confirmation system, organizing self-disaster defense teams, and conducting system operation training. Furthermore, Mazda holds

disaster drills jointly with fire authorities to heighten its ability to respond to disasters. In addition to simultaneous evacuation drills, the Company has been working to enhance its practical disaster response capabilities to prevent the spread of damage to neighboring areas due to a secondary disaster by incorporating disaster simulation exercises to respond to various emergency situations, such as the leakage of high-pressure gas or hazardous substances, as well as practical skills training.

INFORMATION SECURITY

Frameworks

At Mazda, an officer is assigned responsibility for information security on a Companywide basis. Meanwhile, the Information Security Committee*¹ tracks cybersecurity measures throughout all areas within the scope of the Company's information security framework and formulates improvement plans in this regard. These plans are proposed to the Executive Committee Meeting to drive ongoing improvements in information security, and reports on improvement measures are submitted to the Board of Directors. Measures are also being advanced to strengthen frameworks for responding to information leaks and cyberattacks from outside of the organization. For this purpose, we research information security vulnerabilities and incidents around the world to prevent incidents at the Company.

Scope of Information Security Framework



Product Security

Mazda works together with suppliers to enhance the quality of cybersecurity measures and complies with the cybersecurity standards instituted in July 2022 (United Nations Regulation No. 155). Furthermore, we participate in the automotive information sharing and analysis centers (Auto-ISACs) of Japan and the United States*² to furnish ongoing responses based on security incidents detected within the industry and best practices.

IT Security

To raise employee awareness about information security, Mazda conducts IT security training and targeted email drills on an ongoing basis. In addition, the Company provides guidelines and educational tools regarding information security to support Group companies with the goal of raising information security awareness and promoting compliance with relevant regulations throughout the Group.

*¹ The Information Security Committee is an organization that manages Companywide information security on a global basis. The committee regularly holds Companywide information security meetings as the decision-making body regarding information security issues on a Companywide level.
*² In addition to participating in the Auto-ISAC of the United States, Mazda has participated in the establishment and operation of the Auto-ISAC of Japan (J-Auto-ISAC).

BRAND PROTECTION (MEASURES TO COMBAT IMITATION PRODUCTS)

Mazda strives to eliminate the risk posed to customers by the purchase of imitation products. Safety-related components are a top priority in these efforts. We thereby aim to protect the safety of customers while also improving the strength and reliability of the Mazda brand to ensure that it continues to be loved by customers.

Examples of Brand Protection Activities

1. Development and implementation of unique measures for combating imitation products
2. Active participation in programs organized by private and public sectors
3. Implementation of constructive and systematic measures through local affiliates and in close coordination with industry peers and government and other agencies to promote brand protection activities in countries and regions that are major sources of imitation products

STAKEHOLDER ENGAGEMENT

Mazda is promoting brand value management activities with the aim of exercising its corporate philosophy and continuing to grow as a corporate group that earns the trust of all its stakeholders. Guided by its brand value management, Mazda will continue its diligent efforts to enhance its value while also practicing proactive engagement with stakeholders. The information gained through such engagement will be relayed to the respective divisions or reported at meetings attended by officers so that it can be used in planning day-to-day operations and in facilitating improvement activities.

OPPORTUNITIES FOR ENGAGEMENT WITH STAKEHOLDERS AND INFORMATION DISCLOSURE

To ensure effective communication with stakeholders, the Company has defined major stakeholder groups, clarified its responsibilities and duties in relation to each group, and determined the frequencies of providing opportunities for engagement and information disclosure for each group.

Major Stakeholder Group	Major Engagement and Information Disclosure Opportunities (Frequency)	
Customers	- Establishment of call centers (regular) - Mazda official website and social media (regular) - Day-to-day sales activities (regular) - Customer satisfaction surveys (occasional)	- Holding of events (occasional) - Interviews with customers (occasional) - Meetings with Mazda vehicle owners (occasional)
Shareholders and other investors	- Website for shareholders and other investors (regular) - Publication of the annual securities report (once a year) and six-month financial reports (twice a year) - Publication of financial results documents (four times a year) - Quarterly financial results presentations (four times a year)	- Presentations and plant tours for investors (occasional) - Ordinary general meetings of shareholders (once a year) - Publication of corporate governance report (updated when necessary) - Publication of integrated report (once a year)
Business partners - Suppliers - Domestic and overseas dealerships	- Hotlines linking Mazda with dealerships (regular) - Conferences with representatives of dealerships (once a year) - Commendation of outstanding suppliers (once a year) - Commendation of outstanding dealerships (once a year) - Day-to-day purchasing activities (regular)	- Conferences with supplier executive officers (once a year) - Supplier communication meetings (once a month) - Supplier meetings (once a year) - Production trend briefing meetings for suppliers (once a month)
Employees	- Blueprint organizational culture reform initiatives (occasional) - Connection Salon events for cross-division and cross-rank networking (once a month) - Lectures (occasional) - Opportunities for two-way communication with the CEO (occasional) - Internal communication sites for employees (regular) - Labor–Management Council (three times a year)	- Global Employee Engagement Survey (twice a year) 360-degree evaluations of management (twice a year) - Career meetings for discussing growth and contributions with supervisors (four times a year) - Open application systems and internal career consulting programs (occasional) - Group and optional training (occasional)
Global society and local communities - Community members - Government and administrative agencies - NGOs and NPOs - Experts and specialists - Educational institutions	- Opening to the public of the Mazda Museum and plant tours (regular) - Social contribution activities and participation in, and promotion of, volunteer activities (occasional) - Communication through economic and industry organizations (occasional) - Interaction/exchange of views and cooperation with local communities (occasional)	- Response to hearings, information disclosure, etc. (occasional) - Communication, cooperation, and support through industry–academia–government collaboration (occasional) - Communication through donations, public endorsements, and aid (occasional)
Future generations (environment)	Organization and participation in environmental events (occasional)	On-site lectures on the environment (occasional)

DIALOGUE WITH SHAREHOLDERS AND INVESTORS

In its pursuit of continued growth and the enhancement of corporate value over the medium to long term, Mazda promotes investor relations (IR) through timely and appropriate disclosure of information to shareholders and investors and through constructive dialogue. The officer who oversees finance will have overall responsibility for dialogue with shareholders under the leadership of the CEO and CFO, and the financial planning department (IR department) will be in charge. To enhance dialogue, they will cooperate with departments in charge, including the Corporate Planning & Development Division, the Corporate Communications Division, and the Corporate Services Division, and create a framework for the proper provision of information.

In addition to general meetings of shareholders, the Company holds quarterly briefings on financial results to explain its business results and other activities. The Company is working to

increase opportunities for dialogue in both financial and non-financial areas by holding business briefings for securities analysts, institutional investors, and individual investors. The Company endeavors to disclose information in a timely manner by posting notices of the general meetings of shareholders, financial results information, information on medium-term management plans, securities reports, corporate governance reports, integrated reports, and other information on the Company website. The Company also discloses information on its dialogue with shareholders and investors. Opinions from shareholders and investors are relayed to the Board of Directors or the management team as necessary by the officer who oversees finances. Based on these dialogues and opinions, the Company is expanding information disclosure.

Statistics from FY March 2025

Events	Number	Main Attendees from Mazda
Financial results briefings	4	Representative Director, President and CEO; Representative Director, Senior Managing Executive Officer and CFO; Senior Managing Executive Officer
Product and technology briefings, plant tours, and test drive events	4	Representative Director, President and CEO; Director, Senior Managing Executive Officer and Chief Technology Officer (CTO); Managing Executive Officer; Executive Officer
Business briefings and small meetings	6	Representative Director, President and CEO; Representative Director, Senior Managing Executive Officer and CFO; Director, Senior Managing Executive Officer and Chief Strategy Officer (CSO); Senior Managing Executive Officer; Executive Officer
Overseas investors visits for dialogue (including online meetings)	4	Representative Director, President and CEO; Representative Director, Senior Managing Executive Officer and CFO; Senior Managing Executive Officer
Conferences organized by securities firms	6	Representative Director, Senior Managing Executive Officer and CFO; Senior Managing Executive Officer; Managing Executive Officer
Briefings for individual investors	3	Executive Officer; General Manager of Financial Services Division
Dialogues	Number	Main Attendees from Mazda
Dialogues with investors	250	Representative Director, President and CEO; Representative Director, Senior Managing Executive Officer and CFO; Director and Senior Managing Executive Officer; Senior Managing Executive Officer; Managing Executive Officer; Executive Officer; IR Group
Dialogues with analysts	100	Representative Director, President and CEO; Representative Director, Senior Managing Executive Officer and CFO; Director and Senior Managing Executive Officer; Senior Managing Executive Officer; Managing Executive Officer; Executive Officer; IR Group

Main Themes and Concerns of the Dialogues

Recent financial results	- Details and progress of cost reduction and fixed cost reduction activities - Sales status and profit contribution of new products such as those in the large product group	- Demand and sales trends in major markets such as the United States - Impact of and response to U.S. tariff policy / response to environmental regulations
Medium- to long-term strategies	2030 Management Policy Phase 1 achievements and Phase 2 initiatives - Multi-Solution Strategy and Lean Asset Strategy	Profitability of BEVs and Skyactiv-Z, a new engine under development
ESG	- Road map toward carbon neutrality - Initiatives to strengthen human capital and reform the corporate culture	The Board's effectiveness and advice and recommendations from outside directors
Others	- Initiatives to enhance corporate value - Policy on shareholder returns	Capital strategy and capital allocation

DISCUSSION BETWEEN OUTSIDE DIRECTORS

Mazda is committed to practicing effective communication to create value and thereby enhance its corporate value.



Hiroko Shibasaki

Director, Audit & Supervisory Committee
Member (Outside Director)

Ms. Shibasaki assumed the position of outside director and outside Audit & Supervisory Committee member in June 2019. Mazda seeks her opinion and advice about management based on her broad sales and management perspective, which she developed while holding branch manager, managing executive officer, and other important positions at non-life insurance companies.

Akira Kitamura

Director, Audit & Supervisory Committee
Member (Outside Director)

Mr. Kitamura has served as an outside Audit & Supervisory Board member since June 2018 and as an outside director and outside Audit & Supervisory Committee member since June 2019. Mazda seeks his opinion and advice about management based on his broad management perspective and his specialized financial and accounting expertise, which he developed while holding representative director and other important positions in financial institutions.

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CONTENTS

01
MAZDA'S VALUE
CREATION
APPROACH

02
VALUE CREATION
ROAD MAP LEADING
UP TO 2030

03
VALUE CREATION
INITIATIVES

04
VALUE CREATION
FOUNDATIONS

05
DATA SECTION

Q. How would you assess the effectiveness of Mazda's Board of Directors?

Shibasaki: I have been an outside director at Mazda for six years. Over this time, I have felt that the Board of Directors has been engaging in in-depth discussion aimed at facilitating Mazda's ongoing growth and enhancements in corporate value. The Company also shares a substantial amount of information with outside directors, helping us gain a better understanding of its businesses and making discussions with the executive team more constructive and fruitful. I believe that the Board has also been devoting sufficient time to discussion on electrification and other management strategies as well as to discussion on non-financial issues, such as human capital and compliance.

Personally, I focus on utilizing my sales and other professional experience to offer input related to the development of sales and marketing structures that value Mazda's connections with customers, management approaches that draw out employee strengths, and the enhancement of corporate governance. I believe it is my duty to provide such frank input from the perspective of stakeholders.

Kitamura: The annual evaluation of the effectiveness of the Board of Directors has indicated a need to engage in more extensive discussion from a medium- to long-term perspective. I too feel that this is an incredibly important theme to be addressed by Mazda's Board of Directors. Based on this recognition, there has been an increase in opportunities to discuss medium- to long-term challenges for Mazda at Board meetings. In addition, the Company began organizing off-site meetings in 2024 to provide opportunities for outside directors to sit down with the executive team prior to Board meetings to really hash out the details regarding Mazda's medium- to long-term vision and management issues. The automotive industry is currently facing a once-in-a-century turning point. This means that discussion from a medium- to long-term perspective will be all the more important going forward. I therefore believe that Mazda's organizing such discussion forums is a major step forward.

Mazda is also swift and thorough when it comes to sharing information on management issues and risks, helping build a shared understanding among all members of the Board of Directors. For example, the Company was quick to turn its attention to the possibility that the United States might institute tariffs. President Masahiro Moro then explained Mazda's response policies personally, and a lively question-and-answer session took place with outside directors. We outside directors were also given opportunities to offer input from our multifaceted perspectives with regard to other matters, such as type designation application issues, quality issues, and sales strategies.

The executive team has been quite receptive toward such input as we have moved forward with discussions. This type of two-way communication is having a tangible benefit in terms of enhancing corporate governance. Moreover, the amount of time allocated for discussion of important matters is extended when necessary, and other steps are taken with regard to meeting proceedings to contribute to even higher levels of effectiveness.

Q. Two years have passed since the transition to the new executive team led by President Moro. What is your evaluation of the new team?

Shibasaki: Under the leadership of President Moro, the Company has been able to maintain a consistent stance of flexibly responding to electrification and other changes based on a levelheaded and realistic understanding, even in the most opaque conditions. This has really helped bring out Mazda's strengths. When you become a manager, it is common for the increased range of duties to make it harder for you to actually go and look at the front lines. However, this is not the case at Mazda, as President Moro and other officers often visit the front lines to engage in discussion with both internal and external stakeholders. Outside directors are also provided with opportunities to visit domestic and overseas sales companies, dealers, and factories, and we thoroughly discuss our findings at Board meetings. I have high praise for how the insight gained from two-way communication with the front lines is reflected in actual policies.

Kitamura: President Moro is responsible for communication and has demonstrated a stance emphasizing engagement with internal and external stakeholders. He has also spearheaded efforts to address the issue of Mazda's overly vertically stratified organization by appointing various chief officers to inject a cross-organizational perspective into initiatives. Meanwhile, outside directors have the duty of contributing to management by pointing out issues from an objective perspective. These efforts to enhance such cross-organizational functions are contributing to more effective and robust governance.

I must also praise the Blueprint, an organizational culture reform initiatives launched in 2023. I believe that this will be extremely meaningful in terms of energizing the organization to succeed in the future. The benefits of this might not be immediately apparent in the short term, but we have already begun to see numerical changes in the Global Employee Engagement Survey, such as improvements in employee engagement scores.



Shibusaki: I am incredibly interested in the benefits of the Blueprint initiatives when it comes to corporate ethics. Please also let me praise the efforts of President Moro and CFO Jeffrey H. Guyton to build a workplace environment in which people of all ages and gender are able to feel motivated while utilizing their individual strengths. A corporate culture in which everyone feels energized to tackle challenges will no doubt be a powerful driver behind Mazda's competitiveness as the Company seeks to overcome the trials that will be placed before it going forward.

Q. What are your opinions with regard to Phase 1 of the Management Policy up to 2030, and what issues do you think Mazda will need to address during Phase 2?

Kitamura: Although operating income fell short of initial forecasts in FY March 2025, the final year of Phase 1 of the Management Policy up to 2030, Mazda did succeed in setting a new record for net sales of more than 5 trillion yen. This feat was accomplished by growing sales volumes amid efforts to shift toward high-end large product models.

In Phase 1 of the Management Policy up to 2030, the focus of electrification strategies was ensuring profitability. Beginning in 2025, Phase 2 will be used as a period for building the foundations that support the transition to electrified vehicles. I feel that this phased approach toward electrification was the best way for Mazda to go given its smaller scale. Despite the challenging operating environment, Mazda was able to achieve ongoing

growth, and, when looking at the entirety of the Phase 1 period, strengthen its financial base, which surpassed initial forecasts. I believe this success to be commendable.

Phase 2, however, will probably see rough conditions in terms of profitability due to the rise in forward-looking investment. This situation will only be made more challenging by the tariffs being instituted by the United States. Based on these considerations, I believe that Mazda's management policies were right on point, particularly with regard to how they emphasize implementing the Lean Asset Strategy **P57**, which calls for flexible measures while limiting investment, including accelerating cost reduction initiatives, and ramping up coordination with partners. In the current environment, Mazda is being pressed to move quickly and provide a convincing answer on how it will address such change.

Shibusaki: The Management Policy up to 2030 breaks down the path Mazda will take toward its long-term vision into three phases. This policy is rather easy for us outside directors to understand, and I suspect that the path it illustrates is also quite clear to employees. Mazda's ability to respond flexibly to operating environment changes is no doubt a result of the clear policies laid out for each phase.

Phase 2, for example, prescribes exhaustive cost cuts. Extensive measures are being carried out for this purpose, and the progress of these measures is regularly reported to outside directors.

Meanwhile, I believe that the need to accommodate a software-centered product development approach in conjunction with the trend toward electrified and more-intelligent vehicles will present an important issue for Mazda to tackle going forward. I have great confidence in the Company given its current approach toward utilizing model-based development while flexibly transitioning toward its Lean Asset Strategy. However, the pace of progress in software technologies is blinding. This means that Mazda will need to be especially diligent in monitoring the trends in the operating environment and those of other companies to ensure that it can respond flexibly.

Q. As outside directors, how do you view the market's appraisal of Mazda's corporate value?

Shibusaki: If we exclude the period of the COVID-19 pandemic, Mazda has continued to see an upward trend in regard to return on sales, return on equity, and other financial indicators. Recently, qualitative factors have also become a focus when assessing corporate value. I personally have a lot of praise for how Mazda is seeking to enhance corporate value from the

customer's perspective through initiatives such as the Blueprint initiatives, human capital management, and the implementation of its unique safety concept.

I like to encourage people to aspire to become the type of shining example that inspires those around them. I understand that former Mazda president Tsuneji Matsuda felt similarly. In line with this idea, I am confident that, if all employees are able to fully exercise their strengths and embrace diversity, it will create a beneficial cycle that generates results and ultimately enhances the Company's corporate value.

Kitamura: The market is well aware of such characteristics of Mazda as its corporate philosophy, commitment to being a car-loving company, Lean Asset Strategy, and approach of acting as an "intentional follower" in the transition toward BEVs. This understanding has earned investor praise for the Company. We have also been seeing an upward trend in regard to financial indicators, as mentioned by Ms. Shibusaki. However, the level of such indicators is still lower than those of Mazda's peers, and the Company's stock price is such that the price-to-book ratio has not yet surpassed 1.0 times. Given these factors, it pains me to say that the market's appraisal of Mazda is currently not that high. The market understands Mazda's directives and unique characteristics, but these factors have yet to make a difference in terms of quantitative results. Accordingly, a major task for Mazda going forward will be to continue to generate results in order to close the gap between its performance and its potential. As an outside director, I understand it to be my obligation to maintain an appropriately tense relationship with the executive team to help them create value by pointing out any issues I see.

Q. What do you think will be necessary for Mazda to enhance its brand value as it practices brand value management?

Kitamura: This might go without saying, but, at the end of the day, it is the customers who determine a company's brand value. It is important for Mazda to communicate what it believes to be its brand value, but it is perhaps even more important that the Company communicate with the market and with customers to gain a deep understanding of what they seek so that it can provide value in response to those needs. This is why I believe that everyone at Mazda, regardless of division, should think from the perspective of the customer and seek to achieve an understanding of their needs so that they can use this understanding to shape products and services. In this regard, I see some room for Mazda to enhance its sales and marketing strategies.



I feel that a crucial part of brand value management will be enhancing the sense of consistency in management by practicing coordination among sales and marketing in addition to manufacturing functions such as development, production, purchasing, logistics, and quality assurance. Mazda's success in the North American market could be said to be a result of steadfast communication between such coordinated functions. If the Company were to quickly apply the lessons learned from this success to Japan and other regions, ramping up communication with various stakeholders and bolstering sales capabilities, I am sure it would become much stronger as a result.

Shibusaki: When I was directly involved in sales, I emphasized the idea that qualitative and quantitative factors can be seen as two sides of the same coin. If you build trust with customers by addressing their qualitative issues, you will see quantitative results show up in the numbers. The sense of values of customers is growing increasingly more diverse, and they are now coming to seek value from things like connectivity, convenience, and after-sales experiences, in addition to traditional values such as design, performance, and safety. It is therefore not enough to just prioritize efficiency; Mazda needs to actually talk to customers to build trusting relationships. There are a lot of factors to be considered in terms of quality, including performance, and services. Nevertheless, I am confident that the key to enhanced brand value for Mazda is for it to maintain its stance that growth is impossible without quality.

ELEVEN-YEAR SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Mazda Motor Corporation and Consolidated Subsidiaries
Years ended March 31

	2015	2016	2017	2018	2019* ⁹	2020	2021	2022* ¹⁰	2023	2024	2025
Business results (Millions of yen):											
Net sales	¥3,033,899	¥3,406,603	¥3,214,363	¥3,474,024	¥3,564,172	¥3,430,285	¥2,882,066	¥3,120,349	¥3,826,752	¥4,827,662	¥5,018,893
Cost of sales	2,247,720	2,567,465	2,448,184	2,653,600	2,772,184	2,683,647	2,268,422	2,432,645	3,025,230	3,788,978	3,940,700
Selling, general and administrative expenses	583,291	612,363	640,492	674,003	709,681	703,035	604,824	583,477	659,553	788,181	892,068
Operating income	202,888	226,775	125,687	146,421	82,307	43,603	8,820	104,227	141,969	250,503	186,125
Income before income taxes	209,335	166,986	128,413	157,484	107,567	49,282	2,202	112,399	169,972	298,323	155,785
Net income/(loss) attributable to owners of the parent	158,808	134,419	93,780	112,057	63,155	12,131	(31,651)	81,557	142,814	207,696	114,079
Capital expenditures* ¹	131,010	89,214	94,399	104,129	119,734	132,578	92,972	144,332	94,139	121,343	148,391
Depreciation and amortization	68,872	78,972	82,416	86,954	88,443	92,269	89,765	90,281	105,950	113,348	117,623
Research and development costs	108,378	116,610	126,915	136,009	134,660	135,009	127,432	134,622	127,990	146,289	168,025
Cash flows:											
Operating cash flows	204,459	262,770	161,097	207,795	146,690	34,834	120,058	189,155	137,424	418,895	305,626
Investing cash flows	(95,548)	(108,092)	(63,751)	(159,989)	(131,611)	(127,578)	(78,862)	(136,237)	(99,427)	(179,889)	(199,961)
Free cash flow* ²	108,911	154,678	97,346	47,806	15,079	(92,744)	41,196	52,918	37,997	239,006	105,665
Financing cash flows	(62,776)	(94,062)	(149,898)	30,461	83,411	(24,274)	99,348	(86,405)	(89,863)	(84,704)	90,071
Financial position (Millions of yen):											
Total assets	¥2,473,287	¥2,548,401	¥2,524,552	¥2,724,092* ⁸	¥2,877,613	¥2,787,640	¥2,917,414	¥2,968,148	¥3,259,251	¥3,791,768	¥4,090,081
Net assets	891,326	976,723	1,064,038	1,219,470	1,233,441	1,205,846	1,195,830	1,316,697	1,456,801	1,757,378	1,810,029
Interest-bearing debt	701,019	617,132	491,434	497,893	607,051	619,868	755,928	680,807	615,502	567,806	705,237
Net cash	(171,871)	(48,418)	35,430	106,961	94,573	(51,874)	(17,135)	59,578	101,591	351,459	400,348
Amounts per share of common stock (Yen):											
Net income/(loss)* ³	¥ 265.64* ⁷	¥ 224.85	¥ 156.87	¥ 182.93	¥ 100.28	¥ 19.26	¥ (50.26)	¥ 129.49	¥ 226.71	¥ 329.65	¥ 181.00
Cash dividends applicable to the year* ⁴	10.00	30.00	35.00	35.00	35.00	35.00	—	20.00	45.00	60.00* ¹¹	55.00
Net assets* ⁵	1,454.61* ⁷	1,595.83	1,738.70	1,894.29	1,910.67	1,865.63	1,876.40	2,065.74	2,285.21	2,757.74	2,843.31
Financial indicators (%):											
Operating income ratio	6.7%	6.7%	3.9%	4.2%	2.3%	1.3%	0.3%	3.3%	3.7%	5.2%	3.7%
Return on equity (ROE)* ⁶	20.8	14.7	9.4	10.0	5.3	1.0	(2.7)	6.6	10.4	13.1	6.5
Equity ratio* ⁶	35.2	37.4	41.2	43.8* ⁸	41.8	42.1	40.5	43.8	44.2	45.8	43.8* ¹²
Average number of shares outstanding (in thousands)	597,823* ⁷	597,819	597,816	612,554	629,757	629,781	629,786	629,852	629,950	630,052	630,263
Number of employees (people)	44,035	46,398	48,849	49,755	49,998	50,479	49,786	48,750	48,481	48,685	48,783

*1 Capital expenditures are calculated on an accrual basis.

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

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

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

*5 The amounts of net assets used in the calculation of net assets per share exclude non-controlling interests (and from FY March 2017 to FY March 2025, stock acquisition rights) from net assets.

*6 The amounts of equity exclude non-controlling interests (and from FY March 2017 to FY March 2025, stock acquisition rights) from net assets.

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

*8 The Company has adopted “Partial Amendments to Accounting Standard for Tax Effect Accounting” from the beginning of FY March 2019. The figures for FY March 2018 were adjusted retrospectively in accordance with this change.

*9 The consolidated foreign subsidiaries that apply U.S. GAAP adopted ASU 2014-09 from the beginning of FY March 2020. The figures for FY March 2019 were adjusted retrospectively in accordance with this change.

*10 The Company has adopted “Accounting Standard for Revenue Recognition,” etc., from the beginning of FY March 2022. The figures for FY March 2022 onward were adjusted in accordance with this change.

*11 The dividend of 60 yen per share for FY March 2024 includes a special dividend of 5 yen.

*12 The ratio after consideration of the equity credit attributes of the subordinated loan is 44.7%.

PRODUCT LINEUP

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

Passenger cars

MAZDA 2



Global Sales Volume **109,713** units
 Sales market(s) **J N E O**
 Production base(s) **J N O**

MAZDA 2 HYBRID



Global Sales Volume
 Including Mazda2
 Sales market(s) **E**
 OEM supplied vehicles

MAZDA 3



Global Sales Volume **166,647** units
 Sales market(s) **J N E C O**
 Production base(s) **J N C O**

MAZDA EZ-6/MAZDA6e



Global Sales Volume **4,760** units
 Sales market(s) **C E**
 Production base(s) **C**

MAZDA CX-3



Global Sales Volume **43,414** units
 Sales market(s) **J N O**
 Production base(s) **N O**

MAZDA CX-30



Global Sales Volume **230,434** units
 Sales market(s) **J N E C O**
 Production base(s) **J N C O**

MAZDA MX-30



Global Sales Volume **8,938** units
 Sales market(s) **J N E O**
 Production base(s) **J**

MAZDA CX-5



Global Sales Volume **346,050** units
 Sales market(s) **J N E C O**
 Production base(s) **J C O**

MAZDA CX-50



Global Sales Volume **112,894** units
 Sales market(s) **N C O**
 Production base(s) **N C**

MAZDA CX-60

Large products



Global Sales Volume **39,112** units
 Sales market(s) **J E O**
 Production base(s) **J**

MAZDA CX-70

Large products



Global Sales Volume **20,342** units
 Sales market(s) **N O**
 Production base(s) **J**

MAZDA MX-5

(Japanese name: Mazda Roadster)



Global Sales Volume **27,959** units
 Sales market(s) **J N E O**
 Production base(s) **J**

MAZDA CX-80

Large products



Global Sales Volume **17,921** units
 Sales market(s) **J E O**
 Production base(s) **J**

MAZDA CX-90

Large products



Global Sales Volume **78,422** units
 Sales market(s) **N O**
 Production base(s) **J**

MAZDA BT-50

Pickup trucks



Global Sales Volume **21,628** units
 Sales market(s) **N O**
 OEM supplied vehicles

Micro-minis

MAZDA FLAIR



Sales Volume
3,070 units

MAZDA FLAIR WAGON



Sales Volume
15,486 units

MAZDA FLAIR CROSSOVER



Sales Volume
6,840 units

MAZDA CAROL



Sales Volume
4,016 units

MAZDA SCRUM WAGON



Sales Volume
1,234 units

Commercial vehicles

MAZDA BONGO BRAWNY VAN



Sales Volume
282 units

MAZDA BONGO VAN



Sales Volume
487 units

MAZDA BONGO TRUCK



Sales Volume
101 units

MAZDA FAMILIA VAN



Sales Volume
1,645 units

MAZDA TITAN



Sales Volume
930 units

MAZDA SCRUM VAN



Sales Volume
4,947 units

MAZDA SCRUM TRUCK



Sales Volume
1,739 units

Vehicles for people with special needs

MAZDA CX-30 Self-empowerment Driving Vehicle



Vehicle with hand-operated controls

MAZDA MX-30 Self-empowerment Driving Vehicle



Vehicle with hand-operated controls

MAZDA CX-5



Vehicle with a lift-up passenger seat

MAZDA 2



Vehicle with a swivel passenger seat

MAZDA FLAIR WAGON



Wheelchair ramp-equipped vehicle

* Vehicle specifications may vary by market.
 * Figures for global sales volume are for FY March 2025; figures for sales market(s) and production base(s) are as of March 31, 2025.
 * Commercial vehicles and micro-minis are sold in Japan and procured from OEMs.
 * Sales volume figures for vehicles for people with special needs are not disclosed. These vehicles are produced and sold in Japan.

COMPANY PROFILE

As of March 31, 2025

Company name	Mazda Motor Corporation		
Founded	January 30, 1920		
Head Office	3-1 Shinchì, Fuchū-cho, Aki-gun, Hiroshima 730-8670, Japan		
Representative	Masahiro Moro as Representative Director, President and CEO		
Main business	Manufacture and sales of passenger cars, sales of trucks, etc.		
Stock information	Authorized shares: 1,200,000,000 Shares issued: 631,803,979 Number of shareholders: 184,774		
Major shareholders*1	Shareholder name	Number of shares held (Thousands of shares)	Percentage of total shares issued (%)
	• The Master Trust Bank of Japan, Ltd. (Trust Account)	105,932	16.8
	• Toyota Motor Corporation	31,928	5.1
	• Custody Bank of Japan, Ltd. (Trust Account)	29,210	4.6
	• NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	11,140	1.8
	• MORGAN STANLEY & CO. LLC	10,737	1.7
	• STATE STREET BANK AND TRUST COMPANY 505103	9,292	1.5
	• MAN INTERNATIONAL ICVC - MAN GLG JAPAN COREALPHA FUND	8,294	1.3
	• STATE STREET BANK AND TRUST COMPANY 505001	7,730	1.2
	• JP Morgan Securities Japan Co., Ltd.	7,358	1.2
	• STATE STREET BANK WEST CLIENT - TREATY 505234	7,221	1.1
Capital	284 billion yen		
Employees	Non-consolidated total: 23,391 (Men: 20,910; Women: 2,481)*2 Consolidated total: 48,783*3		
Research and development sites	Head Office, Mazda R&D Center Tokyo,*4 Mazda R&D Center Yokohama, Mazda North American Operations (United States), Mazda Motor Europe (Germany), China Engineering Support Center (China)		
Production sites	Japan: Hiroshima Plant (Head Office, Ujina), Hofu Plant (Nishinoura, Nakanoseki), Miyoshi Plant Overseas: China, Thailand, Mexico, United States, Vietnam,*5 Malaysia*5		
Sales companies	Japan: 188, Overseas: 130		
Principal products	Four-wheeled vehicles, gasoline reciprocating engines, diesel engines, automatic and manual transmissions for vehicles		

*1 Percentage of total shares issued is calculated excluding 1,447,244 shares of treasury stock.

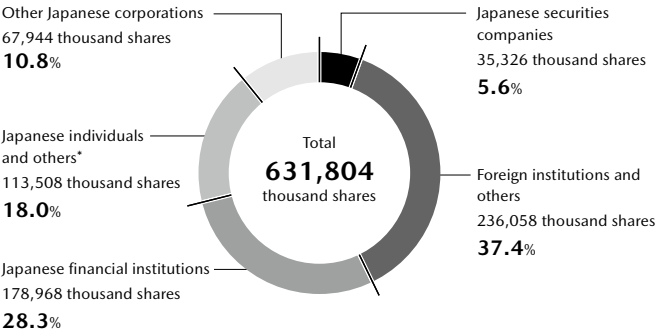
*2 Non-consolidated figures exclude the number of Mazda Motor Corporation employees dispatched to other companies, but include the number of employees dispatched to Mazda Motor Corporation from other companies.

*3 Consolidated figures exclude the number of Mazda Group employees dispatched to companies outside the Group, but include the number of employees dispatched to Mazda Group companies from outside the Group.

*4 Mazda R&D Center Tokyo was established in July 2025.

*5 Figures include local assembly only (production volume is not disclosed).

Breakdown of Shareholders (As of March 31, 2025)



* The treasury stock is included in Japanese individuals and others.

External Recognition (As of September 30, 2025)

Inclusion in Indexes

FTSE4Good

S&P/JPX
カーボン
エフィシエント
指数

FTSE Blossom
Japan

Ratings, etc.

CDP Climate Change
B

CDP Water Security
A-

EcoVadis

Total score of 51

2025 CONSTITUENT MSCI日本株
ESGセレクト・リーダーズ指数

Participation in Initiatives and External Recognition
<https://www.mazda.com/en/sustainability/initiatives-recognition/>

Afterword

Thank you for reading Mazda Integrated Report 2025.

Amid the once-in-a-century period of change seen in the automotive industry, Mazda is emphasizing brand value management and co-creation. At the same time, all of the Company's employees are seeking to create value for both internal and external stakeholders based on our corporate philosophy. We hope that this report has helped you gain a better understanding of these efforts.

The Corporate Communications Division spearheaded the project for producing this report while also gaining support from individuals in investor relations and other divisions. Mazda values building trusting relationships and strong bonds with shareholders, investors, and other stakeholders through day-to-day communication. Accordingly, we compiled this report with a focus on systematically and comprehensively explaining Mazda's management policies, the issues it has identified, measures for addressing said issues, and the progress thereof.

Mazda remains earnestly committed to improving corporate value through proactive engagement with stakeholders and timely and appropriate information disclosure.



Mazda Motor Corporation
Corporate Communications Division

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Issued: December 2025
<https://www.mazda.com/en/>