

CHAPTER

3

VALUE CREATION
INITIATIVES



VALUE CREATION INITIATIVES

FOR THE KIND OF
SUSTAINABLE SOCIETY MAZDA ASPIRES TO

External Evaluations (As of June 30, 2023)

Latest information on external evaluations <https://www.mazda.com/en/sustainability/evaluation/>

[Inclusion in key indices]

MSCI ESG Leaders Indexes
(Selected since June 2020)

FTSE4Good
(Selected since March 2011)

FTSE Blossom Japan Index
(Selected since the index was
established in July 2017)

S&P/JPX Carbon Efficient Index
(Selected since the index was
established in September 2018)

Morningstar
Japan ex-REIT Gender Diversity Tilt Index
(Selected since the index was established in
February 2023)

SOMPO Sustainability Index
(Selected since the index was established in
August 2012)

[Key evaluations]

CDP Climate Change: B,
CDP Water Security: A-
(FY March 2023)

EcoVadis Supply Chain Assessment:
Total score of 57
(FY March 2024)

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BASIC POLICY ON SUSTAINABILITY

While striving to sincerely meet the requests and expectations of all stakeholders under our corporate vision,*1 Mazda aims for sustainable growth as a company through our global business activities. We are determined to contribute to the sustainable development of society through efforts to resolve various social issues by making the most of our strengths.

Earth

Through environmental conservation initiatives, we aim to prevent global warming, realize a sound material-cycle society, and create a sustainable future in which people and vehicles coexist with a bountiful, beautiful earth.

People

Respecting diverse talents and values, Mazda understands that individuals working together each play an active role in their own way. This leads to innovation in products and services that offer true Joy of Driving and emotional enrichment to our customers.

Society

We will realize vehicles and a society where all people, wherever they live, can enjoy unrestricted mobility that offers safety and security and contributes to enriching lives and the sustainable development of local communities.

Management

While working to build a good relationship with all stakeholders, we will continue our efforts to enhance corporate governance by ensuring compliance and making fair, transparent, prompt, and decisive decisions.

(Established in December 2021)

*1 Corporate Vision
https://www.mazda.com/globalassets/en/assets/sustainability/policy/corporate_vision_e.pdf

MAZDA'S SUSTAINABILITY PROMOTION ORGANIZATION AND INITIATIVES

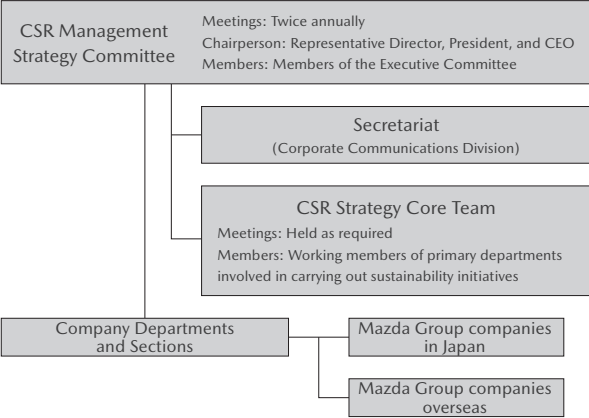
SUSTAINABILITY PROMOTION ORGANIZATION

Each department carries out its operations based on goals and plans formulated with an understanding of the policies and guidelines determined by the CSR Management Strategy Committee, which the president chairs, and in cooperation with other Group companies. From FY March 2016, the Board of Directors holds discussions on issues concerning sustainability. In addition, Mazda is exploring revisions to its sustainability promotion organization in the understanding that a more effective organization is necessary given recently growing interests over ESG.

CSR management strategy committee

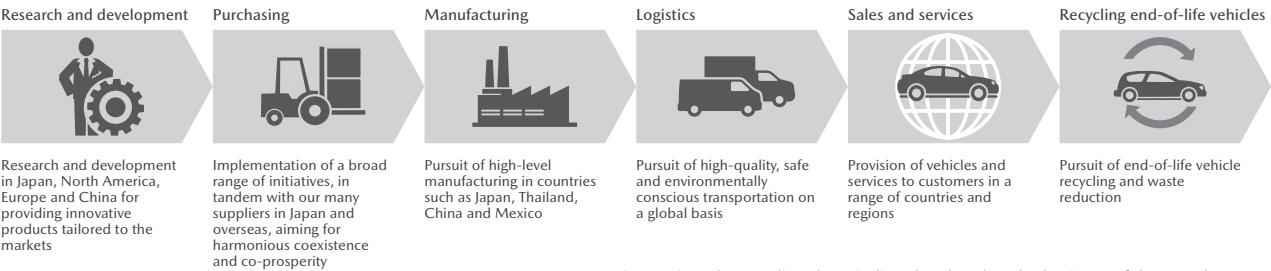
- Deliberates the sustainability initiatives that are expected of Mazda from a global perspective, in consideration of changes in social environment
- Reviewing and identifying key issues (materiality)
 - Discuss social needs and trends, external evaluation analysis results, etc.

Sustainability Promotion Organization
(as of March 31, 2023)



SUSTAINABILITY PROMOTION THROUGHOUT THE ENTIRE VALUE CHAIN

In cooperation with suppliers and dealerships, Mazda has established a sustainability initiative promotion organization throughout the entire value chain. The Company places emphasis on dialogues with stakeholders, to ensure that its sustainability initiatives not only comply with international rules as well as the laws and regulations of each country/region, but also respect local history, culture, and customs.



STAKEHOLDER ENGAGEMENT

Mazda clarifies key responsibilities and issues that the Mazda Group should accomplish, through dialogue with stakeholders which are important for a company's sustainable development,*1 and carries out daily business activities while making efforts for improvement. To ensure effective communications with customers and other respective stakeholders, Mazda has defined its key stakeholders, and determined the frequencies of providing opportunities for dialogue and information disclosure. The information obtained is reported to the relevant departments or committee meetings attended by the Company's management, and used for planning and improving Mazda's daily business activities. In the brand value management which the Company has been promoting in earnest since 2013, Mazda is pushing ahead with various initiatives, aiming to continue to grow as a corporate group that earns the trust of all its stakeholders. By establishing indicators for its relationships with its stakeholders, Mazda implements the PDCA (plan-do-check-act) cycle.

Examples of Indicators

| | |
|--------------------------------------|--|
| Customers | Degree of customer satisfaction, brand likeability, loyalty (retention), net promoter score, (unaided) awareness level, brand recommendation level |
| Shareholders and investors | Evaluations by external research organizations |
| Business partners | Stakeholder Survey |
| Employees | Global Employee Engagement Survey |
| Global society and local communities | Stakeholder Survey |
| Next-generation people | Evaluations by external research organizations |

DIALOGUE WITH SHAREHOLDERS AND INVESTORS

For continued growth and enhancement of corporate value over the medium and long terms, Mazda engages in a variety of investor relations initiatives in keeping with its policy of timely and appropriate disclosure of information and with constructive dialogue. In addition to general shareholders' meetings, the Company holds frequent meetings with its shareholders and investors, providing quarterly announcements to explain its business results and other activities. The Company is working to increase opportunities for dialogue in such ways as holding business briefings for securities analysts, institutional investors, and individual investors. The Mazda Motor Corporation Global Website provides information such as notices of the general meetings of shareholders, financial information, medium-term management plans, securities reports, and corporate governance reports. In this way, the Company works to disclose information in a timely manner. It also strives to enhance its disclosure of the status of its dialogue.

For more details on dialogue with shareholders and investors:
<https://www.mazda.com/en/investors/policy/cg/>

*1 Parties who are directly or indirectly related to the business of the Mazda Group

KEY ISSUES (MATERIALITY)



















REVIEWING AND IDENTIFYING MATERIALITY

In July 2016, Mazda identified and disclosed the key issues (materiality). In subsequent years, which saw growing worldwide interest in environmental, social, and governance (ESG) issues, the social environments surrounding the Mazda Group underwent some changes. Given these circumstances, in FY March 2018, the Company started to review materiality. Mazda two particular perspectives into consideration when conducting this review. The first is the viewpoint of its stakeholders, who refer to items such as the UN's Sustainable Development Goals (SDGs) and surveys by international ESG ratings agencies. The second is the standpoint of importance to the Mazda Group in terms of its business initiatives to accomplish the goals of the Management Policy up to 2030. Based on these two, in 2021, Mazda identified the social issues that the Mazda Group should resolve through its business and clarified and disclosed the relationship between these issues and the SDGs and targets adopted by the United Nations. Then, given the update to the Medium-Term Management Plan and Management Policy up to 2030, announced in November 2022, Mazda once again reviewed its materiality.

MATERIALITY REVIEW AND IDENTIFICATION PROCESS



INITIATIVES / GUIDELINES RELATED TO THE EIGHT THEMES OF MATERIALITY

| Eight themes of materiality | | Social issues (Relevant keywords) | Mazda's initiatives / targets | SASB code*1 | SDGs goals | SDGs targets |
|---|--|---|--|--|--|--|
| "Earth" | Endeavor for carbon neutrality by 2050 | Climate change issues (Carbon neutrality) | <ul style="list-style-type: none">● Efforts to reduce CO₂ emissions over a vehicle's entire life cycle from the perspective of "well-to-wheel" and Life Cycle Assessment (LCA)● Accumulation of technological assets in line with Mazda's Building Block concept and their utilization for highly efficient manufacturing● Initiatives toward making Mazda factories globally go carbon neutral (hereinafter, "CN") by 2035 <p>[Targets]</p> <ul style="list-style-type: none">● Achieve CN across the entire supply chain by 2050● Achieve CN at Mazda's factory globally by 2035 | Fuel efficiency and use-phase emissions TR-AU-410a.3 |         | 3.9 Reduce illnesses and death from hazardous chemicals and pollution. 7.2 Increase global percentage of renewable energy. 7.3 Double the improvement in energy efficiency. 7.a Enhance international cooperation to facilitate access to clean energy research and technology, and promote investment in clean energy technology. 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. 11.6 Reduce environmental impact of cities, including by paying special attention to air quality and municipal and other waste management. 12.5 Substantially reduce waste generation. 13.2 Integrate climate change measures into national policies, strategies, and planning. |
| | Resource circulation | Increase in demand for resources and rising amount of waste Water resources issues (Circular economy) | <ul style="list-style-type: none">● Increase in the recyclability of new vehicles● Initiatives to promote the three Rs (reduce, reuse, and recycle) at plants and global efforts for zero emissions and the expansion of resource recycling <p>[Targets]</p> <ul style="list-style-type: none">● 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*2 in Japan by 2030 | Materials efficiency and recycling TR-AU-440b.1 TR-AU-440b.2 TR-AU-440b.3 |      | 6.3 Improve water quality through various measures. 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. 12.4 Achieve the environmentally sound management of chemicals and all wastes, and significantly reduce their release in the air, water, and soil. 12.5 Substantially reduce waste generation. |
| "People" | Uplifting the mind and body | Changes in values regarding mental and social health | <ul style="list-style-type: none">● Mazda hopes to create moving experiences in driving and mobility through its human-centered approach | — |   | 3 Ensure healthy lives and promote well-being for all at all ages. 9.1 Develop sustainable and resilient infrastructure to support economic development and human well-being. |
| | Strengthening human capital | Decline in the labor force Globalization of the market and diversification of customer needs (Diversity and inclusion) | <ul style="list-style-type: none">● While respecting the diversity of its employees, Mazda fosters a corporate climate in which every employee can express his/her individuality while working alongside others to contribute to the Company and society● Work on a variety of programs to enable its employees — a diverse range of people with different values and lifestyles — to enjoy their work by finding a healthy balance between their work and personal lives <p>[Targets]</p> <ul style="list-style-type: none">● Increase the number of female managers to 100 by FY March 2026 (approximately four times the number in FY March 2015)● Increase the number of male employees who take childrearing leave to 80 annually by FY March 2026 (approximately double the number in FY March 2021) | Labor practices TR-AU-310a.1 TR-AU-310a.2 |    | 5.1 End all forms of discrimination against all women and girls everywhere. 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life. 8.4 Decouple economic growth from environmental degradation in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production. 8.5 Achieve full and productive employment and decent work for all women and men, and achieve equal pay for work of equal value. |
| "Society" | Realizing an automotive society that offers safety and peace of mind | Fatal road traffic accidents | <ul style="list-style-type: none">● Building Block concept toward the realization of an automotive society that offers safety and peace of mind <p>[Targets]</p> <ul style="list-style-type: none">● In terms of what Mazda can achieve between now and 2040 through automotive technologies, it aims to reduce deaths caused by its new vehicles to zero | Product safety TR-AU-250a.1 |  | 3.6 Halve the number of global deaths and injuries from road traffic accidents. |
| | Creating a system that enriches people's lives | Declining population, falling birthrate and aging society, and concentration of population in urban centers Traffic jams and congestion in urban areas and expansion of rural areas where no public transportation is available (MaaS) | <ul style="list-style-type: none">● Building a model of social contribution that will enrich lives by offering safe, secure and unrestricted mobility to people everywhere● Testing a shared mobility service leveraging connectivity technologies | — |    | 9.1 Develop sustainable and resilient infrastructure to support economic development and human well-being. Provide access to sustainable transport systems for all, improving road safety. 11.6 Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management. 11.a Support positive economic, social, and environmental links between urban, peri-urban and rural areas. |
| Common to "Earth," "People" and "Society" | Quality improvement | Quality issues | <ul style="list-style-type: none">● Establishing consistent quality, from planning to production● Early detection and early solution of market problems● Building special bonds with customers—cultivating human resources capable of considering and acting toward the happiness of customers | Product safety TR-AU-250a.2 TR-AU-250a.3 |  | 9.1 Develop sustainable and resilient infrastructure to support economic development and human well-being. |
| | Exploring partnerships for "co-creation with others" | Once-in-a-century transformation (CASE) | <ul style="list-style-type: none">● Inter-company collaboration: Joint development of technical specifications for next-generation vehicle communication devices● Industry-academia-government collaboration: Hiroshima "Your Green Fuel" Project | — |    | 8.2 Achieve higher levels of economic productivity. 8.10 Strengthen and expand access to banking, insurance, and financial services. 17.16 Enhance the global partnership for sustainable development. 17.17 Encourage and promote effective public, public-private, and civil society partnerships. |

*1 Expectations for the Mazda Group and the automotive industry.
*2 Risks and opportunities for the Mazda Group.

*1 For more details, please refer to the SASB Content Index: <https://www.mazda.com/en/sustainability/guideline>
*2 A pilot plant where new attempts are made, ahead of other facilities.

ENDEAVOR FOR CARBON NEUTRALITY BY 2050

BASIC APPROACH

Mazda announced that it will endeavor to achieve carbon neutrality for its entire supply chain by 2050. To accomplish this objective, the Company recognizes the importance of reducing CO₂ emissions throughout a vehicle's life cycle. For this reason, Mazda considers it necessary to provide its Multi-solution, which enables the Company to offer various power unit choices that adapt to each region's energy sources and power generation methods, from both the perspective of well-to-wheel and the perspective of life cycle assessment (LCA). In manufacturing and logistics, the Mazda Group strives for energy value maximization and energy diversification, aiming to achieve reductions in the global total CO₂ emissions from plants/offices and logistics operations. The Group will continue these efforts, which must be made throughout the entire supply chain, with the cooperation of local governments and other industries.

TAKING ON THE CHALLENGE OF ACHIEVING CN AT OUR FACTORIES AROUND THE GLOBE BY 2035

To achieve carbon neutrality (hereinafter "CN") throughout the entire supply chain by 2050, Mazda will take on the challenge of achieving CN at our factories around the globe by 2035. To achieve CN, the Company will promote the following three pillars of its efforts, in collaboration with partner companies. In addition, the Company will promote an optimum approach in overseas factories modeled on initiatives in Japan.

Three Pillars to Achieve CN

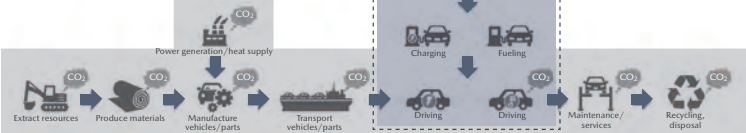
| | |
|--|---|
| 1 Energy Saving | In vehicle manufacturing processes that emit a large amount of CO ₂ emissions, Mazda will reduce the use of thermal energy and improve energy conversion efficiency by optimizing processing technologies. |
| 2 Shift to Renewable Energies | Mazda participates in the Carbon Neutral Electricity Promotion Subcommittee, which aims to expand the supply and demand of renewable electricity in the Chugoku region; has concluded an off-site corporate PPA* with local companies for solar power generation, and has established a council related to the introduction and use of fuel ammonia, which all help to expand the use of renewable energy in cooperation with the region. |
| 3 Introduction of Carbon-neutral Fuels for In-house Transportation | By introducing next-generation biofuels in internal transportation and other areas through collaboration with the Hiroshima Council of Automotive Industry-Academia-Government, as well as underwriting bonds from Euglena Co., Ltd. and cooperating with automotive OEM companies, Mazda is advancing the expansion of carbon-neutral fuels. |

* An Offsite Corporate PPA (Power Purchase Agreement) is a long-term contract for the purchase of electric power under which a company producing electric power through solar power generation facilities agrees to provide power generated using those facilities to a designated user or users based in a location separate from the solar power generation facilities, supplying that power to them via an electric power transmission network operated by an electric power retailer.

Mazda's perspective: "Well-to-Wheel" and "LCA"

Life-Cycle

Vehicle (product)-related cycle from resource extraction to disposal



ENERGY TRANSITION TO ELECTRIFICATION UP TO 2030

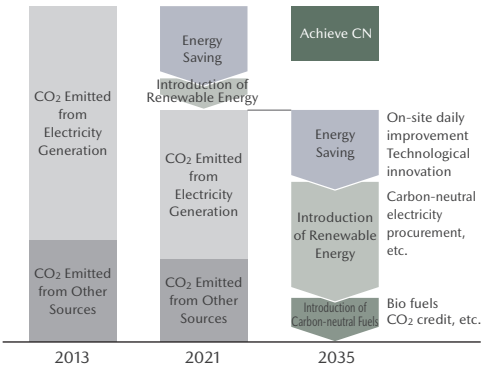
During a period of transition to EVs up to around 2030, Mazda sees its Multi-Solution approach as an effective one. Mazda offers a variety of solutions, including internal combustion engines, electrification technologies and alternative fuels, so that it can provide appropriate combinations that suit power generation conditions in each region. On the other hand, Mazda estimates that the EV ratio of its global sales in 2030 will be between 25 and 40%, depending on each country's or region's electrification policies or more stringent regulations.

Since the end of 2021, various variable factors became apparent, such as regulatory tendencies, energy crises, and power shortages. Furthermore, it is extremely uncertain how each of these will develop in the future. Mazda must be flexible and adaptive to coming changes, such as changes in regulations, consumer needs and acceptance levels, and infrastructure development. To this end, the Company will steadily work on the transition to electrification in three phases, proceeding with electrification step by step with the cooperation of its partner companies.

- Phase 1 (2022–2024): By fully using its technology assets of multiple electrification technology, Mazda will launch attractive products while also meeting market regulations. In this phase, Mazda will improve profitability with the introduction of Large products, offering plug-in hybrids (PHEV) and diesel engines with a mild hybrid system (MHEV) that achieve both environmental and driving performance. In addition, Mazda will develop technologies for battery EV (BEV) in a full-fledged manner.
- Phase 2 (2025–2027): In order to reduce CO₂ by improving fuel economy in the phase of transition to EVs, Mazda will introduce new hybrid systems, further refining its multi-electrification technologies. In addition, Mazda will pursue collaborations with partner companies in areas such as developing highly efficient production technologies for electric drive units and joint development of inverters for the progress of electrification.
- Phase 3 (2028–2030): Mazda moves forward in its efforts for the full-fledged launch of battery EV models, it will also consider the possibilities, including investing in battery production based on the extent of changes in the external environment and progress in strengthening our financial foundation.

Through these three phases, Mazda will steadily push forward with its electrification strategies that adapt to regional characteristics and environmental needs. In this way, the Company will contribute to tackling major problems facing society, such as global warming.

Taking on the challenge of achieving CN at our factories around the globe by 2035 Road Map for CO₂ Emissions Reduction



RESOURCE CIRCULATION

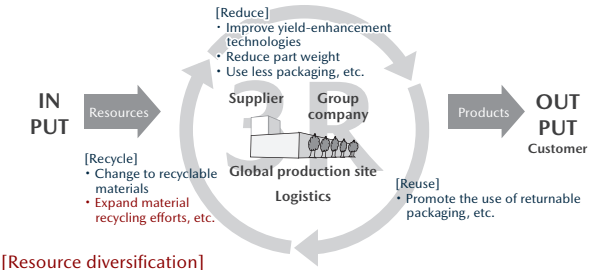
BASIC APPROACH: MATERIALS

The Mazda Group continues to expand its global efforts for zero emissions and resource recycling, by such means as using resources without any losses, and 3R activities (to reduce, reuse, and recycle resources).

| 2030 | 2050 |
|--|---|
| Achieve zero emissions in manufacturing and logistics processes on a global basis. • The status in which landfill waste is reduced to 0.1% or lower of the total waste generated. The Mazda Group companies in Japan achieved zero emissions in 2018 | Achieve zero emissions through expanded resource recycling initiatives in manufacturing and logistics processes on a global basis. • Break away from dependence on thermal recycling or other combustion-based recycling methods • Augment material recycling |

Ideal vision

[Resource value maximization]



[Resource diversification]

INITIATIVES FOR LOGISTICS MATERIALS IN PRODUCTION AND LOGISTICS

Mazda is moving forward with efforts centering on the "3Rs of Mazda logistics" to cut down on resources used for packaging and wrapping. In FY March 2023, the use of packaging and wrapping materials was reduced by 17% compared with FY March 2020 levels.

In the area of repair parts for overseas, the Company continues to expand the application of large-size returnable containers, aiming at increasing the container filling rate. By utilizing these containers, Mazda succeeded in reducing the use of packaging and wrapping materials by about 2,100 tons in FY March 2022 and by about 2,700 tons in FY March 2023.

For the parts exported to overseas assembly plants, the Company is now expanding its introduction of new standard containers for parts to be transported in containers from Japan. This makes it possible to eliminate the empty space inside the containers. By improving filling rate inside the container from 70% to 90%, the Company could reduce the number of containers and the number of transportation truck services, thus contributing not only to the reduction of the use of packaging and wrapping materials, but also to the reduction of CO₂ emissions.

BASIC APPROACH: WATER

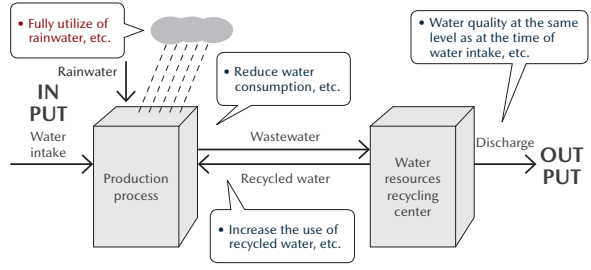
The Mazda Group promotes activities to eliminate wasteful water use, and circulate water resources by treating used water so that it is the same quality as it was taken from nature. In order to implement its initiative of water resource reuse and recycling at a domestic model plant, the Company has set a target of reducing water intake by the entire Mazda Group in Japan by 38% in 2030 compared with 2013 levels. In order to achieve this target, the Company is planning to reduce the annual water use by 2%. In addition, the Company promotes the further use of rainwater and recycled water.

| 2030 | 2050 |
|--|---|
| Implement an optimal approach to water resources recycling and circulation at a model plant* in Japan. • Fully utilize water without any waste, as a valuable resource that is a natural blessing. • Circulate water as a valuable resource that is a natural blessing, by treating used water so that it is the same quality as before it was used, and returning it to nature. | Implement an optimal approach to water resources recycling and circulation in global manufacturing processes. • Fully utilize water without any waste, as a valuable resource that is a natural blessing. • Circulate water as a valuable resource that is a natural blessing, by treating used water so that it is the same quality as before it was used, and returning it to nature. |

* Model plant: A pilot plant where new attempts are made, ahead of other facilities.

Ideal vision

[Resource diversification]



INITIATIVES TO ACHIEVE WATER RESOURCE CONSERVATION TARGETS AT

By clarifying input, process, and output of water resource in its business activities, Mazda is promoting initiatives to efficiently use the valuable water (i.e., utilizing water resources without wasteful use), minimizing water usage, and circulating water resources by treating used water so that it is the same quality as when it was taken from nature. To push forward these initiatives, the Water Resource Group*¹ was established consisting of members in charge of water resource conservation. The group works on six major themes: "eliminating wasteful use," "reduction," "reuse," "recycling," "utilization of rainwater, water sludge and waste fluid" as well as "building communities and systems and developing human resources" by splitting into two teams to analyze current conditions and to respond to issues identified during that analysis. The Water Resource Group also started sharing information on initiatives at domestic plant with overseas plants, as well as supporting the overseas plants' efforts to address the issues.

- **Recycling/Circulation Team:** reviews models in the field of wastewater treatment, reviews models and implement trials in the field of water intake
- **Use Reduction Team:** introduces models and rolls out trial results reviewed by the Recycling/Circulation Team to plants

*¹A working group affiliated with the Business Site Environment Committee, an organization that studies and promotes environmental protection methods in manufacturing and logistics and reduce environmental impact throughout the entire supply chain.

RESPONSE TO TCFD

Latest Information on TCFD <https://www.mazda.com/globalassets/en/assets/sustainability/download/disclosure/tcfid.pdf>

BASIC APPROACH

In May 2019, Mazda declared its support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)*¹ and joined the TCFD Consortium,*² showing its commitment to strengthening its efforts to address climate change. In addition, in January 2021, the Company announced that it would endeavor to achieve carbon neutrality (hereinafter “CN”) throughout the entire supply chain by 2050.

GOVERNANCE

Transition risks

Taking on the challenge of achieving carbon neutrality by 2050, Mazda has assigned a director to oversee its decarbonization strategy and executive officers to be in charge of CN. Under the leadership of a department charged with promoting CN strategy, a specialized team made up of members from multiple departments formulates strategies and implements plans based on the strategies that have been formulated so far. In addition, in order to promote the execution of plans throughout the Company, we have started a management approach that integrates CN initiatives into the existing ISO 14001 Environmental Management System (EMS).

The CN strategies are deliberated*³ at the Executive Committee Meetings and the Board of Directors attended by the representative directors and president. Also, issues concerning sustainability, including the initiative for climate change, are reported to the Board of Directors in a timely and appropriate manner.

Physical risks

Torrential rain disaster response, which is an acute physical risk associated with climate change, has been managed as part of our Business Continuity Plan (BCP) under our emergency risk management structure. In addition, in response to concerns about storm surges and water depletion, which are chronic physical risks, we are promoting reinforcement of seawall infrastructure and water resources conservation efforts in our operation led by specialized departments.

STRATEGY

Based on IPCC and IEA scenarios, policy and regulatory trends, and industry trends, Mazda formulated a scenario based on its own assumptions and recognized the following as the main risks and opportunities.

Major risks and opportunities

| | | |
|------------------|--------------------------------|---|
| Transition risks | Policy and Legal | • Stricter regulations on fuel economy and exhaust gas emissions, 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 of 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 investment decisions considering ESG by investors |
| Physical risks | Acute | • Damage by torrential rain, production halts caused by supply chain disruptions, health hazards caused by heat waves |
| | Chronic | • Increasing impact of production halts due to severe and frequent natural disasters, higher frequency of high tide caused by rising sea levels, water resources depletion and rising water prices necessary for operations, 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 and Services, Markets | • Deployment of products that suit each region through Building-Block concept and multi-solution • Diversification of products that adapt to next-generation automobile fuels (alternative fuels such as biofuels, synthetic fuels, etc.) • Expansion of market opportunities through deployment of product that suit each region and diversification of products |

SPECIFIC INITIATIVES

Mazda is implementing the following initiatives as part of its efforts to seize opportunities and avoid, or minimize the impact of, the risks it faces.

Acquiring opportunities and avoiding transition risks

Enhancing development of electrification technology

- Mazda is working toward electrification over three phases that take the Company to 2030 (see P51)

Efforts to expand demand for carbon-neutral electricity in the chugoku region

- At the Carbon Neutral Electricity Promotion Subcommittee, an expert subcommittee of the Chugoku Region Carbon Neutrality Promotion Council that Mazda joined in 2021, the Company has worked with collaboration partners to formulate a roadmap to help spread supply and demand for electricity that comes from renewable energy sources. From 2023 onward, Mazda is carrying out studies to put the roadmap into practice, and is moving toward the implementation stage.

AVOIDING OR MINIMIZING PHYSICAL RISKS

Development of a system to rapidly respond to damage from torrential rainfall and other disasters

- BCP: as part of its BCP, Mazda theorizes natural disasters, and works continuously to improve its response through infrastructure and systems.
- Supply chain: working with suppliers, Mazda has introduced SCR (Supply Chain Resiliency) Keeper, a supply chain risk management system, and endeavors to quickly gain information on its sites should something occur, and to improve the speed with which it can react.
- Logistics network: Mazda has developed an emergency communication system with transportation companies, and has ranked the impact posed by typhoons, torrential rains, etc. The Company is putting in place a system that, based on damage-avoidance responses set for each ranking, will maintain cooperation with the production system, while also minimizing the impact on operations.

RISK MANAGEMENT

Transition risks

Major risks and opportunities are identified based on the review of scenarios issued by the International Panel on Climate Change (IPCC) and International Energy Agency (IEA), policies and regulatory trends and industrial trends. A specialist team is implementing the risk identification and assessment process biweekly, sharing the progress of initiatives and toward tackling issues. Strategies reviewed are reported to, and discussed by, the Executive Committee Meeting and Board of Directors, which are attended by the president. Mazda also shares climate-related information with its suppliers periodically through a shared platform.

Physical risks

Mazda is developing a framework to swiftly respond to damage from exceptionally heavy rainfall and other disasters, and manages such risks within an emergency risk management system

that forms part of its BCP. In addition to these measures, given that the severity and frequency of exceptionally heavy rainfall are increasing in recent years, Mazda strives to improve its ability to gather weather forecast data, and to enable it to make decisions swiftly to respond to disaster, based on preset schedules. The Company also reviews its response to each rainy season, and works to improve its ability to respond.

METRICS AND TARGETS

Global warming response

To take on the challenge of achieving carbon neutrality throughout Mazda's entire supply chain by 2050, it will be essential to understand the GHG emissions of Scope 1, 2 and 3. In addition, it is possible that more stringent carbon pricing, including the introduction of carbon taxes, could impact finances. In order to run eco-friendly operations more effectively throughout the Mazda Group and its entire supply chain, the Company has started a management approach that integrates CN initiatives into the existing ISO 14001 Environmental Management System (EMS). In addition, Mazda asks its suppliers to provide it with CO₂ emission data in Scope 1 & 2 as well as logistics at the time of delivery to it (Scope 3 Category 1 for Mazda) every year, and set targets together with them to manage the results.

Conservation of water resources

Water is essential in automobile manufacturing processes such as cooling (e.g., cooling furnaces in casting), dilution (diluting the mother liquor used for cutting and cleaning in the machining process), and cleaning (e.g., cleaning car bodies in the painting process). In preparation for potential risks and concerns in future such as water resources depletion and rising water prices, we aim to realize initiatives for the recycling and circulation of water resources at a model plant*¹ in Japan by 2030. By 2050, we aim to realize this initiative in our global production processes.

Major metrics and targets

| | |
|---------------------------------|--|
| Global warming | |
| Products | • Target: Achieving carbon neutrality by 2050 • Medium-term metric in 2030: EV ratio (expecting 100% of Mazda global sales vehicles will be electrified, and the EV ratio will be 25-40%) |
| Manufacturing | • Target: Achieving carbon neutrality at Mazda's global factories by 2035 • Metrics: Factory decarbonization progress ratio |
| Conservation of water resources | |
| Manufacturing | • Target: Reducing water intake by the entire Mazda Group companies in Japan by 38% in 2030 compared with 2013 • Metrics: Water intake reduction ratio |

*1 TCFD: Task Force on Climate-related Financial Disclosures
A private sector organization set up by the Financial Stability Board (FSB), in response to the request from the G20 Finance Ministers and Central Bank Governors.
*2 An organization established in Japan, aimed at holding discussions regarding climate change on effective corporate information disclosure and efforts for leading disclosed information to appropriate decision-making on investment by financial institutes 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.
*3 As of June 2023, reported and debated four times at the Board of Directors.

*1 Model plant: A pilot plant where new attempts are made, ahead of other facilities.

STRENGTHENING HUMAN CAPITAL

BASIC APPROACH

Mazda recognizes that people are its most important resource and aims to be a company staffed by people who are uplifted by work. In accordance with Mazda's approach of "co-creation with others," Mazda respects the diversity of its employees from various backgrounds, including race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, and gender identity. By pursuing a positive and rewarding work environment to respond to changes in the working population and working styles, Mazda aims to be an attractive company where each employee can work with pride and energy.

FUNDAMENTAL HUMAN RESOURCES DEVELOPMENT

To maximize the performance of its human resources, Mazda is promoting their development. It will do this through measures such as creating an organizational culture based on shared values, developing human resources systems that offer optimal work and environments that support employee growth and active participation, implementing human resource development on a global basis, and promoting diversity.

Mazda way

In FY March 2009, Mazda summarized seven basic principles and values handed down within the Company over time and defined these as the Mazda Way.

Employees' attitude and behavior based on the Mazda Way are utilized as competency evaluation items to encourage their further growth. On the occasion of celebrating its 100th anniversary, Mazda provided all employees with an opportunity to look back on the Company's history, which constitutes the foundation of the Mazda Way. The Company continues to promote measures to ensure that the Mazda Way can easily be put into practice by employees.

Seven Principles of the Mazda Way

INTEGRITY
We keep acting with integrity toward our customers, society, and our own work.

BASICS/FLAWLESS EXECUTION
We devote ourselves to the basics, and make steady efforts in a step by step fashion.

CONTINUOUS KAIZEN
We continue to improve with wisdom and ingenuity.

CHALLENGER SPIRIT
We set a high goal, and keep challenging to achieve it.

SELF INITIATIVE
We think and act with "self initiative."

TOMOIKU
We learn and teach each other for our mutual growth and success.

ONE MAZDA
We think and act with the view of "Global" and "One Mazda."

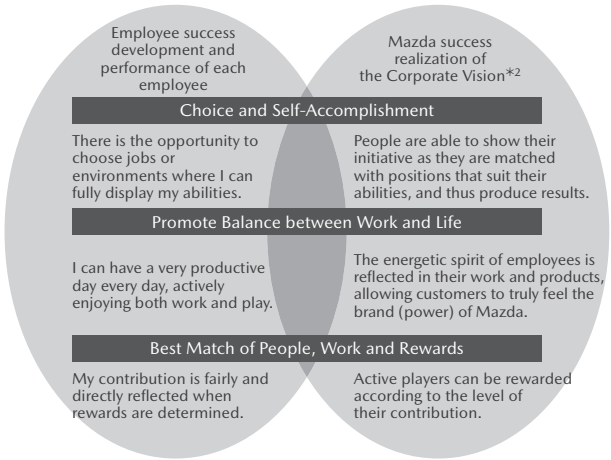
Human resources system that supports employee growth and active participation

Tobiuo*1

Mazda uses the Tobiuo human resources system to provide the appropriate jobs and environments where each employee can demonstrate their best performance and to support their development and success.

Specifically, a wide variety of human resources measures are actively deployed based on the system's three pillars of "Choice and Self-Accomplishment," "Promote Balance between Work and Life," and "Best Match of People, Work and Rewards."

The Three Pillars of Tobiuo



Choice and self-accomplishment

Mazda provides various opportunities for employees to take the initiative in setting their own growth and performance goals and doing their best to achieve them, so that ultimately, such efforts will bring great results to the Company. Mazda offers a range of education and training programs to support employees develop their careers and improve their skills according to their job types and positions. These programs are for Mazda and its Group companies in Japan and overseas to manufacture and sell products of the same quality in all countries and regions, by sharing the same objectives.

Promote Balance between Work and Life*1

Mazda is working on a variety of programs to enable its employees—a diverse range of people with different values and lifestyles—to enjoy their works and find a healthy balance between their works and personal lives.

- Promotion of understanding of various measures to help employees achieve a better life-work balance (P118): To promote understanding of various measures, the Company provides explanations in management skills training programs, and in the section "Compass for Work and Rewards of Employees" on the Intranet about support measures designed for each life event.

- Review of the contents of the working regulations: The contents are reviewed in accordance with changes in the social environment. Amid the novel coronavirus (COVID-19) pandemic, taking into account changes in infection status, the Company has taken various infection prevention measures, including easing conditions for working from home.
- Efforts to reduce excessive working hours: With the aim of making conscious efforts to reduce excessive working hours by streamlining operations, the Company has implemented various measures targeting divisions not directly connected with production, including the designation of no-overtime days and mandatory lights-out times since 2007.

Best match of people, work and rewards

Mazda has put in place a system to ensure that each employee understands his/her work evaluation results and ability level assessments, and feels that his/her growth and performance are appropriately reflected in his/her compensation.

Specifically, since 2003, instead of using gender, age, nationality, or years of service as criteria, employees are graded according to their ability level (production and medical staff) and work level (administrative and engineering staff), so that individual employee's performances are directly reflected in his/her base salaries and bonuses.

In wage determination, Mazda is in compliance with local laws and regulations in each region both in Japan and overseas. Moreover, it also takes the Company's current circumstances and societal trends into consideration—from the perspectives of employment stability, improvements to quality of life, and human resources development—when making decisions.

Competency evaluation system*1

Once a year, Mazda carries out a competency evaluation to evaluate the work attitude and behavior of administrative and engineering staff. Based on the seven principles of the Mazda Way, a subjective evaluation is carried out to assess the work attitude and behavior that the employee is expected to improve (competency evaluation items), from the employee's own perspectives and from the perspectives of his/her supervisors, and for managers and above, also from the perspective of subordinates/colleagues/partner companies (multidimensional feedback). Feedback on the evaluation results is given to the employee by supervisors at the career meetings, at which they discuss future issues to be addressed.

The competency evaluation system is used as an effective tool for supporting the employee's personal development and successful performance. The evaluation results are used as a reference for effective company-wide positioning of personnel.

Human resources system reform: extending the retirement age*1

Mazda has overhauled its retirement system and, beginning in April 2022, raised the retirement age in stages, eventually extending it to 65 in FY March 2031, and has implemented related measures.*2 Through these measures, the Company has established a system in which all employees of all generations can make the most of their ability and continue to make a full contribution with full motivation and energy. Seasoned employees use the experience, expertise, and skills they have built up to expand their opportunities both in the Company and in

their communities and society. Mazda has developed an environment that can support autonomous career development and choices for employees who have reached the age of 60, through discussions with workplace supervisors about their current works and future career opportunities. In FY March 2023, more than 1,000 employees aged 60 or over had discussions with their supervisors.

Realization of diversity

Mazda respects the diversity of its employees, and the Company aims to foster a corporate culture in which every employee can express his/her individuality while working alongside others to contribute to the Company and society. Mazda also works on a variety of programs to enable its employees—a diverse range of people with different values and lifestyles—to enjoy their work by finding a healthy balance between their work and personal lives.

Promoting female advancement*1

Through enhancement of measures promoting work-life balance and other initiatives, Mazda is striving to cultivate a workplace in which women can work comfortably. In 2021, based on the Act of Promotion of Women's Participation and Advancement in the Workplace, and the Act on Advancement of Measures to Support Raising Next-Generation Children, the Company set the goals of increasing the number of female managers to 100 by the end of FY March 2026 (approximately four times the number in FY March 2015) and increasing the number of male employees taking child-rearing leave to 80 annually the end of FY March 2026 (approximately two times the number in FY March 2021), and it submitted business owner's action plans to the authority concerned.

In FY March 2023, the number of female managers totaled 65 (approximately 3.1 times the number in FY March 2015). Mazda has decided that to reform its organizational culture, it is necessary to further promote diversity, which starts with increasing the number of female managers. As such, it has amended its target for FY March 2026 to 100 female managers.

Example measures:

- Drawing up and implementation of individual development plans for female candidates for middle management positions and above
- D&I discussions with partner companies (2022)
- Promotion of case studies of male employees taking child-rearing leave (2022 onward)

*1 Initiatives at Mazda Motor Corporation
*2 Corporate Vision
https://www.mazda.com/globalassets/en/assets/sustainability/policy/corporate_vision_e.pdf

*1 Initiatives at Mazda Motor Corporation
*2 Review of the re-employment system for the employees reaching the retirement age, introduction of retirement age options, etc.

RESPECT FOR HUMAN RIGHTS

BASIC APPROACH

Mazda respects for human rights as fundamental to its corporate activities. Mazda never tolerates any human rights violations of any kind in all business activities inside and outside the Company, including discrimination or bullying on the basis of race, nationality, faith, gender, social status, family origin, age, mental or physical disability, sexual orientation, or gender identity.

With this belief, in August 2023 the Company established the Mazda Human Rights Policy. Through this policy, the Company respects human rights as set out in the United Nations Universal Declaration of Human Rights or Guiding Principles on Business and Human Rights; the International Labour Organization’s ILO Declaration on Fundamental Principles and Rights at Work; or other international standards such as the Ten Principles of the United Nations Global Compact. In setting the policy, Mazda cooperated with Group companies and took on suggestions, and it was formulated through a process of reports to the Board of Directors and their approval. In the future, Mazda will work with Group companies inside and outside Japan and update the policy as appropriate. It will also strive to spread awareness and understanding of the policy.

As part of its human rights due diligence,*1 and taking into account the Mazda Human Rights Policy, Mazda recognizes that it must identify factors that could negatively affect human rights in its business activities, and introduce systems that assign priority levels to these, and continuously work to prevent, reduce, rectify, or make up for them. Mazda works to this end and is expanding the scope of its initiatives to include Group companies and suppliers both in Japan and elsewhere.

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

Rules/guidelines

Even prior to formulating the Mazda Human Rights Policy, Mazda defined its policy in this area and the standards of behavior it expected of its employees, as well as promoting related initiatives, based on fundamental international principles.

Specifically, Mazda established the Guidelines for Eliminating Sexual Harassment (name later changed to Guidelines to Eliminate Human Rights Violations) in 1999 and the Rules for Eliminating Human Rights Violations, which prohibit any activities that may infringe on an employee’s human rights in business activities inside and outside the Company, in 2000. These rules and guidelines are revised as needed according to law amendment and circumstances inside and outside the Company. The most recent revisions are as follows:

- June 2020: Whether it be same gender or opposite gender, Mazda working regulations were revised so that employees are treated fairly in terms of holidays, allowances, and other conditions regardless of legal marriage or marriage without registration.
- August 2020: The Guidelines to Eliminate Human Rights Violations were revised according to revisions in harassment-related laws (effective from June 2020).
- March 2021: The Rules for Eliminating Human Rights Violations were revised according to revisions in harassment-related laws so that the definition of power harassment conforms to the definition in the relevant laws.

The Guidelines to Eliminate Human Rights Violations and the Rules for Eliminating Human Rights Violations are posted on the Company’s intranet and are made known to employees through educational and training programs.

Human rights counseling by dedicated counselors

Mazda has established a Human Rights Counseling Desk and a Female Employee Counseling Desk to appropriately respond to human rights consultations from employees, through providing advice and supporting early relief from human rights violations. Since more than ten years ago, the counseling desks have responded to consultations from sexual-minority (LGBTQ+) employees and, working with workplaces, have continued to provide support. Mazda has set out regulations mandating strict confidentiality, guaranteeing immunity from reprisals, and ensuring that no disadvantage will accrue to employees who request consultations. Counseling is offered in various forms, such as face-to-face, by telephone, or by e-mail. Mazda promptly responds to consultations, with the goal of rapidly improving the work environment for the affected employee, while taking necessary measures against the relevant violator based on factual inquiry. The Company also offers the necessary support to ensure respect for human rights throughout the entire workplace, through the abovementioned counseling desks. For example, these desks offer advice on workplace culture improvement to the employee’s supervisor, and provide counseling and advice for the employees and other persons concerned.

Breakdown of human rights consultations

| Breakdown | Unit | FY March 2023 |
|--------------------------------------|------|---------------|
| Harassment | Case | 36 |
| Human relationships in the workplace | | 10 |
| Other | | 11 |
| Total | | 57 |

Initiatives for sexual minorities

In 2000, Mazda brought in its Rules for Eliminating Human Rights Violations to ensure that all employees, regardless of sexuality, can be themselves, be excited to work and demonstrate their full potential, and since that time has worked to prevent discrimination against those who are same-gender-oriented. In 2012, this was revised to forbid discrimination based on sexual orientation. Next, in 2017, this was expanded to cover gender identity. Then, in 2020, the definition for “partner” in Mazda’s working regulations was changed to cover not only married spouses, but also those in relationships equivalent to marriage regardless of genders, and for employees to be treated equally whether or not they were legally married or in an unregistered marriage. Mazda will also take action in the future to prevent harassment based on sexual orientation or gender identity (SOGI*2 harassment).

In-house awareness training

- In FY March 2017, Mazda started to organize training programs and lectures to promote understanding of sexual minority issues. In 2017, in-house lectures were held by experts invited from outside the Group.
- In 2020, Mazda informed all employees about its internal systems, procedures, and consultation desks related to sexual minorities.

*1 Human rights due diligence: continuous implementation of a cycle of procedures to identify, prevent and reduce adverse impacts on human rights in a company’s business activities.
*2 Sexual Orientation and Gender Identity

UPLIFTING THE MIND AND BODY

BASIC APPROACH

Mazda hopes to create moving experiences in driving and mobility for people’s everyday life through its human-centered philosophy.

- Further maturing Mazda’s Kodo design language, which raises car design to the level of art to enrich people’s emotional lives
- Further pursuing a *Jinba-ittai*—or sense of oneness between driver and vehicle—driving feel, which unlocks people’s potential and uplifts them mentally and physically
- Enhancing events and experiences for customers to build special bonds with Mazda by providing a comfortable showroom space and through other means

Kodo: Soul of motion design philosophy

For Mazda, cars are more than just lumps of metal, they are living, breathing things. The relationship between driver and car is like the emotional connection a rider has with his/her horse. For Mazda, designs that chase 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 non-essential elements to create simplicity of form.

The challenge then is to bring the car to life via carefully honed reflections on the body surface.

With the CX-90, launched in 2023, as well as expressing a sense of vitality based on the Kodo Soul of Motion design philosophy, the design showcases a simple form, and dynamic, dignified proportions. The interior, meanwhile, is a well-organized space that oozes quality, and at the same time as interweaving natural materials and the interplay of light, expresses distinctly Japanese aesthetic sensibilities.



CX-90

Promoting activities to enable customers to experience the joy of driving

Mazda promotes activities in which everyone, from beginners to advanced drivers can easily participate, to experience the Joy of Driving and learn about driving considering safety and the environment. Various events for multiple needs are offered. For example, at circuit events sponsored by Mazda, the Company holds lessons to learn advanced techniques useful in daily driving, and races in which everyone from beginners to advanced drivers can participate. These activities are designed to offer opportunities for customers and employees to communicate, and to further bonds with customers by conveying the Joy of Driving.

Examples of mazda-sponsored events:

Mazda driving academy

(Organizers: B-Sports Corporation / Fuji International Speedway Co., Ltd.)

A driving lesson event to teach participants driving theory and skills so that they can enjoy driving safely and with peace of mind in everyday life and lead a fulfilling life. As lessons are conducted using a circuit, participants can experience driving, turning and stopping in a way that they cannot do on ordinary roads. In addition, Mazda instructors give participants advice on the correct driving posture and how to drive the car smoothly at low speed.



Mazda Driving Academy
(FY March 2023: 136 participants in 7 events)

Mazda Fan Endurance*1

(Organizer: Circuit where the event is held, main administrator: B-Sports Corporation)

A circuit event held by Mazda vehicle users. Regular vehicles without any special modifications can participate in this race. To promote safety and environmental awareness, professional driving advisors are stationed at the circuit to give participants advice regarding safe driving, and refueling is prohibited during the race, as a way to encourage better fuel economy.

*1 Mazda Fan Endurance is a registered trademark of B-Sports Corporation.

REALIZING AN AUTOMOTIVE SOCIETY THAT OFFERS SAFETY AND PEACE OF MIND

BASIC APPROACH

With the goal of realizing an automotive society that offers safety and peace of mind, Mazda aims to create a system that enriches people’s lives by offering unrestricted mobility to people everywhere. Aiming to achieve an automotive society that offers safety and peace of mind, Mazda promotes safety initiatives from the three viewpoints of vehicles, people, and roads and infrastructure.

From the vehicles viewpoint, Mazda enhancing the development of advanced driving support technology, by conducting extensive research into humans, understanding and modeling physical bodies and brain mechanisms. In terms of what Mazda can achieve between now and 2040 through automotive technologies, it aims for zero deaths resulting from its new vehicles.

MAZDA PROACTIVE SAFETY: MAZDA’S SAFETY PHILOSOPHY

Mazda Proactive Safety is the Company’s safety philosophy based on understanding, respecting, and trusting the driver. Mazda places this philosophy at the heart of its research on and development of safety technologies.

To drive safely it is essential to recognize potential hazards, exercise good judgment and operate the vehicle in an appropriate fashion. Mazda aims to support these essential functions so that drivers can drive safely and with peace of mind, despite changing driving conditions. Since drivers are human beings, and human beings are fallible, Mazda offers a range of technologies which help to prevent or reduce the damage resulting from an accident.

HIGHLY EFFICIENT MONOZUKURI (ENGINEERING & MANUFACTURING) BASED ON THE BUILDING BLOCK CONCEPT

To realize an automotive society that offers safety and peace of mind, Mazda has strived to develop technologies in accord with the Mazda Proactive Safety philosophy. The Company adopts its Building Block concept in developing safety technologies, as in the case of environmental technologies. The 1st block at the bottom of the figure below comprises basic safety technologies, such as the ideal driving position and pedal layout, excellent visibility, and human machine interface. Mazda has been committed to continuous evolution of these technologies, as exemplified by the adoption of an organ-type accelerator pedal and efforts to further enhance visibility. The 2nd block constitutes of i-Activsense, a series of Mazda’s advanced safety technologies developed to deliver safer, more reliable cars to a greater number of customers, from total beginners all the way to elderly drivers. The features of i-Activsense include active safety technologies, which support safer driving by helping the driver to recognize potential hazards; and pre-crash safety technologies, which help to avert collisions or reduce their severity in situations where they cannot be avoided. Mazda also works to continuously evolve these safety technologies. The 3rd block is the Mazda Co-Pilot Concept, which the Company declared in 2017 as its development concept for advanced driving support technology.

HUMAN-CENTERED ADVANCED DRIVING SUPPORT TECHNOLOGY

Mazda has conducted extensive research into humans. By understanding and modeling physical bodies and brain mechanisms, the Company has come up with the Mazda Co-Pilot Concept, an advanced driving support technology that can help to reduce risks associated with the driver becoming sleepy or unwell. Based on this concept, people enjoy driving and are revitalized mentally and physically through the process. Meanwhile, the car knows all the movements of the driver and the car is driving “virtually” in the background at all times. If the unexpected occurs, such as the driver suddenly losing consciousness, the car takes control to help prevent an accident and reduce potential injuries. It also automatically contacts emergency services and drives to a safer location.

The Company aims to develop technologies of the Mazda Co-Pilot Concept, which uses autonomous driving technologies to allow drivers to enjoy any drive with peace of mind, and make these technologies standard.

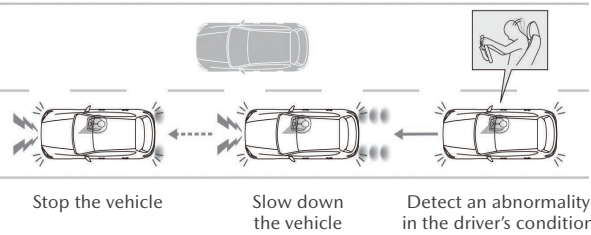
Driver monitoring (DM)

For Driver Monitoring (DM), which was introduced in the Mazda3 in 2019 for the first time, two new functions have been added: step-by-step warnings issued when the driver’s drowsiness is detected, and an earlier frontal collision warning issued when careless driving is detected. More advanced technologies are applied to the CX-60, detecting drowsy driving with the driver’s eyes closed and noticing a sudden change in the driver’s condition based on changes in his/her posture or the position of his/her head, in addition to issuing a warning against careless driving. The accuracy of DM’s detection of both drowsiness and changes in the driver’s condition has been increased through comprehensive judgment based on various factors, including the state of driving.

Driver emergency assist (DEA) system*1

The CX-60 is equipped with the Driver Emergency Assist (DEA) system, an advanced safety technology that can detect abnormalities in the driver’s condition to help avoid an accident or reduce damage and injuries. Working with Driver Monitoring, the DEA system will slow down and stop the vehicle if it becomes difficult for the driver to continue to drive due to a sudden sickness or for other reasons, regardless of whether the vehicle is running on an expressway, an automobile road, or an ordinary road. This system therefore helps avoid an accident or reduce accident damage and injuries.

Steps in the operation of the DEA system



- STEP 1** Monitor the state of the driver and detect an abnormality
- STEP 1-1** After detecting an abnormality in the driver’s condition, start the hazard lights blinking to inform the passenger that the vehicle will make an emergency stop soon
- STEP 2** If the driver cannot resume driving, slow down and stop the vehicle while blinking not only the hazard lights but also the brake lights and sounding the horn repeatedly to warn others
- STEP 3** Automatically make emergency contact with an external party as needed

** Some functions of the DEA system are available only for customers who have contracted for the connected services and inserted an SD card in their navigation system.*

First in Japan to respond to latest UN regulations on DEA systems

In September 2022, the CX-60*2 was designated by the Minister of Land, Infrastructure, Transport and Tourism as the first vehicle in Japan to clear the revised safety regulations of the Act on Special Provisions of the Road Transport Vehicle Act incidental to Enforcement of the Convention on Road Traffic*3 that take UN Regulation No. 79, Revision 4 (the latest*4 revision) into account. This governs vehicles fitted with emergency functions that can automatically, and safely, stop or steer the vehicle should the driver become unresponsive. These risk-reduction functions of the DEA system meet the technical requirements of the UN regulation from which the Japanese safety regulations above are set. The minister’s designation was received prior to the technologies’ introduction to new vehicles from September 2023.

*1 This system is designed to complement the driver’s safe driving; it will function only under certain conditions, and its functions have limitations. No safety system or combination of such systems can prevent all accidents. This system is not a replacement for safe and attentive driving. Please drive carefully at all times and do not rely on technology to prevent an accident. For details, please ask dealer staff or refer to Mazda’s website.

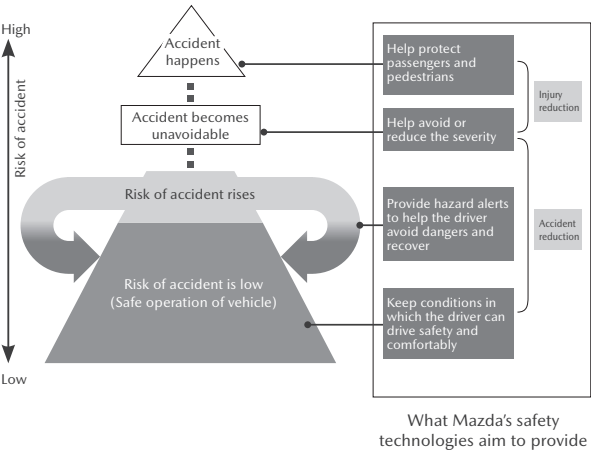
*2 For Japanese-specification e-Skyactiv D, Skyactiv-D 3.3, and e-Skyactiv PHEV Skyactiv-G 2.5 models

*3 For more details, please view the MLIT press release via the link below (Japanese only)

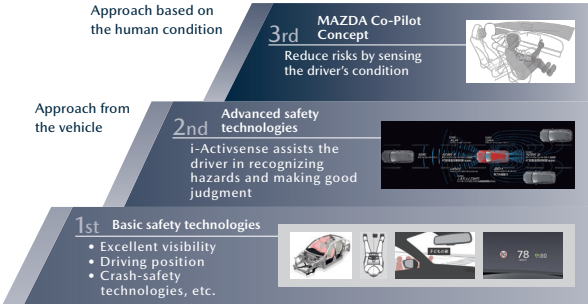
https://www.mlit.go.jp/report/press/jidosha10_hh_000260.html

*4 As of November 2022






Mazda Proactive Safety: Mazda’s Safety Philosophy



Building Blocks toward the Realization of an Automotive Society that Offers Safety and Peace of Mind



Detecting the driver's condition by Driver Monitoring

| | | | | | |
|---------------------------------|--|----------------------|---|---------------------------------------|--|
| MAZDA3 (from 2019 onward) | Detection of careless driving | |  | Directions of the eyes and face | Detecting careless driving from the directions of the driver's eyes and faces |
| | Detection of drowsy driving | |  | Movement of the eyelids | Detecting drowsy driving from the movement of the driver's eyelids |
| CX-60 (from 2022 onward) | Detection of the driver's abnormal conditions | Closed eyes |  | Closed eyes | Detecting the driver's closed eyes from the distance between his/her upper and lower eyelids |
| | | |  | Steering | Detecting the driver not holding the steering wheel from his/her abnormal position |
| | | Abnormal position |  | Position (location and angle) | Detecting abnormalities in the driver's position in comparison with his/her usual driving position |

CORPORATE GOVERNANCE

BASIC APPROACH

Mazda respects the purport of the Corporate Governance Code formulated by the Tokyo Stock Exchange and works to build a good relationship with its stakeholders, including shareholders, customers, suppliers, the local community, 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.

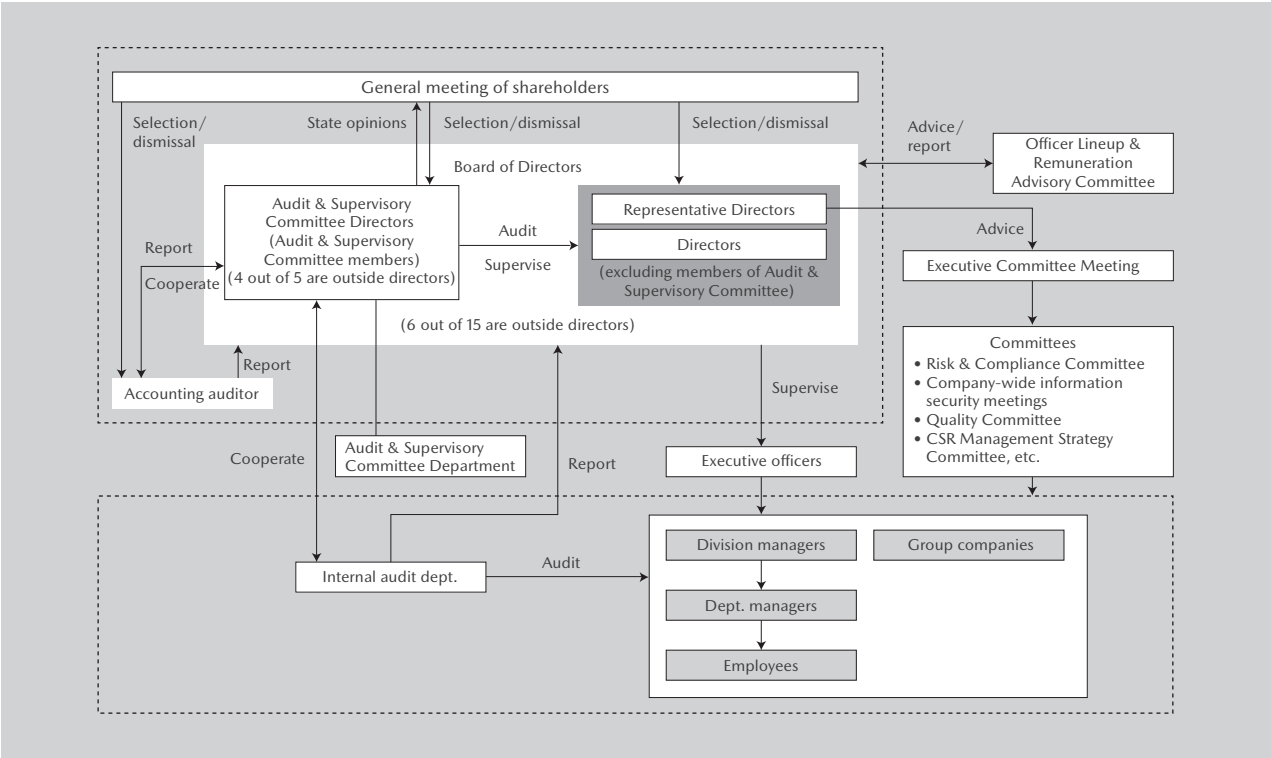
The Company's surrounding business environment is undergoing rapid changes. In order to enable faster business decision-making, further enhance discussion of management strategies, and strengthen supervisory functions of the Board of Directors, Mazda has adopted a Company with an Audit & Supervisory Committee structure. 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.

CHANGES IN INITIATIVES TO STRENGTHEN CORPORATE GOVERNANCE

| Years ended March 31 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--|------|------|------|------|------|---|------|------|--|---------------------------|------|------|------|
| Organization design, etc. Advisory body related to officer lineup and remuneration | Company with an Audit & Supervisory Committee | | | | | | | | | June 2019: Adopted a Company with an Audit & Supervisory Committee structure | | | | |
| | Officer Lineup & Remuneration Advisory Committee (majority of the members are independent outside directors) | | | | | | | | | | | | | |
| Board of Directors Number of independent outside directors Evaluation of effectiveness and operational improvement | Selection of two members | | | | | | | | | Selection of six members* (one-third or more of the Board of Directors) | | | | |
| | Evaluation of the effectiveness of Board of Directors | | | | | | | | | | | | | |
| Audit & Supervisory Board Number of Outside Audit & Supervisory Board members | Selection of three members | | | | | | | | | | | | | |
| Audit & Supervisory Committee Number of outside directors who are Audit & Supervisory Committee members | | | | | | | | | | | Selection of four members | | | |
| Officers' compensation | | | | | | | Remuneration in the form of stock options | | | | | | | |

* Including four outside directors who are Audit & Supervisory Committee members.

Corporate Governance Structure

















Mazda implements all principles of the Corporate Governance Report. For more details, please refer to the Corporate Governance Report. <https://www.mazda.com/en/investors/library/governance/>

SKILLS MATRIX OF THE BOARD OF DIRECTORS

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

Organizational Affiliation (As of the end of June 2023)

| | |
|--|---|
| Board of Directors (Including members of Audit & Supervisory Committee) | 15 (Inside Directors: 9, Outside Directors: 6), including 2 female directors and 1 foreign-national director Ratio of Outside Directors: 40.0%, Ratio of Female Directors: 13.3% |
| Audit & Supervisory Committee | 5 (Inside Directors: 1, Outside Directors: 4), including 1 female director |
| Officer Lineup & Remuneration Advisory Committee | 9 (Inside Directors: 3, Outside Directors: 6), including 2 female directors and 1 foreign-national director Ratio of Outside Directors: 66.7% |

| | | | Organizational affiliation ^{*2} and attendance in FY March 2023 ^{*3} | | | Fields of experience and expertise ^{*4} | | | | | | | | | |
|---|--|--|--|---------------------------------|--|--|------------------------|------------------------|--------------------------------------|---------------------------|------------------------|------------------------|---------------------------------------|-------------------------|------------------------|
| | | | 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 64; male | Representative Director and Chairman of the Board | <div><div></div></div> 17/17 | | <div><div></div></div> 5/5 | <div><div></div></div> | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> | <div><div></div></div> | | | | |
|  | Masahiro Moro 62; male | Representative Director, President and Chief Executive Officer (CEO) | <div><div></div></div> 17/17 | | <div><div></div></div> | <div><div></div></div> | <div><div></div></div> | | | <div><div></div></div> | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> | |
|  | Jeffrey H. Guyton 56; male | Representative Director, Senior Managing Executive Officer and Chief Financial Officer (CFO) | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> | <div><div></div></div> | | | <div><div></div></div> | <div><div></div></div> | | | | <div><div></div></div> |
|  | Mitsuru Ono 64; male | Director and Senior Managing Executive Officer | <div><div></div></div> 16/17 | | | | <div><div></div></div> | | | | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> | <div><div></div></div> |
|  | Yasuhiro Aoyama 57; male | Director and Senior Managing Executive Officer | <div><div></div></div> 17/17 | | | <div><div></div></div> | <div><div></div></div> | <div><div></div></div> | | <div><div></div></div> | | | | | |
|  | Ichiro Hirose 62; male | Director, Senior Managing Executive Officer and Chief Technology Officer (CTO) | <div><div></div></div> 14/14 | | | | <div><div></div></div> | <div><div></div></div> | | | <div><div></div></div> | | | | |
|  | Takeshi Mukai 61; male | Director and Senior Managing Executive Officer | <div><div></div></div> 14/14 | | | | <div><div></div></div> | | <div><div></div></div> | | <div><div></div></div> | | | | |
|  | Takeji Kojima 57; male | Director, Senior Managing Executive Officer and Chief Strategy Officer (CSO) | <div><div></div></div> | | | | | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> | | | | |
|  | Kiyoshi Sato 67; male Independent Director Outside Director | Director | <div><div></div></div> 17/17 | | <div><div></div></div> 5/5 | <div><div></div></div> | <div><div></div></div> | | | <div><div></div></div> | <div><div></div></div> | <div><div></div></div> | | | |
|  | Michiko Ogawa 60; female Independent Director Outside Director | Director | <div><div></div></div> 17/17 | | <div><div></div></div> 5/5 | | | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> | | | | |
|  | Nobuhiko Watabe 64; male | Director Audit & Supervisory Committee Member (full-time) | <div><div></div></div> 17/17 | <div><div></div></div> 19/19 | | <div><div></div></div> | <div><div></div></div> | | | <div><div></div></div> | | | | | <div><div></div></div> |
|  | Akira Kitamura 72; male Independent Director Outside Director | Director Audit & Supervisory Committee Member | <div><div></div></div> 16/17 | <div><div></div></div> 19/19 | <div><div></div></div> 5/5 | <div><div></div></div> | | | | | <div><div></div></div> | | | | <div><div></div></div> |
|  | Hiroko Shibasaki 69; female Independent Director Outside Director | Director Audit & Supervisory Committee Member | <div><div></div></div> 17/17 | <div><div></div></div> 18/19 | <div><div></div></div> 5/5 | | | | | <div><div></div></div> | | | <div><div></div></div> | | |
|  | Masato Sugimori 66; male Independent Director Outside Director | Director Audit & Supervisory Committee Member | <div><div></div></div> 17/17 | <div><div></div></div> 18/19 | <div><div></div></div> 5/5 | | <div><div></div></div> | | | | <div><div></div></div> | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> |
| | Hiroshi Inoue 66; male Independent Director Outside Director | Director Audit & Supervisory Committee Member | <div><div></div></div> | <div><div></div></div> | <div><div></div></div> | | | | | <div><div></div></div> | | <div><div></div></div> | <div><div></div></div> | | |

¹ The age is as of June 27, 2023.
² ● shows the person's status as chairperson.
³ Attendance for Ichiro Hirose and Takeshi Mukai is for their appointment on June 24, 2022 onward. As Masahiro Moro became a member of the Officer Lineup & Remuneration Advisory Committee on June 27, 2023, his attendance for that committee is not detailed here. For Jeffrey H. Guyton, Takeji Kojima, and Hiroshi Inoue, as they were appointed on June 27, 2023, their attendance is not detailed here.
⁴ Only shows each person's major fields of experience and expertise, instead of providing complete information.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors deliberates and makes decisions on items related to the execution of important business, such as strategy and basic management policies, and supervises the execution of individual directors’ duties. In FY March 2023, the main specific topics considered by the Board of Directors were as follows:

- Updating the Medium-Term Management Plan and management policy toward 2030
- Initiatives aimed at achieving CN at Mazda’s factories around the globe by 2035, such as through energy saving measures, shifting to renewable energy, and the introduction of carbon-neutral fuels
- Collaborations to develop and produce electrical power units, and scenario-based analysis of gradual electrification, that considers different market trends
- Operational status of internal control and risk management

Analysis and evaluation of the effectiveness of the board of directors

Mazda analyzes and evaluates the effectiveness of the Board of Directors in order to steadily advance measures for the further enhancement of the board’s efficiency.

Analysis and evaluation method

In this initiative, all of the directors evaluated the board’s effectiveness based on a survey. After the results were compiled by the secretariat, an analysis of the current situation was shared at a board meeting, and the ideals to be pursued and improvements were discussed.

In FY March 2023, the survey primarily covered the constitution of the Board of Directors, debate on the business strategy, debate on compliance and internal control, the provision of information (the amount of information, materials, explanations, and support for outside directors), and involvement in the debate. Additionally, results were inspected regarding the objectives of the transition to a Company with an Audit & Supervisory Committee, namely improved management decision-making speed, enhanced deliberation among the Board of Directors, and the strengthened supervisory function of the Board of Directors.

Results overview

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

Additionally, it was confirmed that the matters were thoroughly discussed by securing ample time, that decision-making speed had been improved by delegating the Board of Directors’ authorities to representative directors within an appropriate scope based on the Company’s Articles of Incorporation. On the other hand, to achieve full-scale growth steadily in the future as the surrounding business environment grows more severe and the future increasingly unclear, all directors confirmed their commitment to continue strengthening the monitoring of key management strategy matters, to quickly discover irregularities, and to discuss risks and profitability from a wide range of viewpoints.

OFFICER LINEUP & REMUNERATION ADVISORY COMMITTEE

The Officer Lineup & Remuneration Advisory Committee reports to the Board of Directors the results of its deliberation on matters such as officer lineup and policies regarding the selection and training of directors, as well as remuneration payment policies and the remuneration system and process based on those policies, which contribute to the Company’s sustainable growth and raising of corporate value in the medium and long term. In FY March 2023, the main specific topics considered by the Officer Lineup & Remuneration Advisory Committee were as follows:

- Suitability of the composition of the Board of Directors and executive officers (ensuring the diversity and skills needed to accomplish management policy, etc.) (executive personnel changes on April 1 and June 27, 2023)
- Suitability of remuneration for directors and executive officers (checking whether remuneration of directors is in line with the company’s decision-making policy which is decided in the Board of Directors), and comparing remuneration with standards at benchmark companies that resemble Mazda in scale and industry
- Revision proposals for remuneration amounts for directors (excluding directors who are also members of the Audit & Supervisory Committee)

AUDIT & SUPERVISORY COMMITTEE

The Audit & Supervisory Committee audits the Board of Directors’ decision-making process, business execution, and development and operation of internal control systems 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 that auditing activities are effective, one person has been appointed as a full-time member of the Audit & Supervisory Committee.

In FY March 2023, the main specific topics considered by the Audit & Supervisory Committee were as follows:

- Auditing methods that ensure auditing policy, auditing plans, task allocation, and auditing activities are effective; and how it should cooperate with internal audit departments and accounting auditors for organizational auditing
- Suitability of auditing by accounting auditors, taking into account their quarterly reviews and reports, and accounting auditor selection, dismissal, and remuneration
- Strengthening mechanisms and methods to enhance opportunities to share information with outside directors, and the nature of that information, and to reflect outside director opinions, based on multifaceted, external perspectives, in auditing
- Questioning business execution (including the formulation and progress checks for matters of management strategy) by directors (excluding directors who are also members of the Audit & Supervisory Committee), executive officers, general managers of major departments, executives at related companies, etc.

REMUNERATION SYSTEM FOR DIRECTORS

Remuneration for internal directors (excluding directors who are concurrently Audit & Supervisory Committee members) consists of basic remuneration, performance-based remuneration, and compensation in the form of stock options.*1 The ratios of these kinds of remuneration are set so that, if the Medium-Term Management Plan is achieved, the amount of basic remuneration will almost equal the sum of the amount of performance-based remuneration and the value of non-monetary remuneration.

Directors who are concurrently Audit & Supervisory Committee members and outside directors are provided only with a fixed amount of basic remuneration in consideration of their status independent from the execution of operations.

| | |
|--------------------------------|---|
| Basic remuneration | Remuneration paid in a fixed amount that is commensurate with each director’s rank and responsibilities |
| Performance-based remuneration | Based on indicators—consolidated net sales and net income attributable to owners of the parent—remuneration is set based upon an amount in line with publicly announced performance forecasts at the start of the fiscal year and the degree of their achievement, and according to job position and roles. In addition, remuneration includes a portion based on individual performance, whose amount is determined in proportion to the level of achievement of individual targets set at the beginning of the fiscal year. |
| Non-monetary remuneration | Remuneration in the form of stock options*1 is aimed at incentivizing contributions toward enhancing corporate value over the medium and long term and enabling the directors to share benefits with shareholders |

The ratio of each type of remuneration for directors (excluding directors who are Audit & Supervisory Committee members and outside directors)

| Monetary remuneration | | Non-monetary remuneration (Compensation in the form of stock options*) |
|-----------------------|--------------------------------|---|
| Basic remuneration | Performance-based remuneration | |
| 10 | Approximately 0 to 9 | 1 |

Amounts of remuneration for directors (FY March 2023)

| Director category | | Directors (excluding outside directors and directors who are concurrently Audit & Supervisory Committee members) | Directors who are concurrently Audit & Supervisory Committee members | Outside directors |
|---|--|--|--|-------------------|
| Total amount of remuneration (million yen) | | 599 | 77 | 96 |
| Amount of each type of remuneration (million yen) | Basic remuneration | 405 | 77 | 96 |
| | Performance-based remuneration | 148 | — | — |
| | Non-monetary and other kinds of remuneration | 45 | — | — |
| Number of directors in the director category | | 9 | 2 | 6 |

* The above includes one (1) director (excluding directors who are outside directors or Audit & Supervisory Committee members) who stepped down on June 24, 2022.

INTERNAL AUDITING

The internal auditing departments of Mazda and its Group companies collaboratively conduct internal audits for the purpose of ensuring sound and efficient management.

The Mazda Group Basic Internal Audit Regulations were established, which define basic and common matters concerning internal auditing, such as the role, mission, organizational position, and scope of activities. In accordance with the Regulations, Mazda’s internal auditing department holds regular meetings with and training sessions online for the internal auditing departments of Group companies in Japan and overseas. In addition, the department also conducts various tasks, such as approval of the internal audit plans of Group companies, receipt of their internal audit reports and follow-up of their improvement activities, thereby ensuring consistency of auditing policies across the Group and gathering audit-related information.

Also, Mazda’s internal auditing department evaluates the functions of auditing departments of Group companies and supports their activities with the aim of strengthening internal auditing departments of respective Group companies.

The Mazda’s internal auditing department is staffed with those qualified as Certified Internal Auditor (CIA), Certified Information System Auditor (CISA), etc. Members of the department are continuously encouraged to improve their auditing skills, acquire specialized qualifications, and participate in outside training programs and internal workshops.

Internal auditing in group companies

- Major Group companies (North America, Europe, China, Thailand, Australia, etc.):
The internal auditing department of each company conducts audits and reports the results to Mazda. To ensure high auditing quality, Mazda’s auditing department conducts audits advises on annual audit plans and audit results, and provides information related to auditing, and various other supports.
- Other Group companies in Japan and overseas, and Mazda:
Mazda’s auditing department conducts audits.

Cooperation among parties responsible for auditing

The Audit & Supervisory Committee, accounting auditors, and Mazda’s auditing department hold meetings on a regular basis to deepen their ties and improve the quality of auditing through two-way exchanges of information and opinions on audit plans and results.

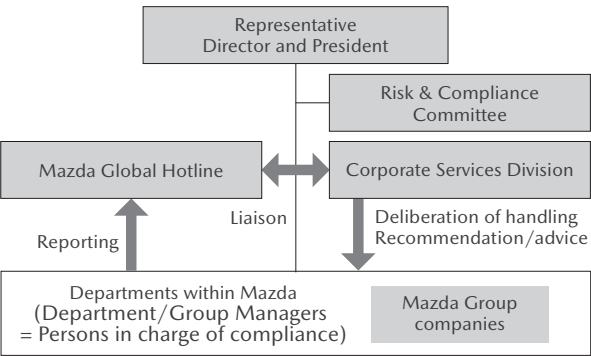
*1 Foreign-national directors may receive “phantom stocks” (pecuniary remuneration linked to share value) in place of compensation in the form of stock options.

COMPLIANCE

BASIC APPROACH TO COMPLIANCE

At Mazda the concept of compliance applies not only to laws and regulations, but also includes adherence to other rules such as internal guidelines and societal norms and expectations. Business operations are conducted in accordance with the Mazda Corporate Ethics Code of Conduct to ensure fair and honest practice. The Global Employee Engagement Survey, which includes a questionnaire concerning compliance, is conducted to check the employees' degree of understanding of compliance.

Compliance Promotion System



Anti-corruption initiatives

For its efforts to prevent corruption, Mazda presents its basic ideas on anti-corruption in the Guidelines on the Mazda Corporate Ethics Code of Conduct. Also, to promote highly transparent and fair transactions with all partner companies, Mazda has established the Guidelines on Entertainment and Gifts, which lays out the policy for prohibiting bribery. These guidelines are revised as needed to cope with changes in the social environment, social needs, etc. Overseas as well, Mazda naturally complies with international regulations and the laws of each country and region, but also respects local history, culture, and customs.

When Mazda makes political contributions,*1 it adheres to the Political Funds Control Act and follows necessary internal procedures. In FY March 2023, there were no fines or other incidents related to bribery and no employees required disciplinary action as a result of corruption (Mazda Motor Corporation).

Enhancing global tax compliance

The Mazda Group handles tax affairs with integrity, in keeping with the Mazda Corporate Ethics Code of Conduct and other relevant rules and regulations. It is an important duty as a good corporate citizen to pay taxes in an appropriate and timely manner, in accordance with followings: international rules, each country or region's laws and regulations, and the Company's Finance Control Guidelines. With this in mind, Mazda contributes to social development in each country and region, by voluntarily fulfilling its tax obligations.

The Mazda Group supports the Base Erosion and Profit Shifting (BEPS) initiatives, which are promoted by the Organisation for Economic Co-operation and Development (OECD) and the G20 countries. The Group will not engage in tax-evasion behaviors through the abuse of tax havens, but will sincerely cooperate in implementing information disclosure in

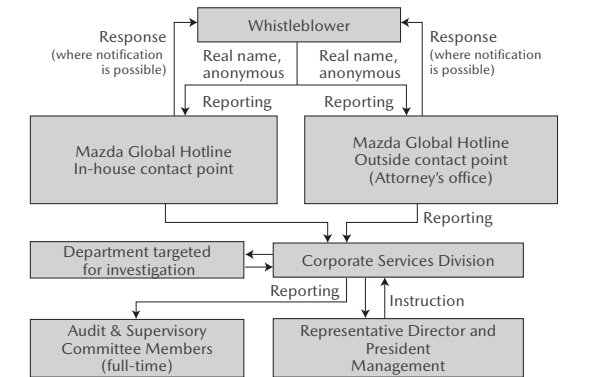
response to requests from the tax authorities of each country, to ensure tax transparency. Particularly in its global business operations, Mazda is well aware of the importance of transfer pricing taxation as a means of determining proper profit sharing among Group companies in the respective countries. By promoting active dialogue with tax authorities through effective use of Advance Pricing Arrangement, the Mazda Group is committed to transparent and fair transfer pricing.

The Group will continue to establish trusted relationships with the tax authorities in each country and enhance tax compliance from a global standpoint, while taking into account changes in the social environment and needs regarding tax affairs.

Mazda global hotline

The Company has established the Mazda Global Hotline, as an in-house system to receive reports regarding non-compliance and other issues. With its contact points set up both inside the Company and outside (attorney's office), the hotline enables Mazda Group employees to choose a contact point to submit their reports to 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.

Mazda Global Hotline



Number of Reports to the Mazda Global Hotline* (Consolidated)

| Breakdown | Unit | FY March 2023 |
|-----------------------------------|------|---------------|
| Reports regarding Mazda | Case | 34 |
| Reports regarding Group companies | | 30 |
| Unknown | | 1 |
| Total | | 65 |

* Including reports and consultations related to harassment and other labor-related problems, working hours management, and suspected violations of the Mazda working regulations

*1 In FY March 2023, the total amount of political donations was one million yen.

RISK MANAGEMENT

BASIC APPROACH TO RISK MANAGEMENT

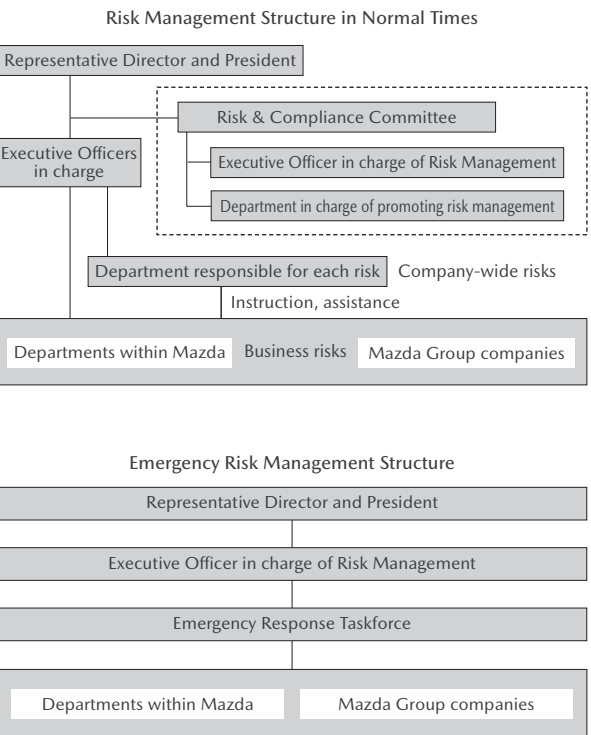
Mazda makes continuous efforts to identify and reduce various internal and external risks in accordance with the Basic Policy on Risk Management, Risk Management Regulations, and other related internal regulations, so as to ensure continuous and stable progress of business activities.

Among the risks identified, considering the level of importance, individual business risks are managed by the department in charge of that business area while companywide risks are handled by departments that carry out business on a company-wide basis. These departments manage the risks appropriately, following the PDCA cycle.

In the event of an emergency, such as a natural disaster or situation that creates serious managerial consequences, where necessary Mazda takes appropriate measures in reference to its internal regulations, including establishing an emergency response taskforce to respond to the situation.

Moreover, to further enhance and strengthen risk management at the Company and related companies, Mazda has created the Risk & Compliance Committee. The committee selects risks that the whole Company should be tackling, based on major risks identified by individual departments and information on risk trends. Then, every six months, it checks progress being made on risk countermeasures. In FY March 2023, to reinforce risk management activities at Group companies, the committee formulated rules to be shared by Group companies, and based on these it evaluates the situation at each company and implements initiatives needed to make improvements. The committee reports to the Board of Directors on its activities every six months.

Risk Management Structure



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

Response to accidents and other emergencies

Mazda has been continuously implementing measures to respond to natural disasters in preparation for major earthquakes such as the expected Nankai Trough Earthquake and tsunamis associated with them. Examples of such measures include not only "hardware" measures, such as quake-proofing buildings and facilities and raising embankments, but also the systematic development of "software" measures by introducing an employee safety confirmation system, organizing self-disaster-defense teams, and conducting training for the operations of these systems.

In addition, in preparation of large-scale disasters, the Company holds disaster drills jointly with fire authorities. In addition to simultaneous evacuation drills, the Company has been conducting practical disaster drills 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 training.

Information security

Mazda manages and protects personal information and other important information appropriately based on the established information management policies and internal regulations. The Company also checks the implementation status of information security measures and the management system each year, so as to ensure information security.

As for the system to promote information security, a company-wide information security officer is appointed from among the directors, and when cyber security risks are recognized across the entire supply chain, the Information Security Committee*1 under his/her initiative submits improvement plans to the Executive Committee Meeting and continuously implements the plan following deliberations.

In addition, Mazda strives alongside its component suppliers to enhance the quality of cyber security measures for its products by participating in the Japan and U.S. Auto-ISAC*2 and responding to information on security incidents detected within the industry as well as best practices. The Company also complies with the cyber security standards enforced in July 2022.

To raise employees' awareness about information security, Mazda requires its employees to execute training on the management of confidential information, protection of personal information, and IT security. Other continuous education efforts are also available, including an intranet site dedicated to information and knowledge on information security. For companies in the Mazda Group, Mazda provides guidelines and educational tools regarding information security, realizing a group-wide effort to ensure information security.

*1 An organization that manages company-wide information security on a global basis. The committee regularly holds company-wide information security meetings as the decision-making body regarding information security issues on a company-wide level.
*2 Stands for the Automotive Information Sharing & Analysis Center. In addition to participating in the U.S Auto-ISAC, Mazda has participated in the establishment and operation of the Auto-ISAC of Japan (J-Auto-ISAC).

INTERVIEW WITH OUTSIDE DIRECTORS



Kiyoshi Sato

Outside Director

Michiko Ogawa

Outside Director

Expectations for further improvement of brand value and dialogue with stakeholders under a new management team

The Board of Directors of Mazda comprises 15 members, 6 of whom are outside directors. Below is an interview with Kiyoshi Sato and Michiko Ogawa, who have been outside directors for four years, both of whom are involved in the board’s decision-making independent from the execution of the Company’s operations. In it they talk about measures and issues connected to efforts to raise Mazda’s corporate value, such as by sharing details about the progress of its brand value management and updates to the Medium-Term Management Plan.

Kiyoshi Sato
Outside Director

Mr. Sato has served as an outside director since June 2019. Mazda seeks his opinion and advice about management based on his experience of managing an electric production equipment manufacturer, where he worked for a long time, his vast knowledge of sales and marketing, and his global perspective, which he developed through his involvement in overseas business.

Michiko Ogawa
Outside Director

Ms. Ogawa has served as an outside director since June 2019. Mazda seeks her opinion and advice about management based on her technical expertise, which she developed as an engineer involved in research and development (R&D) at an electric appliance manufacturer, and from the perspectives of ESG and brand marketing.

PROGRESS OF MAZDA’S BRAND VALUE MANAGEMENT

— In last year’s integrated report, on the subject of the medium- and long-term enhancement of Mazda’s corporate value, you both highlighted brand value management as being key. What do you think about brand value management initiatives in the last year?

Sato Based on the results for the past several years, it looks like Mazda’s brand value has continued to rise. More expensive, higher-grade vehicles have garnered customer approval, and this has contributed to sales and profits. In that respect, brand value management is clearly making progress. Looking back over this past year, though, there have been some issues. The most recent performance

data owes much to two factors: The first is that minimal discounts have been needed to make sales, due to limitations on the number of vehicles being supplied to the market as a result of lower production numbers for all companies during the pandemic. The second is that the weakness of the yen and other environmental factors have worked to Mazda’s advantage, due to its extensive exports. Casting our eyes forward, though, as other companies work to resolve supply chain disruptions and begin to supply more products to the market, competition will become fiercer. As such, we will likely start to see the real worth of brand value management tested. I expect that Mazda’s Large Products lineup, including the CX-60 that went on global sale in 2022, will be a new driver of enhancements to the Company’s brand value.

Ogawa I believe that brand value comes not only from a company’s product, technology, and marketing capabilities, but is also augmented by non-financial aspects related to ESG. Even looking at such a short period as one year, it is clear that Mazda has been trying to enhance its brand value, despite various problems like semiconductor shortages. However, in several ways these efforts have not led to exceptional brand value as seen from outside. For brand value management, the indicators used so far to represent brand value itself will change to different ones the Company will utilize going forward. The elements that are becoming newly necessary will increase as Mazda reviews its electrification strategy and Medium-Term Management Plan. 2023 is a start year to create new value for customers, and I feel this is somewhere the Company will be focusing its efforts in the future.

UPDATES TO THE MEDIUM-TERM MANAGEMENT PLAN AND THE FORMULATION OF MANAGEMENT POLICY UP TO 2030

— There were lively discussions by the Board of Directors concerning the Medium-Term Management Plan Update and Management Policy up to 2030 that were announced in November 2022; could you tell us about the formulation process and your thoughts on the discussions from your perspective as outside directors?

Sato As outside directors, we are very often involved in the formulation of the medium-term management plans and other important fundamental management policies through our role in discussions. For matters that the Board of Directors does not discuss, we receive information from relevant departments, and outside directors are regular contributors to the Company’s policy decision-making. Mazda strives toward CASE (including Connectivity, Autonomous Sharing and Electrification) technologies, but to do

so it must respond to changes in national and regional regulations or market situations, which are never still for long. I think that alongside frequent discussions among the Board of Directors, Mazda must accurately grasp how circumstances will change and continue to respond flexibly.

Ogawa Sufficient time is set aside for discussions about medium-term management plans. For the update to the current Medium-Term Management Plan, we bore in mind the dramatic changes to the external environment and the short time in which assumptions can be overturned. At meetings of the Board of Directors held each month there are open-minded debates on major themes of the Medium-Term Management Plan.

SUSTAINABILITY INITIATIVES

— Mazda has set carbon neutrality as one of its most important management issues. As such it is working to reduce CO₂ emissions through the entire lifecycle of its vehicles. For example, in January 2023 Mazda supported Euglena’s project to expand the usage of next-generation bio-fuels, while in March it concluded an off-site corporate PPA for solar power generation. The Company also supported the establishment of the Council for Utilizing Namikata Terminal as a Hub for Introducing Fuel Ammonia, whose investigations have already begun. What do you think of this progress and what expectations do you have?

Sato I think it shows that the Multi-solution approach whereby Mazda offers solution options optimized to each region is an effective part of its efforts to ensure its entire supply chain is carbon neutral by 2050. The case of the solar power generation and other individual initiatives are steadily making ground, but my immediate impression is that there is still a long way to go overall. But through repeated successes like these, I expect that Mazda will apply these to companywide action plans that will lead to bigger results and the resolution of social issues.

Ogawa Within sustainability, the green transformation (GX) and carbon neutrality in particular are major issues that no one company can resolve. Mazda continues to follow a strategy of raising the feasibility of its Multi-solution approach by working with stakeholders. Recently, Mr. Sato and I visited Fuji International Speedway and saw for ourselves racing cars that run on next-generation biodiesel. On the circuit, we also saw other companies varied efforts toward carbon neutrality, and these will help to inform future such initiatives. As the Company pushes forward with demonstrations with stakeholders, systematic advances are being made with a focus on how to effectively promote the Multi-solution approach.

INTERVIEW WITH OUTSIDE DIRECTORS



ware functions are achieved through software, and customers now want Mazda to create integrated value. Under this new definition of value, it is possible to become overly fixated on new technologies and innovation, and lose sight of the more intrinsic approach. Mazda cannot rely on shallow methods; it is important that it considers how it take best advantage of its own strengths and assets as it uses cutting-edge tools. Moreover, the Company must think about the importance of communication in its business operations. Business requires cold logic, but for communication warmer, emotional ties are important. I hope that Mazda will consciously work on an approach that balances a need for rational thinking to publicize efforts and communication that transforms the value the Company creates into empathy, including emotional connections.

EXPECTATIONS FOR THE NEW MANAGEMENT STRUCTURE

— In June 2023, Masahiro Moro took up the role of representative director, president and CEO; while Jeffrey H. Guyton, an American, became a representative director, senior managing executive officer, and CFO. Two months earlier, Tomiko Takeuchi became an executive officer. What are your thoughts on the increasing diversity of Mazda's management?

Ogawa I genuinely believe that with the appointments of Mr. Guyton as a representative director and Ms. Takeuchi as a female executive officer, this displays both a conscious move to add diversity to the traditionally conservative manufacturing industry—where moves toward diversity have been slow—as well as a strong will for Mazda to harness diversity to drive reform. Within the Board of Directors, directors speak more often about diversity, and we expect unprecedented, sometimes intermittent, changes in the future. Mr. Guyton's fundamentally believes that corporate culture plays an extremely important part in an organization's efforts to grow. This is something we occasionally speak about at meetings of the Board of Directors, but Mazda has to raise its total corporate capabilities, such as its ability to raise value for and communicate with customers, to the same level as its exceptional Monozukuri (engineering and manufacturing) skills. That Mr. Guyton, with his desire to actively introduce new ways of doing things and to reform the corporate culture, has been brought onto the board is telling. I also expect a lot from Ms. Takeuchi. For many years, she has led development. I have often spoken with her on a one-to-one basis, even before her promotion to executive officer, and she told me that the reason she wanted to work for Mazda was because she genuinely loves vehicles and wants to make them. She has a strong wish to raise Mazda's corporate value and to make the Company, a place where people that love cars work, even better. As part of its basic policies that form part of its Management Policy up to 2030, Mazda speaks of

ENHANCEMENTS TO MAZDA'S CORPORATE VALUE

— Even within the Company, conversations about value creation are gaining pace. Going forward, in what issues must be overcome to help Mazda's corporate value enhancement efforts to gain traction? Do you have any advice for the Company's employees?

Sato I feel that Mazda's communications, the method by which it creates human connections, have some shortcomings. If Mazda does not refine this point, efforts to enhance the Company's corporate value will come to nothing. Defining Mazda's original form of value is important, but originality is not something that can be appreciated without something to compare it to. I hope that all employees can, as part of that relative comparison, grasp what makes Mazda Mazda, and place greater emphasis on the perspective of how to improve that. At the same time, for customers and the Mazda Group, I'd like employees to greatly improve their communications skills to introduce Mazda's strengths and initiatives. It is vital that Mazda hones its two-way communication through methods such as social media and IT.

Ogawa Value creation, which conventionally just meant creating value by manufacturing vehicles, has changed. We have entered an age in which value previously achieved through engine performance or design, are becoming either software-oriented or where hard-

Monozukuri (engineering and manufacturing), Tsunagarizukuri (creating human connections), and Hitozukuri (nurturing the development of individuals). As the division general manager for the Human Resources Division, Ms. Takeuchi will be responsible for the developing people part. She has also displayed a belief that by utilizing people's abilities and energizing engineering and manufacturing worksites, it is possible to bring out Mazda's overall capabilities. With Mr. Guyton and Ms. Takeuchi leading efforts to reform Mazda's corporate culture, I'm sure we'll see major results far beyond the sum of their parts.

Sato Mr. Moro, the president, is an extremely sincere person, serious yet cheerful, and blessed with great powers of communication. I think he will earn everyone's trust—I've heard many different people express their willingness to take part if he is doing something—and fulfill his responsibilities. As someone who has been in charge in the North American market, one of Mazda's main sales battlegrounds, he will no doubt have some major advantages when it comes to setting future global strategies. Mr. Moro will also be at the center of efforts in areas where Mazda has traditionally struggled or to communicate with relevant organizations and customers, so I expect to see a greater degree of openness at the Company. Mr. Guyton's role, as representative director, senior managing executive officer, and CFO, with his overseas background, will likely be to offer perspectives that differ from what the Japanese members of the team consider common sense. During his time in Europe and North America, he has focused on invigorating organizations, and he has declared his intention to do the same here in Japan. I have great expectations for him.

Ogawa Since I was appointed as an outside director in 2019, I have mostly spoken to Mr. Moro, who was previously in charge of the North American business, online about topics such as specific measures to achieve business reform and the results of such measures. Compared to when I first started, I have seen how his confidence has improved because of his results in the North American market, which has grown to become Mazda's most profitable. Since 2021, he has taken charge of efforts to strengthen communications and overseen sustainability efforts, and every day he works to tackle a range of difficult issues, but with the international experience and record of boldly taking on challenges in North America that he has at his disposal, I am sure he will do well.

— Thank you very much for joining us today.



ESG DATA

This section presents the results of major initiatives undertaken by Mazda and the Mazda Group through their business activities.

The SASB TR-AU-code is included in the sections where the SASB Standards apply.

ENVIRONMENT

Greenhouse gas (GHG) emissions (market-based): Global*1, 2, 8

| | Unit | FY March 2019 | FY March 2020 | FY March 2021 | FY March 2022 | FY March 2023 |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|
| Scope 1 (direct emissions)*3 | | 137 | 122 | 97 | 97 | 113 |
| Scope 2 (indirect emissions)*4 | 1,000 | 913 | 862 | 736 | 739 | 754 |
| Scope 3 (other indirect emissions)*5, 6 | t-CO ₂ e | 37,027 | 36,336 | 31,603 | 29,797 | 30,522 |
| Total | | 38,077 | 37,320 | 32,436 | 30,633 | 31,389 |

Scope of coverage: Mazda Motor Corporation, 22 domestic consolidated Group companies and 8 domestic equity-method Group companies, and 14 overseas consolidated Group companies*7 and 3 overseas equity-method Group companies.

*1 Market-based: For within Japan, emissions factors given in the Ministry of the Environment's GHG accounting and reporting system are used. For purchased electricity by overseas companies, country-specific emissions factors given in the International Energy Agency's IEA Emission Factors 2019 are used.

*2 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*3 Scope 1: Direct emissions from consumption of fuels and industrial processes.

*4 Scope 2: Emissions associated with consumption of purchased heat/electricity (indirect emissions from energy consumption.)

*5 Scope 3: Other indirect emissions excluding Scope 1 and 2.

*6 Calculated using Mazda's own calculation method, based on the Ministry of the Environment's Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain.

*7 FY March 2019: 15 companies; FY March 2020: 14 companies; FY March 2021: 15 companies; FY March 2022: 16 companies; FY March 2023: 14 companies.

*8 Since FY March 2023, Mazda has moved its calculation method from emissions factors based on standards in the Japan Automobile Manufacturers Association's Carbon Neutrality Action Plan to emissions factors based on the Ministry of the Environment's GHG accounting and reporting system and has recalculated these figures. For the results under the previous calculation method, please refer to the Mazda Sustainability Report 2023 (P111).
<https://www.mazda.com/en/sustainability/report/>

Total amount of waste: Global*1

| | Unit | FY March 2019 | FY March 2020 | FY March 2021 | FY March 2022 | FY March 2023 |
|----------|------|---------------|---------------|---------------|---------------|---------------|
| Japan | | 265,392 | 242,108 | 188,205 | 180,569 | 198,240 |
| Overseas | t | 42,868 | 38,828 | 32,589 | 32,259 | 41,478 |
| Total | | 308,260 | 280,936 | 220,793 | 212,828 | 239,718 |

Scope of coverage: Mazda Motor Corporation's 4 domestic production sites and the production sites of 4 domestic consolidated Group companies, 4 domestic equity-method Group companies, 2 overseas consolidated Group companies and 3*2 overseas equity-method Group companies.

*1 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*2 FY March 2019 to FY March 2022: 4 companies; FY March 2023: 3 companies.

Amount of landfill waste, amount of recycled materials, recycling ratio: Global*1

| | Unit | FY March 2019 | FY March 2020 | FY March 2021 | FY March 2022 | FY March 2023 |
|------------------------------|------|---------------|---------------|---------------|---------------|---------------|
| Amount of landfill waste | | 1,422 | 1,619 | 1,144 | 1,073 | 1,109 |
| Amount of recycled materials | t | 289,019 | 264,702 | 208,331 | 202,006 | 228,023 |
| Recycling ratio | % | 94 | 94 | 94 | 95 | 95 |

Scope of coverage: Mazda Motor Corporation's 4 domestic production sites and the production sites of 4 domestic consolidated Group companies, 4 domestic equity-method Group companies, 2 overseas consolidated Group companies and 3*2 overseas equity-method Group companies.

*1 Figures for consolidated Group companies and equity-method Group companies are prorated based on the percentage equity stake held by Mazda.

*2 FY March 2019 to FY March 2022: 4 companies; FY March 2023: 3 companies.

Resource recycling results: Japan

| | Unit | FY March 2019 | FY March 2020 | FY March 2021 | FY March 2022 | FY March 2023 |
|---|----------|---------------|---------------|---------------|---------------|---------------|
| Number of vehicles from which ASR is collected | | 147,994 | 150,235 | 137,818 | 129,770 | 113,036 |
| Number of vehicles from which airbags are collected | Vehicles | 131,255 | 131,975 | 125,020 | 118,837 | 108,127 |
| Number of vehicles from which fluorocarbon is collected | | 137,325 | 133,798 | 127,292 | 118,939 | 107,587 |
| Recycling ratio ASR*1 | | 97.8 | 95.9 | 96.4 | 96.5 | 96.8 |
| Recycling ratio Airbags | % | 94.2 | 94.5 | 95.0 | 95.2 | 95.3 |
| Recycling ratio for ELVs*2 | | More than 99 | More than 99 | More than 99 | More than 99 | More than 99 |
| Total contracting deposits received | Yen | 1,736,604,673 | 1,759,696,038 | 1,647,855,677 | 1,556,426,986 | 1,380,143,362 |
| Total expenses for recycling | | 1,490,997,562 | 1,583,175,933 | 1,559,056,285 | 1,482,568,896 | 1,350,023,420 |

(Includes separate cost required at Mazda)

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

*2 Recycling ratio for ELVs is the recycling ratio in dismantling/shredder processes of around 83% (cited from the May 2003 joint council data), plus the remaining ASR ratio of 17% multiplied by the ASR recycling rate for the relevant fiscal year.

For details, refer to the following URL (Japanese only): <https://www.mazda.com/ja/sustainability/legal/recycle/situation/>

Amount of recycled parts: Japan

| | Unit | FY March 2019 | FY March 2020 | FY March 2021 | FY March 2022 | FY March 2023 |
|-----------------|---------|---------------|---------------|---------------|---------------|---------------|
| Damaged bumpers | Bumpers | 62,920 | 57,126 | 46,515 | 47,939 | 45,399 |

Scope of coverage: Dealerships (excluding some) with which Mazda has an exclusive dealership agreement in Japan.

SOCIETY

Third-party safety evaluations

(As of the end of May 2023)

| | | DEMIO/MAZDA 2 | MAZDA 3 | ATENZA/MAZDA 6 | CX-3 | CX-30 | CX-5 | CX-50 | CX-60 | CX-8 | CX-9 | MX-30 | ROADSTER/MX-5 |
|--------|--|---------------|-----------|----------------|---------------|-----------|---------------|-------|-----------|---------------|-------------|-----------|---------------|
| Japan | J-NCAP*1 (Collision Safety Performance Tests) | 5★ (2014) | —*6 | 5★ (2013) | 5★ (2015) | 5★ (2021) | 5★ (2017) | —*5 | 4★ (2022) | 5★ (2017) | —*5 | —*6 | —*6 |
| | J-NCAP*1 (Advanced Safety Vehicle (ASV) Technology Assessment) | ASV+ (2014) | —*6 | ASV+++ (2018) | ASV+++ (2018) | | ASV+++ (2018) | | | ASV+++ (2018) | —*5 | —*6 | —*6 |
| US | US-NCAP*2 | —*5 | —*6 | —*5 | —*5 | —*6 | 5★ (2023MY) | —*6 | —*5 | —*5 | 5★ (2023MY) | —*6 | —*6 |
| | IIHS*3 | —*5 | 23TSP | —*5 | —*5 | 23TSP | 23TSP | 23TSP | —*5 | —*5 | 23TSP | —*6 | —*6 |
| Europe | Euro-NCAP*4 | 5★*8 (2020) | 5★ (2019) | 5★ (2018) | —*6 | 5★ (2019) | 5★ (2017) | —*5 | 5★ (2022) | —*5 | —*5 | 5★ (2020) | —*6 |

Recent NCAP Evaluations*7

SASB TR-AU-250a.1

(As of the end of May 2023)

| | | Vehicle models evaluated | Number of vehicle models receiving the highest possible (5★) rating/number of vehicle models evaluated |
|--------|-------------|--------------------------|--|
| Japan | J-NCAP*1 | CX-60 | 0/1 |
| US | US-NCAP*2 | CX-5, CX-9 | 2/2 |
| Europe | Euro-NCAP*4 | CX-60 | 1/1 |

*1 Japan New Car Assessment Program: Vehicle collision safety performance evaluations conducted by the National Agency for Automotive Safety and Victims' Aid. For collision safety performance, 5★ is the highest possible rating. For Advanced Safety Vehicle (ASV) Technology Assessment, ASV+++ is the highest possible rating (from 2018 to 2019).

*2 National Highway Traffic Safety Administration's 5★ Safety Ratings program. 5★ is the highest possible rating.

*3 Insurance Institute for Highway Safety: Safety performance evaluations by an independent, nonprofit organization funded by auto insurers. Top Safety Pick + (Plus) is the highest possible rating.

*4 European New Car Assessment Programme: An independent agency comprised of the transport authorities of European countries, etc. 5★ is the highest possible rating.

*5 Not yet introduced as of the end of May 2023.

*6 Not evaluated.

*7 Excluding OEM vehicles.

*8 Mazda2 Hybrid.

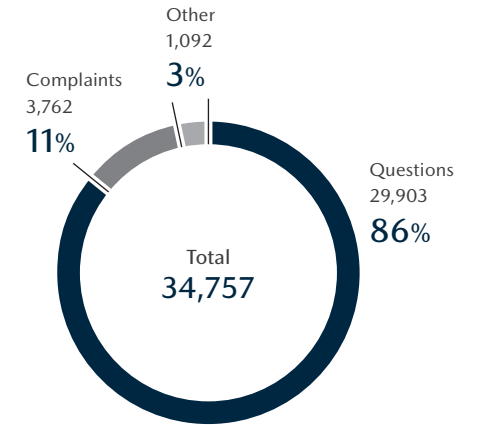
Recalls: Japan

SASB TR-AU-250a.3

| Unit | FY March 2023 |
|-----------------|---------------|
| Cases | 2 |
| 10,000 vehicles | 0.1 |

FY March 2023 Breakdown of Mazda Call Center Customer Responses by Type: Japan

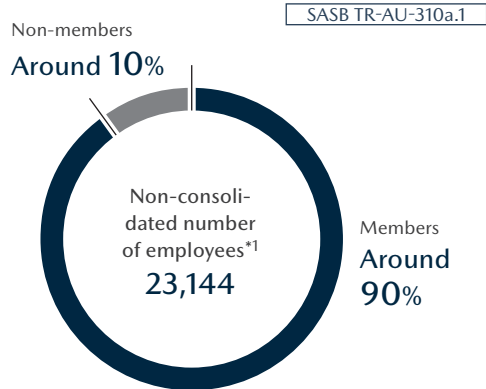
SASB TR-AU-250a.2



ESG DATA

SOCIETY

Ratio of Mazda Motor Corporation employees who are the member of Mazda Workers' Union in FY March 2023 (Non-consolidated)



*1 The "Non-consolidated" numbers exclude the number of employees dispatched to Mazda Motor Corporation from other companies, but include the number of Mazda Motor Corporation employees dispatched to other companies.

Number of collective labor disputes within the Mazda Group

SASB TR-AU-310a.2

| Unit | FY March 2023 |
|-------|---------------|
| Cases | 0 |

FY March 2023 average salary by gender (Non-consolidated)

| | Unit | Company-wide | | Full-time employees | | Limited-term employees | |
|------------------------------|-----------|--------------|------------|---------------------|------------|------------------------|---------|
| | | Male | Female | Male | Female | Male | Female |
| Total annual salary expenses | 1,000 yen | 135,614,102 | 12,857,029 | 134,520,653 | 12,407,190 | 1,093,449 | 449,839 |
| Number of employees | Employees | 20,608 | 2,373 | 20,284 | 2,200 | 324 | 173 |
| Average annual salary | 1,000 yen | 6,581 | 5,419 | 6,632 | 5,640 | 3,373 | 2,603 |
| Gender pay gap | % | 82.3 | | 85.0 | | 77.2 | |

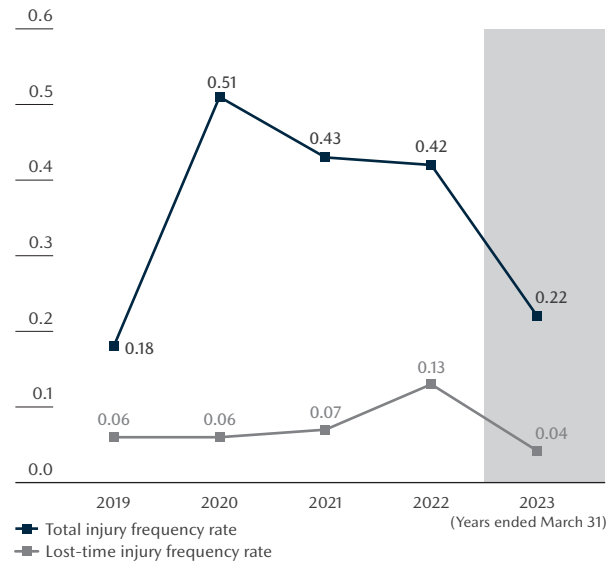
Percentage of managers (middle management and above) who are women

(Non-consolidated, for end of each FY)

| | Unit | FY March 2021 | FY March 2022 | FY March 2023 |
|---|-----------|---------------|---------------|---------------|
| Total number of managers (middle management and above) | Employees | 1,432 | 1,404 | 1,487 |
| Of which, female managers (middle management and above) | | 52 | 55 | 65 |
| Percentage of female managers*1 (middle management and above) | % | 3.6 | 3.9 | 4.4 |

*1 Number of female managers (middle management and above) / Number of managers (middle management and above).

Injury Frequency Rate (Non-consolidated)



Total injury frequency rate:

The number of lost-time and non-lost-time accidents in Mazda Motor Corporation per million person-hours worked.

Lost-time injury frequency rate:

The number of lost-time accidents in Mazda Motor Corporation per million person-hours worked.

Uptake of paternity leave*1 defined by law (Non-consolidated)*2

| | Unit | FY March 2023 |
|---|-----------|---------------|
| No. of male employees whose partners gave birth in the previous fiscal year | | 694 |
| Of which, those who took paternity leave | | 578 |
| Those who took childcare leave | Employees | 538 |
| Those who took a childcare sabbatical | | 117 |
| Those who took paternity leave for the birth of their child | | 88 |
| Uptake rate | % | 83.3 |

*1 "Paternity leave" includes sabbaticals to raise children, childcare leave immediately after the child's birth, and a Mazda-specific form of childcare leave (five consecutive working days for the child's birth or childcare).

*2 For more details, please refer to the Mazda Sustainability Report.

<https://www.mazda.com/en/sustainability/report/>