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Securities Code: 7261
June 3, 2024
(Electronic provision of information starts on: May 27, 2024)

To Our Shareholders with Voting Rights

Masahiro Moro
Representative Director,
President and CEO
Mazda Motor Corporation
3-1 Shinchi, Fuchu-cho, Aki-gun,
Hiroshima, Japan

NOTICE OF THE 158th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 158th Ordinary General Meeting of Shareholders of Mazda Motor Corporation on June 25, 2024. Please refer to the information below for details.

If you are unable to attend the meeting, you may exercise your voting rights by either of the methods indicated below. Please note, however, that the website for online voting is available only in Japanese.

Before exercising your voting rights, please review the attached Reference Documents for the General Meeting of Shareholders. Your votes must reach us by 5:45 p.m. on Monday, June 24, 2024.

Voting by postal mail

Please indicate your approval or disapproval for each proposal by writing “yes” or “no” on the enclosed ballot form. Return the ballot form to the addressee indicated on the form so that it is received by the deadline indicated above.

Voting online (Japanese only)

Please access the designated website <https://www.web54.net> for exercising shareholder voting rights and follow instructions on the website. Exercise your voting rights by the deadline indicated above.

Please note that if you exercise your voting rights both online and by postal ballot, only votes received online will be considered valid.

(Shareholders who intend to make a diverse exercise of voting rights are requested to notify the Company to that effect and the reasons for doing so in writing at least three days prior to the Ordinary General Meeting of Shareholders.)

- 1. Date and Time:** Tuesday, June 25, 2024 at 10:00 a.m.
(Reception opens at 8:30 a.m.)
- 2. Place:** Mazda Head Office Auditorium
3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima, Japan

3. Agenda of the Meeting:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements, and Results of Audits by the Accounting Auditor and the Audit & Supervisory Committee Members of the Consolidated Financial Statements for the 158th Fiscal Year (from April 1, 2023 to March 31, 2024)
 2. Unconsolidated Financial Statements for the 158th Fiscal Year (from April 1, 2023 to March 31, 2024)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus Funds
- Proposal No. 2:** Election of Nine (9) Directors (Excluding Directors who are Audit & Supervisory Committee Members)
- Proposal No. 3:** Determination of Remuneration for Allotment of Restricted Stock and Performance Share Units to Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

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1. If you plan to attend, please present the enclosed ballot form at the reception desk upon your arrival at the meeting.
 2. If any revisions are made to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Unconsolidated Financial Statements, the revised contents will be posted on the Company's website (<https://www.mazda.com/en/investors/>).

Message from the President

On behalf of everyone at Mazda Motor Corporation, I would like to express our deep gratitude to all our shareholders for your continued support.

Since receiving your vote of confidence in June last year, I have been working together with our management team to implement the 2030 Management Policy based on brand value management centered on three key actions: initiate efforts to curb global warming as the social responsibility of an automobile manufacturer, realize a safe and secure automobile society, and create value unique to Mazda.

Transitioning to electrification and paving the way to carbon neutrality in the period up to 2030 in particular are critical, major challenges for us as a company. To make a smooth transition to electrification, we have divided the period up to 2030, which we see as the dawn of electrification, into three phases, and we are working steadily to achieve our plans. Applying the technological assets we have accumulated to date, we will promote the social implementation of carbon neutral fuels in tandem with a variety of solutions that combine highly efficient internal combustion engines and electrical devices. In this way, we will be able to offer customers the freedom to choose vehicles based on their needs and lifestyles. In battery EVs, we will steadily proceed with preparations in line with regulations and trends in demand in each region as we learn and continue to build on new technologies under our strategy as an "intentional follower."

At the end of last year, we formulated and announced a roadmap for achieving carbon neutrality and our interim goals to reduce CO₂ emissions at our domestic plants by approximately 70% (compared to FY2013) and achieve a non-fossil electricity usage rate of at least 70% by FY2030. We will continue to steadily implement measures based on our three principles for achieving carbon neutrality: energy conservation, shifting to renewable energy, and the introduction of carbon neutral fuels.

At the center of all our corporate activities, including these initiatives, are our customers. We will continue our efforts to provide a brand experience where our customers can feel the "spirit of hospitality (*omotenashi*)" in every encounter with Mazda, and to grow as a brand and company that continues to be chosen by customers.

To overcome the challenges of major changes in the future, we must enhance the sum total of the performance and growth of each employee and, as a company, we must respond as one. We will increase our investment in people, who hold the key to making this possible, and combine our wisdom and energy with many co-creative partners to realize a society where carbon neutrality and safe, secure and free movement are achieved through a variety of technologies. By creating excitement and emotional experiences in daily movement, we will deliver happiness that people can enjoy and share with friends.

In all of our efforts, we look forward to your continued support.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus Funds

The objective of the Company's dividend policy is to determine the amount of dividend payments, taking into account factors such as the current fiscal year's financial results, business environment and financial conditions and for the Company to strive for stable shareholder returns and their steady increase.

Net income for the fiscal year ended March 31, 2024 is the highest ever in the Company's consolidated results. In recognition of the Company's performance and dividend policy, we propose a year-end dividend of 35 yen per share, which is a regular dividend of 30 yen plus a one-time special dividend of 5 yen.

An interim dividend of 25 yen per share has already been paid, bringing the annual dividend for this fiscal year to 60 yen per share.

1. Type of asset to be distributed: Cash
2. Allocation of assets to be distributed to shareholders and total amount:
 - 35 yen per share of the Company's common stock
 - (Regular dividend: 30 yen, one-time special dividend: 5 yen)
 - Total amount: 22,052,882,915 yen
3. Date on which distribution of surplus funds will take effect: June 26, 2024

【Reference】 Trends in Dividends

	155th Fiscal Year (April 2020 to March 2021)	156th Fiscal Year (April 2021 to March 2022)	157th Fiscal Year (April 2022 to March 2023)	158th Fiscal Year (April 2023 to March 2024)
Annual dividend per share (JPY)	0	20	45	60
Dividend payout ratio (consolidated)	-	15.4%	19.8%	18.2%

Note: The annual dividend per share for the 158th fiscal year is predicated on the approval and adoption of the proposal as proposed.

Proposal No. 2: Election of Nine (9) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

The terms of ten (10) current directors (excluding directors who are Audit & Supervisory Committee members) will expire at the conclusion of this general meeting of shareholders, and Mr. Mitsuru Ono will retire. Accordingly, we propose to elect nine (9) directors (excluding directors who are Audit & Supervisory Committee members).

To further enhance transparency, fairness and objectivity, the nominations of candidates for director (excluding directors who are Audit & Supervisory Committee members) are made after discussion by the Officer Lineup & Remuneration Advisory Committee in which the majority of members are independent directors. In addition, the Audit & Supervisory Committee has deliberated on the proposal and determined that there are no special matters or opinions that need to be stated at the general meeting of shareholders.

The candidates for director (excluding directors who are Audit & Supervisory Committee members) are as follows:

Candidate No.		Name		Position concurrently held	Number of BOD meetings attended
1	<u>Reelection</u>	Kiyotaka Shobuda	<u>Male</u>	Representative Director and Chairman of the Board	100% (16/16)
2	<u>Reelection</u>	Masahiro Moro	<u>Male</u>	Representative Director, President and CEO	100% (16/16)
3	<u>Reelection</u>	Jeffrey H. Guyton	<u>Male</u>	Representative Director, Senior Managing Executive Officer and CFO	100% (13/13)
4	<u>Reelection</u>	Yasuhiro Aoyama	<u>Male</u>	Director and Senior Managing Executive Officer and CCEO	100% (16/16)
5	<u>Reelection</u>	Ichiro Hirose	<u>Male</u>	Director and Senior Managing Executive Officer and CTO	100% (16/16)
6	<u>Reelection</u>	Takeshi Mukai	<u>Male</u>	Director and Senior Managing Executive Officer and CSCO	94% (15/16)
7	<u>Reelection</u>	Takeji Kojima	<u>Male</u>	Director and Senior Managing Executive Officer and CSO	100% (13/13)
8	<u>Reelection</u>	Kiyoshi Sato	<u>Male</u>	<u>Independent</u> <u>Outside</u> Director	100% (16/16)
9	<u>Reelection</u>	Michiko Ogawa	<u>Female</u>	<u>Independent</u> <u>Outside</u> Director	100% (16/16)

Candidate No. 1 Kiyotaka Shobuda Reelection

Date of Birth	April 11, 1959 (65 years old)
Number of Company shares held	11,600 shares
(Potential number of additional Company shares that may be held)	48,100 shares
Number of BOD meetings attended	100% (16/16)



Career summary, position, assignment and important offices concurrently held:

March 1982	Joined the Company
April 2006	Deputy General Manager, Hofu Plant
Nov. 2008	Executive Officer; President, Auto Alliance (Thailand) Co., Ltd.
April 2010	Executive Officer and General Manager, Production Engineering Div.
June 2013	Managing Executive Officer; In charge of Global Production and Global Business Logistics; General Manager, Production Engineering Div.
April 2016	Senior Managing Executive Officer; Oversight of Quality, Brand Enhancement, Production and Business Logistics
June 2016	Director and Senior Managing Executive Officer; Oversight of Quality, Brand Enhancement, Production and Business Logistics
April 2017	Director and Senior Managing Executive Officer; Oversight of Quality, Brand Enhancement, Purchasing, Production and Business Logistics
June 2021	Representative Director and Chairman of the Board

(to the present)

Important office concurrently held:

Chairman, The Mazda Foundation
Outside director, The Chugoku Electric Power Company, Incorporated

Reasons for nomination as a candidate for director:

Mr. Shobuda has extensive experience primarily in production, logistics and quality, both in Japan and abroad. Currently serving as representative director and chairman of the Board, he also has considerable knowledge of management as well as superior character and insight. In his capacity as chairman, he has led the Company's corporate governance in his role as chair of the Board of Directors. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. **2 Masahiro Moro** Reelection



Date of Birth	November 8, 1960 (63 years old)
Number of Company shares held	5,400 shares
(Potential number of additional Company shares that may be held)	(40,900 shares)
Number of BOD meetings attended	100% (16/16)

Career summary, position, assignment and important offices concurrently held:

- March 1983 Joined the Company
- August 2002 General Manager, Global Marketing Div.
- March 2004 Vice President, Mazda Motor Europe GmbH
- Nov. 2008 Executive Officer; Assistant to the Officer overseeing Global Sales; In charge of Global Marketing
- June 2013 Managing Executive Officer; Global Sales Coordination; In charge of Global Marketing, Customer Service and Sales Innovation
- Jan. 2016 Managing Executive Officer; Oversight of Marketing Strategy; President and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
- April 2016 Senior Managing Executive Officer; Oversight of Marketing Strategy; Assistant to the Officer overseeing Brand Enhancement; President and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
- April 2019 Senior Managing Executive Officer; Oversight of Operations in North America; Chairman and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
- June 2019 Director and Senior Managing Executive Officer; Oversight of Operations in North America; Chairman and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
- June 2021 Director and Senior Managing Executive Officer; Oversight of Communication, Corporate Communications, Corporate Liaison and Administrative Domain
- June 2022 Director and Senior Managing Executive Officer; Oversight of Communication, Corporate Communications, Corporate Liaison, Sustainability and Administrative Domain
- June 2023 Representative Director, President and CEO; Oversight of Communication and Sustainability

(to the present)

Reasons for nomination as a candidate for director:

Mr. Moro has extensive experience primarily in marketing and sales, both in Japan and abroad. Having served as chairman and CEO of Mazda Motor America, Inc. (Mazda North American Operations) and currently serving as representative director and president, he also has wide-ranging knowledge of management as well as superior character and insight. Since his appointment as president, he has exercised strong leadership and worked to promote structural reforms and raise the corporate value of the Company. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. **3 Jeffrey H. Guyton** Reelection

Date of Birth	January 8, 1967 (57years old)
Number of Company shares held	800 shares
Number of BOD meetings attended	100% (13/13)



Career summary, position, assignment and important offices concurrently held:

- Dec. 1996 Finance Supervisor, Truck Vehicle Center, Ford Motor Company
- Mar. 1998 Manager, Financial Review for Corporate Controllers Office, Ford Motor Company
- Feb. 2000 Finance Manager, Association Management, Ford Asia Pacific
- Sep. 2000 Joined Mazda Motor Corporation; General Manager, Cost Planning Div.
- June 2002 Executive Officer; General Manager, Cost Planning Div.
- Oct. 2003 Vice President Finance and Systems, CFO, Mazda Motor Europe GmbH
- March 2009 Managing Executive Officer; President and CEO, Mazda Motor Europe GmbH
- April 2016 Senior Managing Executive Officer; Assistant to the Officer overseeing Brand Enhancement; President and CEO, Mazda Motor Europe GmbH
- April 2019 Senior Managing Executive Officer; Assistant to the Officer overseeing Operations in North America and Brand Enhancement; President Mazda Motor of America, Inc. (Mazda North American Operations)
- June 2021 Senior Managing Executive Officer; Oversight of Operations in North America; President and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
- April 2023 Senior Managing Executive Officer; Oversight of Operations in North America
- June 2023 Representative Director, Senior Managing Executive Officer and CFO; Assistant to President; Oversight of Operations in North America and Cost Innovation
(to the present)

Reasons for nomination as a candidate for director:

Mr. Guyton has extensive experience primarily in the area of finance, and broad-ranging knowledge of overseas corporate management, having served as President and CEO of Mazda Motor of America, Inc. (Mazda North American Operations) and Mazda Motor Europe GmbH. Since his appointment as director, he has overseen operations in Operation in North America and Cost Innovation and contributed to driving forward the Company's business. He also has exceptional character and insight. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. 4 Yasuhiro Aoyama Reelection

Date of Birth	November 2, 1965 (58 years old)
Number of Company shares held	7,600 shares
(Potential number of additional Company shares that may be held)	(31,100 shares)
Number of BOD meetings attended	100% (16/16)



Career summary, position, assignment and important offices concurrently held:

March 1988	Joined the Company
Oct. 2007	General Manager, Product Planning & Business Strategy Div.
Oct. 2011	General Manager, Global Marketing Div.
April 2014	Executive Officer; General Manager, Global Sales & Marketing Div.
Jan. 2016	Executive Officer; Global Sales Coordination; In charge of Global Marketing and Customer Service
April 2017	Managing Executive Officer; Global Sales Coordination; In charge of Brand Enhancement, Global Marketing and Customer Service
April 2019	Senior Managing Executive Officer; In charge of Operations in Europe; Assistant to the Officer overseeing Brand Enhancement; President and CEO, Mazda Motor Europe GmbH
June 2021	Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales and Customer Service
June 2022	Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales, Customer Service and New Business (MaaS)
April 2023	Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales, Customer Service, New Business (MaaS) and Product Strategy
June 2023	Director and Senior Managing Executive Officer; Oversight of Global Sales and Product Strategy; Assistant to the Officer overseeing Cost Innovation
April 2024	Director, Senior Managing Executive Officer and CCEO; Oversight of Product Strategy (to the present)

Reasons for nomination as a candidate for director:

Mr. Aoyama has extensive experience primarily in product planning, marketing and sales, both in Japan and abroad. Having served as president and CEO of Mazda Motor Europe GmbH, he also has considerable knowledge of management as well as superior character and insight. Since his appointment as director, he has overseen operations in global marketing, sales, customer service, new business (MaaS) and Product Strategy, and contributed to driving forward the Company's business. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. 5 Ichiro Hirose

Reelection

Date of Birth	October 26, 1960 (63 years old)
Number of Company shares held	4,800 shares
(Potential number of additional Company shares that may be held)	(32,500 shares)
Number of BOD meetings attended	100% (16/16)



Career summary, position, assignment and important offices concurrently held:

March 1984	Joined the Company
April 2009	General Manager, Engine Design Engineering Dept.
Nov. 2011	Deputy General Manager, Powertrain Development Div.
April 2012	Vice President, Mazda Motor Europe GmbH
Feb. 2014	General Manager, Powertrain Development Div.
April 2015	Executive Officer; General Manager, Powertrain Development Div.
April 2017	Managing Executive Officer; In charge of Powertrain Development, Vehicle Development and Product Planning
June 2018	Managing Executive Officer; In charge of Powertrain Development, Vehicle Development, Product Planning and Cost Innovation
April 2019	Senior Managing Executive Officer; Oversight of R&D and Cost Innovation; In charge of Powertrain Development and Integrated Control System Development
April 2020	Senior Managing Executive Officer; Oversight of R&D and Cost Innovation
June 2022	Director and Senior Managing Executive Officer; Oversight of R&D, Cost Innovation and Innovation
June 2023	Director, Senior Managing Executive Officer and CTO; Oversight of R&D; Assistant to the Officer overseeing Cost Innovation
April 2024	Director, Senior Managing Executive Officer and CTO

(to the present)

Reasons for nomination as a candidate for director:

Mr. Hirose has extensive experience and wide-ranging knowledge primarily in R&D and product planning, both in Japan and abroad, as well as superior character and insight. Since his appointment as director, he has overseen operations in R&D, cost innovation and innovation, and contributed to driving forward the Company's business. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. **6 Takeshi Mukai** Reelection

Date of Birth	March 14, 1962 (62 years old)
Number of Company shares held	7,300 shares
(Potential number of additional Company shares that may be held)	(29,800 shares)
Number of BOD meetings attended	94% (15/16)



Career summary, position, assignment and important offices concurrently held:

March 1986 Joined the Company
April 2006 General Manager, Body Production Engineering Dept.
Sep. 2010 Vice President, AutoAlliance (Thailand) Co., Ltd.
Jan. 2013 Deputy General Manager, Hofu Plant
April 2015 Executive Officer; General Manager, Hofu Plant
April 2016 Executive Officer; In charge of Global Quality
April 2017 Executive Officer; In charge of Global Quality; Assistant to the Officer in charge of Cost Innovation
April 2018 Managing Executive Officer; In charge of Global Quality; Assistant to the Officer in charge of Cost Innovation
April 2019 Managing Executive Officer; In charge of Global Production, Global Business Logistics and Cost Innovation
April 2021 Senior Managing Executive Officer; In charge of Global Purchasing, Global Production, Global Business Logistics and Cost Innovation
June 2021 Senior Managing Executive Officer; Oversight of Quality, Purchasing, Production and Business Logistics; In charge of Cost Innovation
June 2022 Director and Senior Managing Executive Officer; Oversight of Quality, Purchasing, Production, Business Logistics and Carbon Neutrality
June 2023 Director and Senior Managing Executive Officer; Oversight of Quality, Purchasing, Production, Business Logistics and Carbon Neutrality; Assistant to the Officer overseeing Cost Innovation
April 2024 Director, Senior Managing Executive Officer and CSCO; Oversight of Quality and Carbon Neutrality

(to the present)

Reasons for nomination as a candidate for director:

Mr. Mukai has extensive experience and wide-ranging knowledge primarily in production, quality and business logistics, both in Japan and abroad, and has superior character and insight. Since his appointment as director, he has overseen operations in quality, purchasing, production, business logistics and carbon neutrality, and contributed to driving forward the Company's business. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. **7** **Takeji Kojima** Reelection

Date of Birth	August 24, 1965 (58years old)
Number of Company shares held	2,263 shares
(Potential number of additional Company shares that may be held)	(21,300 shares)
Number of BOD meetings attended	100% (13/13)



Career summary, position, assignment and important offices concurrently held:

- April 1989 Joined the Company
- Jul. 2011 General Manager, Technology Planning Dept.
- Aug. 2014 Deputy General Manager, Product Strategy Div.
- April 2015 General Manager, Product Strategy Div.
- April 2017 General Manager, Corporate Communications Div.
- April 2018 Executive Officer; General Manager, Corporate Communications Div.
- Jan. 2019 Executive Officer; In charge of Corporate Communications and Corporate Liaison
- April 2020 Executive Officer; In charge of Corporate Communications and Corporate Liaison, and Tokyo Office Managing
- April 2021 Managing Executive Officer; In charge of R&D Administration, Product Strategy, Technical Research Center and Carbon Neutrality
- April 2023 Senior Managing Executive Officer; Oversight of Corporate Strategy, R&D Strategy Planning and MDI&IT; Assistant to the Officer overseeing Carbon Neutrality
- June 2023 Director, Senior Managing Executive Officer and CSO; Oversight of Corporate Strategy, R&D Strategy Planning and MDI & IT; Assistant to the Officer overseeing Carbon Neutrality and Cost Innovation
- April 2024 Director, Senior Managing Executive Officer and CSO; Assistant to the Officer overseeing Carbon Neutrality

(to the present)

Reasons for nomination as a candidate for director:

Mr. Kojima has extensive experience and wide-ranging knowledge primarily in product strategy and Corporate Communications and Corporate Liaison, and has superior character and insight. Since his appointment as director, he has overseen operations in Oversight of Corporate Strategy, R&D Strategy Planning and MDI & IT, and contributed to driving forward the Company's business. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. 8 Kiyoshi Sato

Reelection

Independent

Outside

Date of Birth	April 2, 1956 (68 years old)
Number of Company shares held	1,700 shares
Number of BOD meetings attended	100% (16/16)



Career summary, position, assignment and important offices concurrently held:

April 1979	Joined Tokyo Electron Ltd.
Dec. 2001	Deputy General Manager of Clean Track Business Unit
June 2003	Representative Director, President and CEO
April 2009	Director and Vice Chairman of the Board
June 2011	Director Director and Chairman, Tokyo Electron America, Inc. Director and Chairman, Tokyo Electron Europe Ltd.
Nov.2013	Director and President, TEL Solar AG
July 2014	Advisor (to June 2016)
June 2016	Audit & Supervisory Board Member, Tokyo Electron Yamanashi Ltd.
June 2017	Outside Director, Toshiba Machine Co., Ltd. (currently Shibaura Machine Co., Ltd.) (to the present)
July 2017	Advisor, Tokyo Electron Ltd. (to June 2019)
June 2019	Outside Director, Inabata & Co., Ltd. (to June 2023)
June 2019	Outside Director, Mazda Motor Corporation (to the present)

Important office concurrently held:

Outside Director, Shibaura Machine Co., Ltd.

Term of office as Outside Director: 5 years (as of the close of this Meeting)

Reasons for nomination as a candidate for outside director and outline of anticipated role:

Mr. Sato has wide-ranging knowledge in sales and marketing gained through many years working in sales, including conducting business overseas at an electronics manufacturer. He has served in various senior roles including representative director, president and CEO, and director and vice chairman of the board, and has extensive experience in and a deep understanding of corporate management. Thus, to make use of his knowledge and experience in the Company's management, we propose his election as an outside director. After his appointment, he can be expected to provide advice and recommendations from an international perspective and a broad management viewpoint in particular to enhance the supervisory function of the Board of Directors.

Candidate No. 10 Michiko Ogawa

Reelection

Independent

Outside

Date of Birth	December 4, 1962 (61 years old)
Number of Company shares held	4,200 shares
Number of BOD meetings attended	100% (16/16)



Career summary, position, assignment and important offices concurrently held:

April 1986	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)	
April 2015	Executive Officer, In charge of Technics Brand; Managing Officer, Appliances Company	
Nov. 2015	Executive Officer; Director, Home Entertainment Business Division	
Jan. 2018	Executive Officer; Vice president, Appliances Company; In charge of Technology; Director, Corporate Engineering Division, In charge of Technics Brand	
Feb. 2018	Director, Persol AVC Technology Co., Ltd. (to June 2021)	
June 2018	Chairman, Japan Audio Society	(to the present)
June 2019	Outside Director, Mazda Motor Corporation	(to the present)
April 2021	Director in charge of Technics Brand; Director in charge of Kansai External Relations and EXPO Promotion, Panasonic Corporation (currently Panasonic Holdings Corporation)	
April 2022	Director in charge of Kansai External Relations and EXPO Promotion, Director in charge of Technics Brand, Panasonic Holdings Corporation	(to the present)

Important office concurrently held:

Director, Panasonic Holdings Corporation
Chairman, Japan Audio Society

Term of office as Outside Director: 5 years (as of the close of this Meeting)















Reasons for nomination as a candidate for outside director and outline of anticipated role:

Ms. Ogawa has many years' experience working in audio technology development at an electronics manufacturer and has in-depth knowledge as an audio technology researcher. As an officer in charge of premium audio equipment, she engaged in brand re-establishment initiatives and has extensive experience in and insight into corporate management. Thus, to make use of her knowledge and experience in the Company's management, we propose her election as an outside director. After her appointment, she can be expected to make efforts to enhance the supervisory function of the Board of Directors through her advice and recommendations from a brand marketing perspective and professional insight as an engineer in particular.

- Notes:
1. There are no special conflicts of interest between the Company and the candidates for director (excluding directors who are Audit & Supervisory Committee members).
 2. “Potential number of additional Company shares that may be held” refers to the number of shares corresponding to stock acquisition rights granted as stock options, which may be granted in the future.
 3. Mr. Sato and Ms. Ogawa are candidates for outside directors pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
 4. The attendance of Mr. Guyton and Mr. Kojima at Board meetings is their attendance following their assumption of office on June 27, 2023.
 5. Based on its criteria for the independence of an outside officer, the Company has determined that Mr. Sato and Ms. Ogawa have sufficient independence such that no risk of conflict of interest with general shareholders will result and has submitted an Independent Directors Notification regarding Mr. Sato and Ms. Ogawa to the Tokyo Stock Exchange.
The Company’s criteria for determining the independence of an outside officer are disclosed in its report on corporate governance on its website at <https://www.mazda.com/en/investors/library/governance/>.
 6. Mr. Sato currently serves as an outside director at Shibaura Machine Co., Ltd. There are no business transactions between the Company and the Shibaura Machine Co., Ltd.
Ms. Ogawa currently serves as Director in charge of Technics Brand at Panasonic Holdings Corporation. Transactions between Panasonic Holdings Corporation and the Company in the year ended March 31, 2024 were minimal, comprising less than 2% of the Company’s consolidated sales. Furthermore, there are no business transactions between the Company and Japan Audio Society.
 7. The Company has concluded liability limitation agreements with Mr. Sato and Ms. Ogawa as stipulated in Article 423, Paragraph 1 of the Companies Act, with maximum liability stipulated in Article 425, Paragraph 1 of the same, based on the provisions of Article 427, Paragraph 1 of the same act. Upon the approval of Mr. Sato’s and Ms. Ogawa’s appointments as outside directors, the Company intends to continue these liability limitation agreements.
 8. The Company has entered into a liability insurance agreement for officers, etc. with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, whereby legal damages and litigation costs incurred due to a claim for damages against any insured person under the agreement will be covered by the insurance agreement. A candidate whose appointment as a director is approved will be included in the insured in this liability insurance agreement for officers, etc. The Company also plans to renew this agreement with the same content at the time of the next renewal.

【Reference】

If Proposals No.2 is approved, the Skills matrix of the Board of Directors will be as follows:

	Directors									Directors who are Audit & Supervisory Committee Members				
Name and attribute														
	Kiyotaka Shobuda 65 Male	Masahiro Moro 63 Male	Jeffrey H. Guyton 57 Male	Yasuhiro Aoyama 58 Male	Ichiro Hirose 63 Male	Takeshi Mukai 62 Male	Takeji Kojima 58 Male	Kiyoshi Sato 68 Male Independent Outside	Michiko Ogawa 61 Female Independent Outside	Nobuhiko Watabe 65 Male	Akira Kitamura 73 Male Independent Outside	Hiroko Shibasaki 70 Female Independent Outside	Masato Sugimori 67 Male Independent Outside	Hiroshi Inoue 67 Male Independent Outside
Attributes	Representative Director and Chairman of the Board	Representative Director, President and CEO	Representative Director, Senior Managing Executive Officer and CFO	Director, Senior Managing Executive Officer and CCEO	Director, Senior Managing Executive Officer and CTO	Director, Senior Managing Executive Officer and CSCO	Director, Senior Managing Executive Officer and CSO	Director	Director	Director, Audit & Supervisory Committee Member (Full time)	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member	Director, Audit & Supervisory Committee Member
Management (executive experience)	●	●	●	●				●		●	●			
Global business	●	●	●	●	●	●		●		●			●	
Product planning/ R&D				●	●		●		●					
Manufacturing/ Purchase/ Quality	●					●								
Brand/ Marketing/ Sales	●	●	●	●				●	●	●		●		
ESG	●	●	●		●	●	●	●	●		●		●	●
IT/ DX							●	●					●	
HR management/ Personnel development		●										●		●
Legal/ Risk management		●											●	●
Finance/ Accounting			●							●	●		●	

Note: 1. Titles of those who will serve as representative directors and directors (excluding directors who are Audit & Supervisory Committee members) will be determined at the Board of Directors meeting following this general meeting of shareholders.

2. The above table indicates the main knowledge and experience of each person; it does not specify all knowledge and experience of the respective persons.

Proposal No. 3: Determination of Remuneration for Allotment of Restricted Stock and Performance Share Units to Directors (Excluding Directors who are Audit & Supervisory Committee Members and Outside Directors)

The granting of stock acquisition rights to be allotted as stock options within the range of the remuneration amount for directors (excluding directors who are Audit & Supervisory Committee members) was approved at the 155th Ordinary General Meeting of Shareholders held on June 24, 2021, and the upper limit on the amount of remuneration for directors of the Company (excluding directors who are Audit & Supervisory Committee members) was set at 1.5 billion yen per year (not including the employee salary portion of employee directors) at the 157th Ordinary General Meeting of Shareholders held on June 27, 2023.

On this occasion, to have directors further share with shareholders the benefits and risks of stock price fluctuations, and to enhance their desire to contribute to the medium- to long-term improvement of corporate value, the Company intends to provide remuneration to the Company's directors (excluding directors who are Audit & Supervisory Committee members and outside directors; hereinafter "Eligible Directors") for the allotment of (1) common stock of the Company that is subject to certain conditions such as a transfer restriction period and reasonable grounds for the Company's acquisition of that stock without payment (hereinafter "Restricted Stock"), and (2) a number of common stock of the Company based on the achievement of performance indicators set by the Board of Directors each fiscal year, which will be set as the performance evaluation period (hereinafter "Performance Share Units," which is also subject to certain conditions such as a transfer restriction period and reasonable grounds for the Company's acquisition of these units without payment; the Restricted Stock and Performance Share Units hereinafter collectively "Stock Remuneration"). This remuneration will be within the range of the remuneration amount stated above.

Under this proposal, we propose to limit the total number of shares issued as Stock Remuneration to be allotted to each Eligible Director within the range of 700,000 shares per year. However, in the event of a stock split of the Company's common stock (including an allotment of the Company's common stock without payment) or a reverse stock split, or other event corresponding to these where an adjustment of the total number of shares to be allotted is necessary on or after the resolution date of this proposal, the Company will make a reasonable adjustment to the total number of shares.

The upper limit of Stock Remuneration allotted each fiscal year will be around 0.11% of the total number of issued shares (if the upper limit of Stock Remuneration is issued for 10 years, the percentage of the total number of shares issued will be approximately 1.11%), and the rate of dilution will be minor.

The Board of Directors meeting held on March 29, 2024 resolved to revise the Policies on Determining Details of Individual Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members) as stated on page 29 in the Reference section of this notice, on the condition that this proposal is approved at the General Meeting of Shareholders as originally proposed. This proposal is in line with these policies, and we believe that it is appropriate as the proposed remuneration system is necessary and reasonable to further enhance directors' desire to contribute to the medium- to long-term improvement of the Company's corporate value.

This proposal has undergone deliberation and report procedures of the Officer Lineup & Remuneration Advisory Committee, the majority of whose members are independent outside directors.

In addition, there are no special opinions from the Audit & Supervisory Committee on the proposal.

If this proposal is approved as originally proposed, provisions concerning the amount of remuneration, etc. in relation to stock acquisition rights to be allotted as remuneration in the form of stock options described above will be abolished, and the allotment of stock acquisition rights as remuneration in the form of stock options based on specification of the amount of that remuneration, etc. will no longer be made.

There are currently ten (10) directors (excluding directors who are Audit & Supervisory Committee members) (including two (2) outside directors). If Proposal No. 2 is passed as originally proposed, there will be nine (9) directors (including two (2) outside directors).

1. Outline of Restricted Stock

In accordance with the resolution of the Company's Board of Directors, the Company will grant to Eligible Directors monetary remuneration claims within the range stated above as remuneration related to the Restricted Stock, and each Eligible Director will receive an allotment of Restricted Stock upon presentation of all the monetary remuneration claims as a payment in kind. The above monetary remuneration claims will be granted on the condition that the Eligible Directors agree to the above payment in kind and conclude a Restricted Stock allotment agreement (hereinafter "Allotment Agreement") that includes the contents stated below.

The granting of Restricted Stock will be conducted by the Company by way of a method of issuance of new shares or disposal of treasury stock, and the amount to be paid will be an amount determined by the Board of Directors of the Company within a range that is not particularly advantageous to the Eligible Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the day of the resolution of the Board of Directors of the Company regarding the allotment of the Restricted Stock (or the closing price on the transaction day immediately prior thereto if no transaction is made on that day).

(1) Details of transfer restrictions

An Eligible Director who receives an allotment of Restricted Stock may not, during the period from the grant date of the Restricted Stock until the date when the Eligible Director resigns or retires from any of the positions of member of the Board of Directors, executive officer, fellow or employee or any other equivalent position (hereinafter "Eligible Position") of the Company (hereinafter "Transfer Restriction Period I"), transfer the Restricted Stock, use it to create a pledge or security interest, or provide it as a gift during life or as a bequeathment to a third party, or engage in any other act to dispose of (hereinafter "Transfer Restrictions") the Restricted Stock allotted to that Eligible Director (hereinafter "Allotted Shares I").

(2) Acquisition of Restricted Stock without payment

If an Eligible Director who has received an allotment of Restricted Stock resigns or retires from any Eligible Position, the Company will automatically acquire without payment the Allotted Shares I unless such resignation or retirement is due to any reason deemed justifiable by the Company's Board of Directors.

In addition, upon the expiration of the Transfer Restriction Period I described in (1) above, the Company will automatically acquire without payment any Allotted Shares I for which Transfer Restrictions have not been lifted in accordance with provisions for (3) Lifting of Transfer Restrictions below.

(3) Lifting of Transfer Restrictions

The Company will lift the Transfer Restrictions of all of the Allotted Shares I at the expiration of the Transfer Restriction Period I, on the condition that the Eligible Director who received the allotment of Restricted Stock continuously held any Eligible Position from the day of commencement of the Transfer Restriction Period I until the day the first Ordinary General Meeting of Shareholders of the Company is held after the start of that period.

However, if the Eligible Director concerned resigns or retires from any of the Eligible Positions during the period from the start date of the Transfer Restriction Period I until the day before the first Ordinary General Meeting of Shareholders of the Company is held after the start of that period, due to a reason deemed justifiable by the Board of Directors, the Board of Directors will reasonably adjust the number of Allotted Shares I for which Transfer Restrictions are to be lifted and the timing of the lifting of the Transfer Restrictions as necessary.

(4) Treatment in the event of an organizational restructure, etc.

If a proposal relating to 1) a merger agreement in which the Company becomes the absorbed company, 2) a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or 3) other organizational restructure, etc. is approved at the General Meeting of Shareholders (or at a meeting of the Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in an organizational restructure, etc.) during the Restriction Period I, the Company will, by resolution of the Board of Directors of the Company, lift the Transfer Restrictions on the number of the Allotted Shares I reasonably determined by considering the period from the day of commencement of the Restriction Period I until the date of approval of the organizational restructure, etc., prior to the effective date of such organizational restructure.

In such case, the Company will automatically acquire without payment the Allotted Shares I for which Transfer Restrictions have not been lifted immediately after the Transfer Restrictions are lifted in accordance with the above provisions.

(5) Malus clause

The Company will be able to acquire without payment the Allotted Shares I of an Eligible Director in whole or in part if that Eligible Director during the Transfer Restriction Period I acts in violation of any law, regulation or internal rule, etc. in any material respect, or if there is any reason deemed appropriate, or other certain reason specified by the Board of Directors of the Company.

2. Outline of Performance Share Units

The Company will provide to Eligible Directors monetary remuneration claims for the granting of Performance Share Units based on the achievement of each performance indicator set by the Board of Directors of the Company each fiscal year, which is set as the performance evaluation period (hereinafter "Target Period"), and upon presentation of all the monetary remuneration claims as a payment in kind, each Eligible Director will receive an allotment of Performance Share Units. Therefore, whether monetary remuneration claims will be granted, the amount of remuneration claims for the granting of Performance Share Units to be provided, and the number of Performance Share Units to be granted (hereinafter "Number of Shares to be Granted") are not determined at the start of the Target Period. In addition, the above monetary remuneration claims will be granted to Eligible Directors on the condition that they agree to the payment in kind described above and conditions of allotment described in (1) and (2) below as well as the conclusion of an Allotment Agreement which includes details specified in (3) to (7) below.

The initial Target Period will be the 159th fiscal year (from April 1, 2024 to March 31, 2025), and each fiscal year thereafter will be a new Target Period during which Performance Share Units may be allotted.

(1) Method of calculating the Number of Shares to be Granted

The Number of Shares to be Granted will be determined on the basis of a standard amount based on the Eligible Director's position and responsibilities and the achievement of goals for each performance indicator (however, shares of less than one share unit will be rounded upwards to the nearest share unit). The Company's Board of Directors will decide on the numerical targets to be used and other indicators necessary for calculating the specific Number of Shares to be Granted when allotting Performance Share Units.

If the number of shares calculated for the allotment of Performance Share Units to be granted to each Eligible Director exceeds the total number of Stock Remuneration issued or the total amount of monetary remuneration claims to be granted, the number of Performance Share Units and the amount of monetary remuneration claims to be allotted to each Eligible Director will be adjusted through proportional distribution or other reasonable method determined by the Board of Directors of the Company, to the extent that the total number of shares and total amount of remuneration claims do not exceed the total number and total amount.

Reference: The method of calculation and performance evaluation indicators for the initial Target Period will be as follows.

<Method of Calculation of No. of Shares to be Granted to Each Eligible Director>

Remuneration base amount (*) ÷ price per share × payment coefficient based on goal achievement for each performance indicator

*Determined by the Company's Board of Directors based on the position and responsibilities, etc. of each Eligible Director.

<Indicators>

Financial indicator: return on equity (ROE)

Non-financial indicators: employee engagement, enhanced customer focus, and greenhouse gas emission reduction

Each indicator and target value are set each fiscal year based on medium- to long-term goals.

(2) Requirements for granting shares

When the requirements for the granting of shares in (i) through (iii) below are met at the end of the Target Period, monetary remuneration claims will be granted to each Eligible Director, and upon presentation of all of those monetary remuneration claims as a payment in kind, Performance Share Units will be granted to each Eligible Director.

The granting of Performance Share Units will be conducted by the Company by way of a method of issuance of new shares or disposal of treasury stock, and the amount to be paid will be an amount determined by the Board of Directors of the Company within a range that is not particularly advantageous to the Eligible Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the day of the resolution of the Board of Directors of the Company regarding the allotment of the Performance Share Units (or the closing price on the transaction day immediately prior thereto if no transaction is made on that day).

- (i) The Eligible Director has continuously held any Eligible Position until the conclusion of the first Ordinary General Meeting of Shareholders after the end of the Target Period,
- (ii) The Eligible Director has not acted in violation of any law, regulation or internal rule, etc. in any material respect, or has not committed any illegal act or violation of an internal rule, etc. specified by the Board of Directors of the Company, and
- (iii) The Eligible Director satisfies other requirements determined by the Board of Directors of the Company to be necessary.

Notwithstanding (i) above, however, if a new Eligible Director takes office during the Target Period, the Number of Shares to be Granted to that Eligible Director may be reasonably adjusted based on his/her period of service, etc.

In addition, if an Eligible Director resigns or retires from any Eligible Position due to the expiration of his/her term of office, death or other reason deemed justifiable by the Board of Directors of the Company, instead of granting Performance Share Units, the Company may pay cash to the Eligible Director (in the case of resignation or retirement due to death, the payment may be made to the Eligible Director's inheritor who is to be the lawful heir) of an amount equivalent to the value of the Number of Shares to be Granted that is reasonably determined by the Board of Directors of the Company based on the Eligible Director's period of service, etc. In such case, the upper limit of such payment will be 1.5 billion yen per year including the amount of monetary remuneration claims mentioned above for the Eligible Director.

If a proposal relating to 1) a merger agreement in which the Company becomes the absorbed company, 2) a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or 3) other organizational restructure, etc. is approved at the General Meeting of Shareholders (or at a meeting of the Board of Directors in cases where approval by the General Meeting of Shareholders of the Company is not required for an organizational restructure, etc.) during the Target Period, the Company will not grant Performance Share Units for that Target Period.

(3) Details of Transfer Restrictions

An Eligible Director who receives an allotment of Performance Share Units may not, during the period from the grant date of the Performance Share Units until the date when the Eligible Director resigns or retires from any Eligible Position (hereinafter “Transfer Restriction Period II”), transfer the Performance Share Units, use them to create a pledge or security interest, or provide them as a gift during life or as a bequeathment to a third party, or engage in any other act to dispose of the Performance Share Units allotted to that Eligible Director (hereinafter “Allotted Shares II”).

(4) Acquisition of Performance Share Units by the Company without payment

If an Eligible Director who has received an allotment of Performance Share Units resigns or retires from any Eligible Position during the period he/she serves in a position eligible for remuneration, the Board of Directors of the Company will automatically acquire without payment the Allotted Shares II unless such resignation or retirement is due to any reason deemed justifiable by the Board of Directors of the Company.

In addition, upon the expiration of the Transfer Restriction Period II described in (3) Details of Transfer Restrictions above, the Company will automatically acquire without payment any Allotted Shares II for which Transfer Restrictions have not been lifted in accordance with provisions of (5) Lifting of Transfer Restrictions below.

(5) Lifting of Transfer Restrictions

The Company will lift the Transfer Restrictions of all Allotted Shares II held by an Eligible Director who has received an allotment of Performance Share Units upon the expiration of the Transfer Restriction Period II.

(6) Treatment in the event of an organizational restructure, etc.

If a proposal relating to 1) a merger agreement in which the Company becomes the absorbed company, 2) a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or 3) other organizational restructure, etc. is approved at the General Meeting of Shareholders (or at a meeting of the Board of Directors in cases where approval at the Company’s General Meeting of Shareholders is not required for an organizational restructure, etc.) during the Restriction Period II, the Company will, by resolution of the Board of Directors of the Company, lift the Transfer Restrictions on all Allotted Shares II prior to the effective date of such organizational restructure.

(7) Malus clause

The Company will be able to acquire without payment the Allotted Shares II of an Eligible Director in whole or in part if that Eligible Director during the Transfer Restriction Period II acts in violation of a law, regulation or internal rule, etc. in any material respect, or if there is any reason deemed appropriate, or other certain reason specified by the Board of Directors of the Company.

Note:

The Company also plans to allot Restricted Stock and Performance Share Units described above to executive officers and fellows who do not concurrently serve as directors of the Company.

Reference

Policies on Determining Details of Individual Remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)

1. Policy on setting individual remuneration amounts for directors and calculation methods (basic policy)

The basic policy on remuneration for the Company's directors is: 1) linked to the Company's sustainable growth and increase in corporate value in the medium to long term, 2) used to acquire and maintain capable personnel, 3) understandable and easy to explain to stakeholders and directors, and 4) set after the consideration of remuneration standards of other automobile manufacturers and the position of salaries of Mazda employees, with the understanding that directors work alongside employees.

To ensure transparency of the decision-making process for determining remuneration as well as fairness and objectivity on how decisions are made and remuneration is allocated, the Officer Lineup & Remuneration Advisory Committee comprised of Representative Directors and Outside Directors has been established as an advisory organ to the Board of Directors. The Committee discusses and confirms the basic policy, remuneration system based on it, and the decision-making process.

The remuneration of a director (excluding a director who is an Audit & Supervisory Committee member or outside director) consists of 1) a fixed amount of basic remuneration commensurate with the director's position and responsibilities, and level of remuneration in the director's country/location of ordinary residence, 2) performance-based monetary remuneration determined at the end of the fiscal year based on the achievement of goals set at the beginning of the fiscal year in accordance with the business plan, and 3) restricted stock remuneration aimed at increasing motivation to contribute to enhancing corporate value over the medium and long term and sharing the benefits with shareholders.

For directors of foreign nationality (non-Japanese nationality), fringe benefits, etc. may be provided within an appropriate range commensurate with remuneration practices, etc. in the director's country/location of ordinary residence.

Outside directors (excluding directors who are Audit & Supervisory Committee members) receive a fixed amount of basic remuneration only, considering their independence from the execution of operations.

2. Policy on setting performance indicators for performance-based remuneration and method of calculation of the performance-based remuneration amount or quantity

Indicators that can objectively confirm the Company's performance are used for performance-based monetary remuneration. The primary indicators used are consolidated net income attributable to owners of the parent and consolidated sales.

These target values are the values announced in the business results outlook at the beginning of each fiscal year, and the amount of performance-based monetary remuneration for a given fiscal year is based on the level of achievement of the target values for that fiscal year. The amount of performance-based monetary remuneration is also set based on position and duties.

In addition, at the beginning of the fiscal year each director sets personal targets, and at the end of the fiscal year a "personal performance payment" that recognizes the level of achievement of those targets is set.

Furthermore, a portion of restricted stock remuneration to be granted as non-monetary remuneration will be performance share units (PSUs), in which the number of shares to be granted is determined according to whether the target for each performance indicator was achieved. For PSUs, return on equity (ROE), which represents capital efficiency, is used as a financial indicator, and employee engagement, customer focus enhancement, and greenhouse gas emission reduction are used as non-financial indicators, based on the Company's medium- to long-term management strategy and management issues. These targets are set on a fiscal year basis based on medium- to long-term targets.

3. Policy on content of non-monetary remuneration, setting the amount or quantity, and the calculation thereof

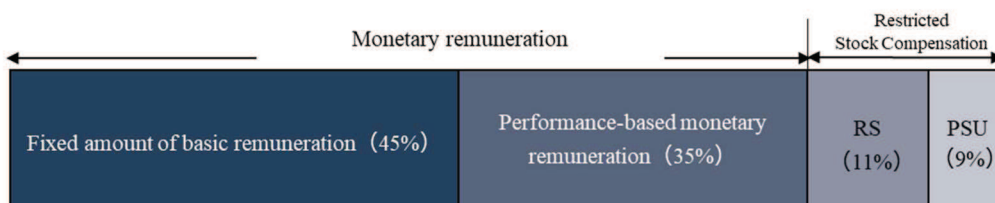
As non-monetary remuneration, restricted stock remuneration, for which the transfer is prohibited during the tenure of office and allowed upon retirement, will be granted, and this will consist of restricted stock remuneration that is not linked to business performance (RS), and PSUs that are linked to business performance. For RS, a standard amount will be set based on the director’s position and responsibilities, and the number of shares equivalent to the standard amount will be granted.

For PSUs, the Company will grant a number of units equivalent to the base amount (1 unit = 1 share equivalent) based on the director’s position and responsibilities, and after the performance evaluation period (one fiscal year in which the unit grant date falls), the number of shares calculated according to the number of units will be granted based whether the target for each performance indicator was achieved. If it is not appropriate to grant restricted shares, such as when a PSU recipient retires as a director at the end of his or her term of office, PSUs will be paid in cash in lieu of the grant of shares.

4. Policy on setting the ratio of basic remuneration, performance-based remuneration, and non-monetary remuneration for individual remuneration

The ratio of each type of remuneration for directors (excluding directors who are Audit & Supervisory Committee members and outside directors) will be set as follows when the Medium-Term Management Plan and all PSU performance indicators are achieved.

< Structure of remuneration for directors >



5. Policy on determining the time and conditions for granting remuneration to directors

Basic remuneration and performance-based monetary remuneration are paid monthly by dividing the total annual amount of remuneration determined at a Board of Directors meeting into 12 payments. Restricted stock remuneration, as non-monetary remuneration, is allotted at a set time after the Ordinary General Meeting of Shareholders.

With regard to restricted stock remuneration, in the event of serious misconduct, etc., the Company will be able to request the acquisition of all or part of the shares (malus).

6. Matters concerning the methods of determining individual remuneration for directors

The Officer Lineup & Remuneration Advisory Committee discusses and confirms the validity of the remuneration structure for directors (excluding directors who are Audit & Supervisory Committee members) such as standards, composition, and indicators and targets for performance-based monetary remuneration and PSUs. The Representative Director, President & CEO calculates the specific amount of the personal performance payment of the performance-based remuneration for each director (excluding the Chairman, President and outside directors) within a range obtained by multiplying the personal performance payment base amount (4% of basic remuneration commensurate with position and responsibilities) by a coefficient of 1 to 2.5, and submits it for approval by a resolution of the Board of Directors.

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BUSINESS REPORT
(From April 1, 2023 to March 31, 2024)

1. Business activities of the Mazda Group

(1) Progress and results of business activities

Business environment during the fiscal year ended March 31, 2024

In the business environment surrounding the Mazda Group in the fiscal year ended March 31, 2024, the global economy as a whole showed signs of recovery as economic activities returned to normal following the end of the COVID-19 pandemic. Nevertheless, the outlook continued to remain uncertain due to the prolonged Russia-Ukraine crisis, the outbreak of conflicts in the Middle East, and concerns about an economic slowdown amid global financial tightening.

Under these conditions, we faced various logistics constraints including a shortage of vessels, congestion at unloading ports, and longer transportation periods due to rerouting. To secure profits in this environment, in addition to introducing a range of Large products, we implemented various measures to strengthen sales such as shifting product destinations to markets where sales are strong and reviewing our model mix, sales prices, and equipment. At the same time, we worked to improve management efficiency by increasing investment efficiency and inventory turnover.

Business Overview

Mazda continues to evolve the joy of driving based on our human-centered values, and aims to deliver the “joy of living” by creating the excitement of moving experiences in the everyday life of people.

In April 2023, we commenced sales of the Mazda CX-90 in the United States and later introduced it in other markets. In November of the same year, we released in Japan the Mazda MX-30 Rotary-EV, an innovative electrical vehicle that uses a rotary engine as a generator. While retaining the basic values of the MX-30, such as its familiar design and pleasant interior space created through the use of materials with a warm feel, the MX-30 Rotary EV runs entirely on an electric motor. Providing smooth, powerful driving, it can be used not only as a battery EV (BEV) in a wide range of everyday situations but also for longer distance drives with power generated by its rotary engine.

In January this year, we also released the Mazda CX-70, a two-row crossover SUV as the third model of our Large product group following the Mazda CX-60 and CX-90, and commenced sales in North America in April. The CX-70 is a model that was developed for our strategic North American market and all CX-70 models have a plug-in hybrid system or M Hybrid Boost (48V mild hybrid system). As we expand our SUV lineup, for which demand is strong, we will accelerate electrification and endeavor to grow our business and enhance the Mazda brand in North America.

Throughout the fiscal year, we also continued to boost the appeal of our products by introducing product improvements in other existing models such as the Mazda3, Mazda CX-30, Mazda CX-5, Mazda2, Mazda CX-3, and Mazda Roadster and by enhancing their safety, convenience, and comfort.

At the Japan Mobility Show 2023 in October last year, we unveiled the Mazda Iconic SP, a compact sports car concept designed to adapt to a new era. This model features Mazda's unique two-rotor rotary-EV system, which remains compact and thus offers a high degree of layout flexibility, enabling the concept model to have a low center of gravity that enhances driving performance.

Mazda will redouble its efforts to further cultivate people's love of cars through human-centered research and development and unique brand experiences, and will win the support of customers by continuing to evolve Mazda's signature driving pleasure through technology that is in tune with the times and the creation of exciting moving experiences.

MAZDA MX-30 Rotary-EV



MAZDA CX-70



MAZDA ICONIC SP



Sales volume by market

Global sales volume 1,241,000 units (up 11.8% year on year)

Global sales volume for the fiscal year was 1,241,000 units, up 11.8% year on year. In addition to strong performance in the United States, growth in vehicle sales was driven by the Mazda CX-50, which is manufactured at the Alabama plant in the U.S., and the newly introduced CX-90.

Japan 160,000 units (down 2.8% year on year)

Sales declined 2.8% year on year to 160,000 units amid increasingly intense competition, particularly for crossover SUVs. The improved Roadster, introduced in January this year, has been performing well and is exceeding the sales plan.

North America 514,000 units (up 26.4% year on year)

In the United States, sales were driven by the newly introduced CX-90 and the CX-50, following an increase in production volume with the start of two-shift operations at the Alabama plant, resulting in a 24.6% record-high growth in sales to 375,000 units. Performance in North America as a whole was also strong, with a 26.4% year-on-year growth in sales to 514,000 units, thanks to robust sales in Canada and Mexico.

EU 180,000 units (up 12.6% year on year)

Increased sales in major markets such as Germany and the UK boosted sales in Europe by 12.6% year on year to 180,000 units. By model, the CX-60 and CX-30 in particular contributed to the increase in sales.

China 97,000 units (up 14.7% year on year)

Sales of the MAZDA3, CX-5, and newly introduced CX-50 contributed to an increase in sales volume, resulting in a 14.7% increase year on year to 97,000 units.

Other markets 289,000 units (down 1.7% year on year)

In Australia, one of Mazda's major markets, the newly introduced CX-60, the CX-3 and CX-30 contributed to an increase in sales, resulting in an 8.0% year-on-year growth to 98,000 units. In other markets as a whole, however, overall sales declined 1.7% year on year to 289,000 units due to a contraction in sales in Thailand and other ASEAN markets.

Financial Performance

Financial performance on a consolidated basis for the fiscal year ended March 31, 2024 was as follows.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	(vs. Prior year)	
			Amount	Rate of change
	billion yen	billion yen	billion yen	
Net Sales	3,826.8	4,827.7	+1,000.9	+26.2%
Operating Income	142.0	250.5	+108.5	+76.4%
Ordinary Income	185.9	320.1	+134.2	+72.2%
Net Income Attributable to Owners of the Parent	142.8	207.7	+64.9	+45.4%

Changes in operating income were as follows.

	Fiscal year ended March 31, 2024
	billion yen
Volume & mix	+125.2
Exchange rate	+53.5
Raw materials, logistics costs and others	(11.2)
Cost improvement	+24.8
Fixed costs and others	(83.8)
Total	+108.5

Net cash provided by operating activities in this consolidated fiscal year was up 418.9 billion yen as inventory decreased, and income before income taxes was 298.3 billion yen. (In the previous fiscal year there was an increase of 137.4 billion yen.) Cash flow from investing activities was down 179.9 billion yen as the result of the expenditure for the acquisition of property, plant and equipment and etc. (In the previous fiscal year there was a decrease of 99.4 billion yen.) As a result, consolidated free cash flow (net of cash flow from operating and investing activities) was up 239.0 billion yen. (In the previous fiscal year there was an increase of 38.0 billion yen.)

Net cash provided by financing activities was down 84.7 billion yen as the result of repayment of long-term borrowings and etc. (In the previous fiscal year there was a decrease of 89.9 billion yen.)

In view of this fiscal year's business results, the business environment and the Company's financial situation, the Company plans to propose the payment of a year-end dividend of 35 yen per share (regular dividend: 30 yen and one-time special dividend: 5 yen) at the Ordinary General Meeting of Shareholders. Thus, the total dividend for this fiscal year will be 60 yen per share (regular dividend: 55 yen and one-time special dividend: 5 yen.)

Net sales breakdown of the Mazda Group

Category	Domestic	Overseas	Total
	million yen	million yen	million yen
Vehicles	383,594	3,806,439	4,190,033
Knockdown parts (Overseas)	—	22,622	22,622
Parts	46,185	305,545	351,730
Other	210,509	52,768	263,277
Total	640,288	4,187,374	4,827,662

(2) Capital investment

For further growth in the future, we focused investment on next-generation products, environmental and safety technologies, IT and reinforcing our global production system. As a result of efficient investment in these areas, capital investment amounted to 121.3 billion yen on a consolidated basis. (This figure was 94.1 billion yen in the previous fiscal year.)

(3) Financing

In the fiscal year ended March 31, 2024, the Company took out long-term loans totaling 108.0 billion yen.

A total of 15.0 billion yen in corporate bonds was issued in March 2024.

(4) Issues to be addressed

1. Medium-term management plan (FY ended March 2020 through FY ending March 2026)

To guide Mazda through this key period of transformation and achieve sustainable growth, the Company has formulated a medium-term management plan based on our core value of “Mazda’s uniqueness of co-creating with others” and is steadily implementing initiatives under this plan.

Medium-term management plan key initiatives

- Invest in brand value improvement
 - Invest in unique products, technologies, production, and customer experience –
 - Ongoing investment with further efficiency and leveling
 - Staggered launch of new products/derivatives at planned intervals
 - Ongoing product upgrades
- Curb expenditure that depreciates brand value
- Accelerate fixed cost/cost reductions to lower break-even volume
- Invest in areas where Mazda needs to catch up, and start investing in new areas
- Enhance alliances (CASE¹), new partnerships

We will strive to achieve strong growth by leveraging the assets we have built to date and accelerate efforts to achieve a resilient management structure capable of withstanding major changes over time. With our sights set on 2030 to realize the Company's long-term vision for technology development, “Sustainable Zoom-Zoom 2030,” we are now working on the transformation of our business structure, bearing in mind changes in the business environment due to the worldwide tightening and acceleration of environmental regulations and competition in new value creation in an era characterized by CASE.

Medium-term management plan financial metrics

Key financial metrics for the fiscal year ending in March 2026, the final year of the medium-term management plan are as follows.

Revenue	• About 4.5 trillion yen
Profit	• Operating return on sales (ROS) 5% or higher • Return on equity (ROE) 10% or higher
Investment for future	• Capex and R&D: 7-8% of revenue or less • Actions for electrification, IT and carbon neutrality
Financial structure	• Maintenance of a net cash position ²
Shareholder return	• Sustainable payout ratio of 30% or higher
Break-even volume	• About 1 million units (wholesales)

1. General term for a group of new technologies that include connected, autonomous driving, shared services, and electric technologies
2. The state of maintaining positive total cash amount after the deduction of interest-bearing debt from cash and cash equivalents

2. Management policy for 2030

Under our medium-term management plan, we have been promoting initiatives to achieve our financial targets for the fiscal year ending in March 2026. In view of the increasing uncertainty of the business environment including the growing trend toward the introduction of environmental regulations in various countries, improvements in social infrastructure, changes in the power supply mix, and the diversification of customer values, we extended our outlook until the year 2030 and presented our new management policy and main initiatives based on world trends.

Basic management policy

1. Contribute to solving the social problem of global warming through electrification appropriate to regional characteristics and environmental needs
2. Contribute to realizing a safe and secure automotive society by promoting research for attaining a deep understanding of people and shedding light on the relationship between people and cars
3. Be the brand preferred by customers through brand value management that provides unique Mazda value

Initiatives for Opening the Future

i). Initiatives for achieving carbon neutrality

To achieve our goal of becoming carbon neutral³ by the year 2050, we have established “achieving carbon neutrality in Mazda factories around the globe by 2035” as a medium-term goal and will promote initiatives under the three pillars of energy conservation, shift to renewable energies, and use of carbon neutral fuels. As measures for the supply chain⁴ will also be necessary, we will also promote activities to reduce CO₂ emissions in stages in cooperation with transport companies and business partners. In Japan, we will make efforts to restructure our supply chain and expand the use of carbon neutral fuels.

ii) Initiatives in electrification in each phase

During the period of transition to EVs, we believe a multi-solution approach whereby we provide a range of products such as battery EVs (BEVs), plug-in hybrids, and hybrids to suit power generation conditions in each region will be effective. On the other hand, in view of electrification policies and the tightening of regulations in various countries, we expect Mazda’s BEV ratio in our global sales in 2030 to be 25 to 40%, and intend to promote electrification with partner companies in stages.

- Phase 1 (2022 - 2024): Strengthening of the business foundation using accumulated assets
Making full use of our existing assets of multi-electrification technologies, we will launch attractive products while also meeting market regulations. While launching Large Products offering plug-in hybrids and diesel engines with mild hybrid system that achieve excellent environmental and driving performance, we will improve our profitability and step up the development of technologies for BEVs.
- Phase 2 (2025-2027): Transition to electrification
In efforts to reduce CO₂ through improvements in fuel efficiency during the period of transition to electrification, we will further refine the multi-electrification technologies we have developed to date and introduce new hybrid systems. In addition to introducing pure BEVs in the Chinese market where electrification is advanced, we will begin to introduce BEVs globally. In consideration of the potential widespread use of renewable fuels, we will enhance to the utmost the performance of internal combustion engines through the application of technologies to further improve thermal efficiency.
- Phase 3 (2028–2030): Full-scale launch of BEVs
As we move forward with the full-fledged introduction of pure BEV models, we will shift our focus to full-scale electrification and will also consider various options including investment in battery production, based on changes in the external environment and progress in strengthening our financial base.

3. A method and system of energy use whereby carbon emissions are offset through carbon absorption or removal to prevent any change in the total amount of carbon on the earth.
4. The series of processes until the product reaches the consumer including procurement, manufacturing, inventory management, delivery, sales, and consumption.

iii) Initiatives in value creation through co-creation between people and IT

Improving automobile technology, listening to the voices of people and society concerning cars, and contributing to the creation of a safe and secure society free of accidents by putting people's happiness first are vital aspects of Mazda's mission. In addition to developing safety technology, we are committed to working together with local communities and society at large to achieve "zero fatal accidents." In safety technology, we will continue to develop advanced driver-assist technologies that combine digital technology with human-centered manufacturing, which has always been a core value of Mazda, based on Mazda Proactive Safety, our unique safety concept. We will create cars that provide safety and security for drivers, passengers, and pedestrians with the goal of eliminating all fatal accidents caused by any new Mazda by 2040, where measures can be taken with automotive technology.

iv) Cost reduction and supply chain resilience

In cost reductions, we will broaden the current scope of costs of products and manufacturing to include the entire supply chain and value chain⁵ as a whole to gain a comprehensive view of costs and we will make changes that will allow us to structure our costs based on measures to eliminate inefficiency, inconsistency and waste by reviewing our product lineup to improve investment efficiency and inventory turnover.



3. Status of Progress

Preparation for carbon neutrality

- In December 2023, as part of our efforts to attain carbon neutrality at all Mazda plants globally by 2035, we set interim goals and a roadmap for achieving carbon neutrality at our plants and offices in Japan,⁶ which account for approximately 75% of all CO₂ emissions of Mazda globally. One interim goal is to reduce CO₂ emissions by 69% by FY2030 from FY2013 levels.
- As part of our efforts to achieve a carbon neutral society, we entered into an agreement with Mitsui & Co., Ltd. to purchase J-Credits⁷ generated through appropriate forest management under a credit scheme recognized by the Japanese government.

Acceleration of electrification

- To respond to the rapidly expanding market demand for BEVs and automotive batteries, we began discussions with Panasonic Energy Co., Ltd. in June last year to build a medium- to long-term partnership, and we concluded an agreement in March this year for the supply of cylindrical automotive lithium-ion batteries.
- We established the Electrification Business Division (e-Mazda for short) in November last year to build a framework for the integrated promotion of the electrification business and related product development, which present various complex challenges in areas such as new technologies, new value and new business.
- To accelerate the research and development of rotary engines (REs) suitable for a new era, we reinstated the RE Development Group in the Powertrain Technology Development Department of the Powertrain Development Division and will continue to evolve REs for use as generators. The new RE Development Group will conduct research and development in areas such as regulatory compliance in major markets and the application of carbon neutral fuels.

5. A series of business activities for creating added value for products such as product planning, design, development, production engineering, manufacturing, sales, and services

6. A total of 17 locations in Japan including headquarters and the Hiroshima plant (Aki-gun and Hiroshima City in Hiroshima Prefecture), Hofu plant (Hofu City, Yamaguchi Prefecture) and Miyoshi office (Miyoshi City, Hiroshima Prefecture).

7. The credits will be generated through a joint project between Mitsui & Co., Ltd. (Mitsui) and Okayamanomoriiseibikousha (Okayama Corporation), a public interest incorporated association engaged in forest development in Okayama Prefecture. Digital technologies employed in Mitsui Forests (forests owned by Mitsui in Japan), including aerial surveying and satellite data, will be used to monitor forests to generate J-Credits. Some of the income provided by the credits will be used through the joint project to develop and manage forests and enhance natural disaster preparedness.

- In April this year, the Mazda EZ-6, an all-new electrified vehicle, was unveiled at Auto China 2024. The EZ-6 is the first of a series of new electrified vehicles to be developed in cooperation between Mazda and Chongqing Changan Automobile Co., Ltd., and is to be launched in China by the end of 2024.
- Through initiatives like the above, we will continue to invest in electrification while maintaining profitability as we accelerate the transition to electrification in Phase 2.

MAZDA EZ-6



Expansion of the brand experience

- We established the Brand Promotion Division to create and expand opportunities for customers to experience the Mazda brand globally, and to enhance brand value by having customers empathize with the "joy of driving" set forth in the 2030 Vision.
- We have been planning and gradually implementing various programs for our customers and the general public such as the Mazda Driving Academy to help customers learn safe and secure driving techniques, the eSports Mazda Spirit Racing GT Cup to create opportunities for people to experience motorsports regardless of age or whether they hold a driver's license, the Mazda Fan Festa, an event that allows customers to experience the fun of cars through a variety of firsthand experiences, and other participatory motor sports with the Super Taikyu endurance series as the climax.

Value creation through co-creation between people and IT

- We kicked off a company-wide organizational cultural reform initiative called Blueprint to enhance customer focus and employee engagement. We are also promoting DX as a company-wide effort.



* The business forecast and future plans in this text are based on certain assumptions made by the Mazda Group at the time of the preparation of this report and include risks and uncertainties. As such, statements in the text may differ from actual results.

(5) Assets and business results**(i) The Mazda Group**

Item	155th Term (April 2020 to March 2021)	156th Term (April 2021 to March 2022)	157th Term (April 2022 to March 2023)	158th Term (April 2023 to March 2024)
Net sales (millions of yen)	2,882,066	3,120,349	3,826,752	4,827,662
Operating income (millions of yen)	8,820	104,227	141,969	250,503
Ordinary income (millions of yen)	28,251	123,525	185,936	320,120
Net income attributable to owners of the parent (millions of yen)	(31,651)	81,557	142,814	207,696
Net income per share (yen)	(50.26)	129.49	226.71	329.65
Total assets (millions of yen)	2,917,414	2,968,148	3,259,251	3,791,768
Net assets (millions of yen)	1,195,830	1,316,697	1,456,801	1,757,378
Net assets per share (yen)	1,876.40	2,065.74	2,285.21	2757.74
Equity ratio	40.5%	43.8%	44.2%	45.8%

(ii) The Company

Item	155th Term (April 2020 to March 2021)	156th Term (April 2021 to March 2022)	157th Term (April 2022 to March 2023)	158th Term (April 2023 to March 2024)
Net sales (millions of yen)	2,135,873	2,339,290	3,000,360	3,636,113
Operating income (millions of yen)	(82,882)	69,877	48,828	132,302
Ordinary income (millions of yen)	(23,083)	130,014	102,591	226,555
Net income (millions of yen)	(35,813)	84,529	89,771	137,731
Net income per share (yen)	(56.86)	134.20	142.50	218.60
Total assets (millions of yen)	2,309,305	2,327,779	2,467,387	2,718,102
Net assets (millions of yen)	966,004	1,062,218	1,118,720	1,280,920
Net assets per share (yen)	1,533.24	1,685.70	1,775.08	2032.19
Equity ratio	41.8%	45.6%	45.3%	47.1%

(6) Principal business (as of March 31, 2024)

The principal business of the Mazda Group is production and sales of the following products.

Segment	Main Products
Vehicles	Passenger vehicles: Mazda6, Mazda3, Mazda2, Mazda2 Hybrid, CX-90, CX-9, CX-8, CX-70, CX-60, CX-50, CX-5, CX-30, CX-3, MX-30, MX-5, Carol, Flair, Flair Wagon, Flair Crossover, Scrum Wagon Trucks: Titan, BT-50, Bongo Brawny Van, Bongo Van, Bongo Truck, Familia Van, Scrum Van, Scrum Truck
Knockdown Parts (Overseas)	Parts for overseas assembly operations
Parts	Various after-sales service parts for domestic and overseas markets
Other	Vehicle maintenance, used car sales, etc.

(7) Principal offices and plants (as of March 31, 2024)

(i) The Company

Facility name	Location and address
Head Office and Hiroshima Plant	Fuchu-cho, Aki-gun, Hiroshima
Tokyo Office	Chiyoda Ward, Tokyo
Hofu Plant	Hofu, Yamaguchi Prefecture
Miyoshi Office	Miyoshi, Hiroshima Prefecture
Mazda R&D Center Yokohama	Kanagawa Ward, Yokohama
Mazda Innovation Space Tokyo	Minato Ward, Tokyo

(ii) Subsidiaries and Affiliates

Please refer to “(9) (ii) Principal subsidiaries” and “(9) (iii) Principal affiliates.”

(8) Employees (as of March 31, 2024)

(i) The Mazda Group

Number of employees	Change from previous year
48,685	+204

Note: The number of employees excludes employees on loan from other companies.

(ii) The Company

Number of employees	Change from previous year	Average age	Average years of employment
23,124	+292	42.4 years old	17.6 years

Notes: 1. The number of employees excludes employees on loan from other companies.

2. The number of employees does not include 545 temporary employees, etc.

(9) Principal parent companies and subsidiaries (as of March 31, 2024)

(i) Principal parent companies

Not applicable

(ii) Principal subsidiaries

Name	Location and address	Capital Stock	Company's Equity Participation (%)	Principal Business
Mazda Motor of America Inc.	U.S.A.	US\$240 million	100.0	Sales of vehicles and parts
Mazda Canada Inc.	Canada	C\$111 million	100.0	Sales of vehicles and parts
Mazda Motor Manufacturing de Mexico S.A.de C.V.	Mexico	MXN6,555 million	100.0	Manufacturing and sales of vehicles
Mazda Motor Europe GmbH	Germany	Euro26 thousand	*100.0	Supervision of the overall European market
Mazda Motor Logistics Europe N.V.	Belgium	Euro72 million	100.0	Sales of vehicles and parts
Mazda Motors (Deutschland) GmbH	Germany	Euro18 million	*100.0	Sales of vehicles and parts
Mazda Motors UK Ltd.	U.K.	£4 million	*100.0	Sales of vehicles and parts
Mazda Australia Pty Ltd.	Australia	A\$31 million	100.0	Sales of vehicles and parts
Mazda Motor (China) Co., Ltd.	China	RMB195 million	100.0	Supervision of the overall China market
Mazda Sales (Thailand) Co., Ltd.	Thailand	THB575 million	96.1	Sales of vehicles and parts
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.	Thailand	THB8,167 million	100.0	Manufacturing and sales of automobile parts
Kanto Mazda Co., Ltd.	Itabashi Ward, Tokyo	¥3,022 million	100.0	Sales of vehicles and parts
Tokai Mazda Co., Ltd.	Mizuho Ward, Nagoya	¥2,110 million	100.0	Sales of vehicles and parts
Kansai Mazda Co., Ltd.	Naniwa Ward, Osaka	¥950 million	100.0	Sales of vehicles and parts
Kyushu Mazda Co., Ltd.	Hakata Ward, Fukuoka	¥826 million	100.0	Sales of vehicles and parts
Mazda Parts Co., Ltd.	Higashi Ward, Hiroshima	¥1,018 million	100.0	Sales of automobile parts
Kurashiki Kako Co., Ltd.	Kurashiki, Okayama Prefecture	¥310 million	75.0	Manufacturing and sales of automobile parts
Mazda Logistics Co., Ltd.	Minami Ward, Hiroshima	¥490 million	100.0	Transportation of vehicles and parts
Mazda Chuhan Co., Ltd.	Minami Ward, Hiroshima	¥1,500 million	100.0	Sales of used vehicles

Note: 1. Figures with an asterisk includes indirect ownership.

2. The Company has 70 consolidated subsidiaries.

(iii) Principal affiliates

Name	Location and address	Capital Stock	Company's Equity Participation (%)	Principal Business
Auto Alliance (Thailand) Co., Ltd.	Thailand	THB8,435 million	50.0	Manufacturing and sales of vehicles
Changan Mazda Automobile Co., Ltd.	China	RMB736 million	*47.5	Manufacturing and sales of vehicles
Changan Mazda Engine Co., Ltd.	China	RMB1,573 million	50.0	Manufacturing and sales of automobile parts
Mazda Toyota Manufacturing, U.S.A., Inc.	U.S.A.	40 US\$	50.0	Manufacturing and sales of vehicles
Toyo Advanced Technologies Co., Ltd.	Minami Ward, Hiroshima	¥3,000 million	50.0	Manufacturing and sales of machine tools
Mazda Credit, Inc.	Kita Ward, Osaka	¥7,700 million	50.0	Automobile sales finance

Note: 1. Figures with an asterisk include indirect ownership
2. The Company has 20 equity-method companies.

(10) Major creditors (as of March 31, 2024)

Creditor	Balance of Borrowings (million yen)
Development Bank of Japan Inc.	115,500
Sumitomo Mitsui Banking Corporation	94,903
Sumitomo Mitsui Trust & Banking Co., Ltd.	41,210
Mizuho Bank, Ltd.	34,395
Yamaguchi Bank, Ltd.	25,000
Hiroshima Bank, Ltd.	24,165
MUFG Bank, Ltd.	15,670
Momiji Bank, Ltd.	14,247
The Nishi-Nippon City Bank, Ltd.	9,565
The Fukuoka Bank, Ltd.	8,160

2. Status of shares (as of March 31, 2024)**(1) Total number of shares authorized to be issued:** 1.2 billion shares**(2) Total number of shares outstanding:** 631,803,979 shares**(3) Number of shareholders:** 124,740 (decreased by 7,645 from previous year)**(4) Major shareholders:**

Name	No. of shares held (thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	97,042	15.4
Custody Bank of Japan, Ltd. (Trust Account)	37,376	5.9
Toyota Motor Corporation	31,928	5.1
JP Morgan Securities Japan Co., Ltd.	13,677	2.2
STATE STREET BANK WEST CLIENT – TREATY 505234	11,831	1.9
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	10,277	1.6
Sumitomo Mitsui Banking Corporation	10,191	1.6
THE BANK OF NEW YORK 133969	8,585	1.4
JP MORGAN CHASE BANK 385781	7,920	1.3
SSBTC CLIENT OMNIBUS ACCOUNT	7,576	1.2

Note: Calculation of the shareholding ratio excludes treasury stock (1,721,610 shares).

3. Stock acquisition rights

(1) Stock acquisition rights held by directors (as of March 31, 2024)

Title (Resolution date)	Number of stock acquisition rights (Number of persons)		Type and number of shares underlying stock acquisition rights	Amount to be paid for stock acquisition rights	Value of assets to be contributed upon exercise of stock acquisition rights	Period of time
	Directors (excluding directors who are Audit & Supervisory Committee members)	Directors who are Audit & Supervisory Committee members				
Stock acquisition rights fiscal year 2016 (July 29, 2016)	87 (4)	18 (1)	Common stock 10,500 shares	1,327 yen per share	1 yen per share	From August 23, 2016 to August 22, 2046
Stock acquisition rights fiscal year 2017 (July 27, 2017)	125 (5)	22 (1)	Common stock 14,700 shares	1,336 yen per share	1 yen per share	From August 22, 2017 to August 21, 2047
Stock acquisition rights fiscal year 2018 (July 26, 2018)	186 (6)	28 (1)	Common stock 21,400 shares	1,027 yen per share	1 yen per share	From August 21, 2018 to August 20, 2048
Stock acquisition rights fiscal year 2019 (August 1, 2019)	218 (5)	37 (1)	Common stock 25,500 shares	650 yen per share	1 yen per share	From August 21, 2019 to August 20, 2049
Stock acquisition rights fiscal year 2020 (July 31, 2020)	440 (5)	74 (1)	Common stock 51,400 shares	415 yen per share	1 yen per share	From August 19, 2020 to August 18, 2050
Stock acquisition rights fiscal year 2021 (July 30, 2021)	657 (7)	-	Common stock 65,700 shares	968 yen per share	1 yen per share	From August 18, 2021 to August 17, 2051
Stock acquisition rights fiscal year 2022 (July 29, 2022)	327 (7)	-	Common stock 32,700 shares	1,099 yen per share	1 yen per share	From August 23, 2022 to August 22, 2052
Stock acquisition rights fiscal year 2023 (July 21, 2023)	364 (7)	-	Common stock 36,400 shares	1,032 yen per share	1 yen per share	From August 10, 2023 to August 9, 2053

Notes: 1. Outside directors are not included as “directors (excluding directors who are Audit & Supervisory Committee members)” and “directors who are Audit & Supervisory Committee members” in the table above because stock acquisition rights are not allotted to outside directors.

2. All of the stock acquisition rights held by directors who are Audit & Supervisory Committee members were granted to them when they were executive officers.

3. Persons to whom stock acquisition rights are allotted may exercise those rights on or after the day following the day they cease to hold any of the following positions at the Company: director, executive officer, fellow or any position of an equivalent status.

(2) Stock acquisition rights held by Executive Officers (during the fiscal year ended March 31, 2024)

Title (Resolution date)	Number of stock acquisition rights	Type and number of shares underlying the stock acquisition rights	Amount to be paid for stock acquisition rights	Value of assets to be contributed upon exercise of stock acquisition rights	Period of time	Number of persons
Stock acquisition rights fiscal year 2023 (July 21, 2023)	528	Common stock 52,800 shares	1,032 yen per share	1 yen per share	From August 10, 2023 to August 9, 2053	Executive officers /Fellows 19

Notes: 1. The Company’s executive officers and fellows do not include employee-directors.

2. Persons to whom stock acquisition rights are allotted may exercise those rights on or after the day following the day they cease to hold any of the following positions at the Company: director, executive officer, fellow or any position of an equivalent status.

4. Corporate Officers

(1) Directors (as of March 31, 2024)

Position	Name	Responsibilities in the Company and important offices concurrently held
Representative Director and Chairman of the Board	Kiyotaka Shobuda	Chairman, The Mazda Foundation Outside director, The Chugoku Electric Power Company, Incorporated
Representative Director	Masahiro Moro	President and CEO Oversight of Communication and Sustainability
* Representative Director	Jeffrey H. Guyton	Senior Managing Executive Officer and CFO Assistant to President; Oversight of Operations in North America and Cost Innovation
Director	Mitsuru Ono	Senior Managing Executive Officer Oversight of Corporate Planning & Development
Director	Yasuhiro Aoyama	Senior Managing Executive Officer Oversight of Global Sales and Product Strategy; Assistant to the Officer overseeing Cost Innovation
Director	Ichiro Hirose	Senior Managing Executive Officer and CTO Oversight of R&D; Assistant to the Officer overseeing Cost Innovation
Director	Takeshi Mukai	Senior Managing Executive Officer Oversight of Quality, Purchasing, Production, Business Logistics and Carbon Neutrality; Assistant to the Officer overseeing Cost Innovation
* Director	Takeji Kojima	Senior Managing Executive Officer and CSO Oversight of Corporate Strategy, R&D Strategy Planning and MDI & IT; Assistant to the Officer overseeing Carbon Neutrality and Cost Innovation
Director	Kiyoshi Sato	Outside Director, Shibaura Machine Co., Ltd.
Director	Michiko Ogawa	Director, Panasonic Holdings Corporation Chairman, Japan Audio Society
Director, Audit & Supervisory Committee Member (Full-time)	Nobuhiko Watabe	
Director, Audit & Supervisory Committee Member	Akira Kitamura	Outside Director, Ark Real Estate Co., Ltd. Outside Audit & Supervisory Board Member, Toyo Aluminium K.K.
Director, Audit & Supervisory Committee Member	Hiroko Shibasaki	Outside Director, Kyudenko Corporation
Director, Audit & Supervisory Committee Member	Masato Sugimori	
*Director, Audit & Supervisory Committee Member	Hiroshi Inoue	Attorney-at-law Outside Audit & Supervisory Board Member, Mitsui Mining & Smelting Co., Ltd.

Notes: 1. Directors: Mr. Kiyoshi Sato, Ms. Michiko Ogawa, Mr. Akira Kitamura, Ms. Hiroko Shibasaki, Mr. Masato Sugimori and Mr. Hiroshi Inoue are outside directors. The Company has submitted an Independent Directors/Auditors Notification regarding Mr. Sato, Ms. Ogawa, Mr. Kitamura, Ms. Shibasaki, Mr. Sugimori and Mr. Inoue to the Tokyo Stock Exchange.

2. Mr. Nobuhiko Watabe has been elected as full-time Audit & Supervisory Committee members. As Mr. Watabe has thorough knowledge of and insight into the Company's business, they are expected to contribute to improving the effectiveness of Audit & Supervisory Committee activities through their work in enhancing the audit environment, participation in important meetings, regular exchange of information with Directors and Executive Officers and cooperation with accounting auditors and internal audit departments by identifying business risks and issues in governance and internal control and sharing their findings with all members of the Audit & Supervisory Committee.
3. Directors who are Audit & Supervisory Committee members, Mr. Nobuhiko Watabe, Mr. Akira Kitamura and Mr. Masato Sugimori, have considerable knowledge of finance and accounting as described below.
- (1) Mr. Watabe has experience serving as Deputy General Manager of the Corporate Planning Div. of the Company.
- (2) Mr. Kitamura served as Representative Director & Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation, as well as Chairman of the Board & CEO (Representative Director) of Kansai Urban Banking Corporation (currently Kansai Mirai Bank, Ltd.).
- (3) Mr. Sugimori served as Senior Managing Executive Officer, Assistant CFO, Risk Management of Sumitomo Corporation, as well as Director, Executive Vice President, General Manager, Corporate Unit of Jupiter Telecommunications Co., Ltd. (currently JCOM Co., Ltd.).
4. Asterisks indicate officers who were newly elected to assume positions as directors or directors who are Audit & Supervisory Committee members at the 157th Ordinary General Meeting of Shareholders held on June 27, 2023.
5. Changes in important offices held concurrently by directors during the fiscal year are as follows:
Mr. Kiyoshi Sato resigned from his post as Outside Director of Inabata & Co., Ltd. on June 21, 2023.
6. Although there are business transactions with the Panasonic Holdings Corporation, transactions during the fiscal year ended March 31, 2024 comprised an insignificant amount of less than 2% of the Company's consolidated net sales.
Although there are business transactions with the Mitsui Mining & Smelting Co., transactions during the fiscal year ended March 31, 2024 comprised an insignificant amount of less than 1% of the Company's consolidated net sales.
The Company has no major business transactions or relationships with Shibaura Machine Co., Ltd., Inabata & Co., Ltd., Japan Audio Society, Ark Real Estate Co., Ltd., Toyo Aluminium K.K. and Kyudenko Corporation.
7. Directors and Audit & Supervisory Committee members who retired during the fiscal year are as follows:

Name	Retirement Date	Reason	Positions and responsibilities in the Company and important offices concurrently held at the time of Retirement
Akira Marumoto	June 27, 2023	Expiry of term of office	Representative Director President and CEO
Akira Koga	June 27, 2023	Expiry of term of office	Director and Assistant to President
Masatoshi Maruyama	June 27, 2023	Expiry of term of office	Director, Audit & Supervisory Committee Member (Full-time)
Ichiro Sakai	June 27, 2023	Expiry of term of office	Director, Audit & Supervisory Committee Member Attorney-at-law

8. Position and Responsibilities of directors changed on April 1, 2024 as follows:

Position	Name	Responsibilities in the Company and important offices concurrently held
Director	Yasuhiro Aoyama	Senior Managing Executive Officer and CCEO Oversight of Product Strategy
Director	Ichiro Hirose	Senior Managing Executive Officer and CTO
Director	Takeshi Mukai	Senior Managing Executive Officer and CSCO Oversight of Quality and Carbon Neutrality
Director	Takeji Kojima	Senior Managing Executive Officer and CSO Assistant to the Officer overseeing Carbon Neutrality

(2) Summary of directors and officers liability insurance

The Company has entered into a liability insurance agreement for officers, etc. with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, whereby legal damages and litigation costs incurred due to a claim for damages against any insured person under the agreement will be covered by the insurance agreement. However, to ensure appropriate execution of duties by directors and officers, there are certain liabilities that are not covered under the policy, such as those arising from actions performed in knowing violation of law. The insurance agreement covers directors, executive officers and fellows. The premiums are fully paid by the Company, and no premiums are paid by the insured.

(3) Remuneration for Directors

(i) Policies on determining details of individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members) (FY ended March 31, 2024)

The Company establishes policies for determining details on individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members) (hereinafter "Decision Policies") and details of these policies are given below. After the Officer Lineup & Remuneration Advisory Committee (consisting of representative directors and outside directors) deliberates on and confirms the draft of a Decision Policy, it submits a report to the Board of Directors, and the Board of Directors makes a decision based on the report. Since the Officer Lineup & Remuneration Advisory Committee considers a proposal from various viewpoints including its consistency with the Decision Policy when deciding on details of individual remuneration for directors, the Board of Directors also basically respects the report with the understanding that it is in line with the Decision Policy.

Decision Policy:

Policy on setting individual remuneration amounts for directors and calculation methods (basic policy)

The basic policy on remuneration for the Company's directors is: 1) linked to the Company's sustainable growth and increase in corporate value in the medium to long term, 2) used to acquire and maintain capable personnel, 3) understandable and easy to explain to stakeholders and directors, and 4) set after the consideration of remuneration standards of other automobile manufacturers and the position of salaries of Mazda employees, with the understanding that directors work alongside employees.

To ensure transparency of the decision-making process for determining remuneration as well as fairness and objectivity on how decisions are made and remuneration is allocated, the Officer Lineup & Remuneration Advisory Committee comprised of representative directors and outside directors has been established as an advisory organ to the Board of Directors. The Committee discusses and confirms the basic policy, remuneration system based on it, and the decision-making process.

The remuneration of a director (excluding a director who is an Audit & Supervisory Committee member or outside director) consists of 1) a fixed amount of basic remuneration commensurate with the director's position and responsibilities, and level of remuneration in the director's country/location of ordinary residence, 2) performance-based remuneration determined at the end of the fiscal year based on the achievement of goals set at the beginning of the fiscal year in accordance with the business plan, and 3) compensation in the form of stock options aimed at increasing motivation to contribute to enhancing corporate value over the medium and long term and sharing the benefits with shareholders.

Directors of foreign nationality (non-Japanese nationality) may receive phantom stock (stock price-linked monetary compensation) instead of "remuneration in the form of stock options." In addition, fringe benefits, etc. may be provided within an appropriate range commensurate with remuneration practices, etc. in the director's country/location of ordinary residence.

Outside directors (excluding directors who are Audit & Supervisory Committee members) receive a fixed amount of basic remuneration only, considering their independence from the execution of operations.

Policy on setting performance indicators for performance-based remuneration and method of calculation of the performance-based remuneration amount or quantity

Indicators that can objectively confirm the Company's performance are used for performance-based remuneration. The primary indicators used consolidated net income attributable to owners of the parent and consolidated sales.

The target values are the values announced in the business results outlook at the beginning of each fiscal year, and the amount of performance-based remuneration for a given fiscal year is based on the level of achievement of the target values for that fiscal year. The amount of performance-based remuneration is also set based on position and duties.

In addition, at the beginning of the fiscal year each director sets personal targets, and at the end of the fiscal year a "personal performance payment" that recognizes the level of achievement of those targets is set.

Policy on content of non-monetary remuneration, setting the amount or quantity, and the calculation thereof

Stock acquisition rights as remuneration in the form of stock options are allotted as non-monetary compensation. The number of stock acquisition rights to be allotted is set in accordance with a director's position and duties.

In the allotment of stock acquisition rights, rather than payment of an amount determined on the basis of fair value, payment is made by offsetting monetary compensation based on compensation for stock acquisition rights as stock options.

Directors of foreign nationality (non-Japanese nationality) may receive phantom stock (stock price-linked monetary compensation), and at the time of their retirement receive monetary compensation linked to the stock price.

Policy on setting the ratio of basic remuneration, performance-based remuneration, and non-monetary remuneration for individual remuneration

The ratio of each type of remuneration for directors (excluding directors who are Audit & Supervisory Committee members and outside directors) is set in the following way so that the total of performance-based remuneration and non-monetary remuneration is approximately equal to the basic remuneration when the medium-term management plan is achieved.

Basic remuneration: performance-based remuneration: non-monetary remuneration (remuneration in the form of stock options) = 10 : 0.9 : 1

Policy on determining the time and conditions for granting remuneration to directors

Basic remuneration and performance-based remuneration are paid monthly by dividing the total annual amount of remuneration determined at a Board of Directors meeting into 12 payments. Stock acquisition rights, as non-monetary remuneration in the form of stock options, are allotted at a set time after the Ordinary General Meeting of Shareholders.

Matters concerning methods for determining individual remuneration for directors

The Officer Lineup & Remuneration Advisory Committee discusses and confirms the validity of the remuneration structure for directors (excluding directors who are Audit & Supervisory Committee members) such as standards, composition, and indicators for performance-based remuneration. The Representative Director, President & CEO calculates the specific amount of the personal performance payment of the performance-based remuneration for each director (excluding the Chairman, President and outside directors) within a range obtained by multiplying the personal performance payment base amount (5% of basic remuneration commensurate with position and responsibilities) by a coefficient of 1 to 2.5, and submits it for approval by a resolution of the Board of Directors.

(ii) General Meeting of Shareholders resolution on directors' remuneration

At the 157th Ordinary General Meeting of Shareholders held on June 27, 2023, the upper limit on remuneration for directors (excluding directors who are Audit & Supervisory Committee members) was set at 1.5 billion yen per year (excluding the employee salary portion for employee directors). There were ten (10) directors (excluding directors who are Audit & Supervisory Committee members) (including two (2) outside directors) as of the conclusion of the General Meeting of Shareholders. At the 153rd Ordinary General Meeting of Shareholders held on June 26, 2019, the upper limit on remuneration for directors who are Audit & Supervisory Committee members was set at 300 million yen per year. There were six (6) directors who are Audit & Supervisory Committee members (including four (4) outside directors) as of the conclusion of the General Meeting of Shareholders.

Additionally, at the 155th Ordinary General Meeting of Shareholders held on June 24, 2021, it was decided that directors (excluding directors who are Audit & Supervisory Committee members and outside directors) would be assigned share acquisition rights as "remuneration in the form of stock options" within the upper limit of their remuneration. There were seven (7) directors (excluding directors who are Audit & Supervisory Committee Members and outside directors) as of the conclusion of the General Meeting of Shareholders.

(iii) Total amount of remuneration for the fiscal year ended March 31, 2024

Category	Total amount of remuneration (Millions of yen)	Total amount per type of remuneration (Millions of yen)				Number of persons
		Basic remuneration	Performance-based remuneration	Non-monetary compensation	Other remuneration	
Directors (excluding directors who are Audit & Supervisory Committee Members) (of which, outside directors)	934 (29)	527 (29)	314 (-)	37 (-)	57 (-)	12 (2)
Directors who are Audit & Supervisory Committee Members (of which, outside directors)	115 (67)	115 (67)	- (-)	- (-)	- (-)	7 (5)
Total (of which, outside directors)	1,049 (96)	642 (96)	314 (-)	37 (-)	57 (-)	19 (7)

Notes: 1. The above includes two (2) director (excluding directors who are Audit & Supervisory Committee members) and two (2) directors who are Audit & Supervisory Committee members (one (1) of whom is an outside director), who retired at the conclusion of the 157th Ordinary General Meeting of Shareholders held on June 27, 2023. None of the above nineteen (19) directors is an employee director; therefore, the above amounts do not include employee salary.

2. Consolidated net income and consolidated net sales announced as the performance outlook for the fiscal year ending March 31, 2022 and fiscal year ending March 31, 2023 are set as indicators for performance-based remuneration, and the amount of performance-based remuneration for the current fiscal year is set based on the level of achievement of those indicators. The indicator targets and results for performance-based remuneration are as follows:

Performance indicators		Target	Result
Fiscal year ending March 31, 2022	Consolidated net income	35.0 billion yen	81.6 billion yen
	Consolidated net sales	3,400.0 billion yen	3,120.3 billion yen
Fiscal year ending March 31, 2023	Consolidated net income	80.0 billion yen	142.8 billion yen
	Consolidated net sales	3,800.0 billion yen	3,826.8 billion yen

Consolidated net income is set as an indicator for performance-based remuneration because it is the final profit that management is responsible for. Consolidated net sales is set as an indicator capable of confirming both qualitative improvement in sales and increases in sales volumes. All targets are deemed to be suitable indicators as they can be quantified as objective figures. In addition, part of performance-based remuneration is a “personal performance payment” based on an assessment at the end of the fiscal year of the achievement of personal targets each director sets at the beginning of the fiscal year.

3. Remuneration in the form of stock options is allocated to directors (excluding directors who are Audit & Supervisory Committee members and outside directors) as non-monetary compensation.

The amounts paid to directors (excluding directors who are Audit & Supervisory Committee members and outside directors) include expenses of 37 million yen recorded in the fiscal year ended March 31, 2024 for stock acquisition rights issued as remuneration in the form of stock options. The details and status of issue of the stock options are as indicated in “3. Stock acquisition rights.”

4. As other remuneration, one (1) foreign director is paid phantom stock (stock price-linked remuneration) (28 million yen recorded as expenses in the fiscal year ended March 31, 2024), housing allowance, and other fringe benefits.
5. The remuneration of directors who are Audit & Supervisory Committee members and outside directors, as positions independent from business execution, is a fixed amount of basic remuneration only. Furthermore, the remuneration of directors who are Audit & Supervisory Committee members is determined through discussion among the members.

(4) Matters concerning Outside Corporate Officers

Category	Name	Attendance Record	Outline of main activities and duties performed in relation to the anticipated role
Director	Kiyoshi Sato	Attended 16 out of 16 meetings of the Board of Directors	We expect him to improve the supervisory function of the Board of Directors by offering advice and recommendations particularly from an international viewpoint as well as a broad management viewpoint. In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.
Director	Michiko Ogawa	Attended 16 out of 16 meetings of the Board of Directors	We expect her to improve the supervisory function of the Board of Directors by offering advice and recommendations particularly from a brand marketing perspective as well as a professional viewpoint as an engineer. In the current fiscal year, she has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.
Director, Audit & Supervisory Committee Member	Akira Kitamura	Attended 16 out of 16 meetings of the Board of Directors Attended 19 out of 19 meetings of the Audit & Supervisory Committee	We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the viewpoint of corporate management and from his expert understanding of finance and accounting in particular. In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors. At Audit & Supervisory Committee meetings he has also contributed to strengthening the supervisory function by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively upon receiving reports from the directors who are full-time Audit & Supervisory Committee members on the status and results of auditing. He has also heard from directors and executive officers about the performance of their duties.

Category	Name	Attendance Record	Outline of main activities and duties performed in relation to the anticipated role
Director, Audit & Supervisory Committee Member	Hiroko Shibasaki	<p>Attended 16 out of 16 meetings of the Board of Directors</p> <p>Attended 19 out of 19 meetings of the Audit & Supervisory Committee</p>	<p>We expect her to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from her viewpoint of customer satisfaction and from her expert knowledge of sales in particular.</p> <p>In the current fiscal year, she has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the Board of Directors.</p> <p>At Audit & Supervisory Committee meetings she has also contributed to strengthening the supervisory function by expressing her opinions mainly from the viewpoints described above and exchanging opinions actively upon receiving reports from the directors who are full-time Audit & Supervisory Committee members on the status and results of auditing. She has also heard from directors and executive officers about the performance of their duties.</p>
Director, Audit & Supervisory Committee Member	Masato Sugimori	<p>Attended 16 out of 16 meetings of the Board of Directors</p> <p>Attended 19 out of 19 meetings of the Audit & Supervisory Committee</p>	<p>We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from his viewpoints of risk management and expert understanding of finance and accounting in particular.</p> <p>In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the Board of Directors.</p> <p>At Audit & Supervisory Committee meetings he has also contributed to strengthening the supervisory function and improving the governance and internal control of the Mazda Group by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively on issues and risks of medium-and long-term business strategies and the status and results of auditing.</p>

Category	Name	Attendance Record	Outline of main activities and duties performed in relation to the anticipated role
Director, Audit & Supervisory Committee Member	Hiroshi Inoue	<p>Attended 13 out of 13 meetings of the Board of Directors</p> <p>Attended 14 out of 14 meetings of the Audit & Supervisory Committee</p>	<p>We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the viewpoint of compliance and from his standpoint as a legal professional in particular.</p> <p>In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.</p> <p>At Audit & Supervisory Committee meetings he has also contributed to further strengthening the supervisory function and improving the governance and internal control of the Mazda Group by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively on issues and risks of key business strategies and the status and results of auditing.</p>

- Notes: 1. The attendance record of Mr. Hiroshi Inoue covers the period after he assumed his post as Director, Audit & Supervisory Committee Member on June 27, 2023.
2. In addition to the above, outside directors, after gaining a sound understanding of management by taking sufficient time to ask questions to directors regarding important management strategy matters and receiving prior briefings on matters to be brought before the Board of Directors, engage in deliberation and make decisions at Board of Directors meetings. As members of the Officer Lineup & Remuneration Advisory Committee, they also participate in committee meetings and assume a supervisory role from an objective and neutral standpoint in the selection of candidates for officers of the Company and in the decision-making process on matters such as officer remuneration.
3. Based on the provisions of Article 427, Paragraph 1 of the Companies Act, a liability limitation agreement that limits the liability in Article 423, Paragraph 1 to the maximum liability stipulated in Article 425, Paragraph 1 has been concluded between the Company and the outside directors.

6.Accounting Auditor

(1) Name of Accounting Auditor KPMG AZSA, LLC

(2) Amount of compensation to the Accounting Auditor for the fiscal year ended March 31, 2024

	Compensation (million yen)
(i) Amount of compensation to the Accounting Auditor	230
(ii) Total compensation to be paid or payable to the Accounting Auditor by the Company and its Consolidated Subsidiaries	296

- Notes: 1. The Audit & Supervisory Committee has determined that the Accounting Auditor's audit plan is an effective and efficient plan which takes into account risks of the Mazda Group and that the status of performance of duties by the Accounting Auditor and the basis for calculation of the estimated remuneration for the Accounting Auditor are appropriate, and has consented to the amount of remuneration, etc. to be paid to the Accounting Auditor.
2. The audit contract between the Company and the Accounting Auditor does not separate compensation for the audit prescribed by the Companies Act from compensation for the audit prescribed by the Financial Instruments and Exchange Act; hence these two forms of compensation cannot be separated. Therefore, the above amount of (i) represents the total amount of compensation.
3. The Company entrusts the Accounting Auditor with the preparation of comfort letters related to the issuance of corporate bonds, which is a service other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-auditing services).

(3) Subsidiaries audited by accounting auditors other than the above

Among the principal subsidiaries of the Company, Mazda Motor of America Inc., Mazda Canada Inc., Mazda Motor Manufacturing de Mexico S.A. de C.V., Mazda Motor Europe GmbH, Mazda Motor Logistics Europe N.V., Mazda Motors (Deutschland) GmbH, Mazda Motors UK Ltd., Mazda Australia Pty Ltd., Mazda Motor (China) Co., Ltd., Mazda Sales (Thailand) Co., Ltd. and Mazda Powertrain Manufacturing (Thailand) Co., Ltd. are audited by other accounting auditors.

(4) Policy for determining the dismissal or non-reappointment of an Accounting Auditor

If the Accounting Auditor falls under any of the circumstances set forth in Article 340, Paragraph 1 of the Companies Act, which constitutes a reason for dismissal, and there is no prospect for improvement, the Accounting Auditor may be dismissed with the consent of all members of the Audit & Supervisory Committee.

Apart from any cases arising for any reason of the Company, in the event of any circumstance that poses a major obstacle to the audit activities of the Company, such as a suspension of audit operations by order of a competent authority, based on the facts, the Audit & Supervisory Committee will consider the dismissal or non-reappointment of the Accounting Auditor. If dismissal or non-reappointment is deemed appropriate, the matter of the dismissal or non-reappointment of the Accounting Auditor is submitted as an agenda item at the General Meeting of Shareholders by a resolution of the Audit & Supervisory Committee.

7. Outline of resolutions of the Board of Directors related to the establishment of systems to ensure that directors execute their duties in compliance with laws and regulations and the articles of incorporation, and the establishment of other systems necessary to ensure the appropriateness of operations of the Company and subsidiaries in the Group, and the status of operation of these systems

1. Outline of resolutions of the Board of Directors related to the establishment of systems

(1) System for the preservation and management of information related to directors' execution of duties

Minutes of meetings of shareholders and the Board of Directors and other information related to the execution of directors' duties are properly stored and managed in accordance with laws and regulations, the articles of incorporation and all other relevant internal regulations, and the Audit & Supervisory Committee members are allowed to review this information upon request.

(2) Regulations and other systems related to the risk of loss

- (i) Individual business risks are managed by the relevant divisions, and company-level risks are managed by the divisions in charge in accordance with the basic risk management policy and other relevant internal regulations.
- (ii) In the event of serious management circumstances or emergencies such as disasters, appropriate measures such as establishing an emergency headquarters are taken as necessary in accordance with internal regulations.
- (iii) The officer and department in charge of the promotion of risk management throughout the Company are specified, and risk management is further strengthened and enhanced through activities such as setting an agenda of priority issues for the Risk & Compliance Committee and checking and evaluating the risk management in each department.
- (iv) The internal auditing department checks and evaluates risk management in all departments by conducting internal audits, and regularly reports to the Board of Directors and Audit & Supervisory Committee.

(3) System to ensure that directors execute their duties efficiently

- (i) To meet business plan targets, activities are carried out in each area of operations in accordance with the medium- and long-term management plan and the annual fiscal year business plan.
- (ii) All items related to operations that must be submitted to the board as set forth in the Board of Directors Regulations are submitted at a Board of Directors meeting.
- (iii) Daily operations are carried out efficiently in accordance with the division of duties among executive officers based on the Administrative Authority Regulations, Work Allocation Regulations and other relevant internal regulations or by delegating authority to the executive officers.

(4) System to ensure that directors and employees execute their duties in compliance with laws and regulations and the articles of incorporation

- (i) To further strengthen the oversight function of the Board of Directors and achieve greater management transparency, independent Outside Directors are appointed.
- (ii) The execution of duties by directors and other corporate officers and employees are carried out so as to ensure compliance with laws and regulations and the articles of incorporation in accordance with the compliance system in which an officer in charge of compliance is appointed and a division in charge of compliance is set up, and each divisional manager is responsible for the promotion of compliance under the Mazda Corporate Ethics Code of Conduct.
- (iii) The promotion of compliance is based on company-wide promotion policies deliberated on by the Risk & Compliance Committee and administered by the division that administers compliance throughout the Company.
- (iv) The Mazda Global Hotline (hereinafter "hotline") has been set up to receive reports of misconduct or suspected misconduct in the context of laws and regulations or of the Mazda Corporate Ethics Code of Conduct. The hotline accepts anonymous reports, and a channel for receiving reports by an independent organization (a lawyer) has been established.

(5) System to ensure the appropriateness of operations of the corporate group consisting of the Company and its subsidiaries

- (i) Subsidiaries are requested to make advance reports to the Company on specific matters and on the resolution of important operational issues in accordance with relevant internal regulations or to seek the Company's approval of them.
- (ii) Subsidiaries are given guidance and support so as to carry out appropriate risk management in accordance with basic risk management policies and relevant internal regulations.
- (iii) Subsidiaries are given guidance in support so as to introduce the corporate group's medium- to long-term and annual business plans and other initiatives and policies of the Company and to conduct their business in accordance with them. Subsidiaries are also be given guidance and support as needed to resolve important business issues that arise.
- (iv) The Mazda Corporate Ethics Code of Conduct is also introduced at subsidiaries, and they are given guidance and support to carry out their business in accordance with the code. The Audit & Supervisory Committee and the internal auditing department conduct audits of group companies' compliance with laws, regulations and the articles of incorporation, and the status of their risk management as appropriate.

(6) Matters related to directors and employees to assist the Audit & Supervisory Committee in its work

An organization to assist the Audit & Supervisory Committee with its work has been established, and employees who are not subject to the guidance or directives of directors (excluding directors who are Audit & Supervisory Committee members) (hereinafter "Audit & Supervisory Committee staff") are assigned to the organization.

(7) Matters related to the independence of the directors and employees described in (6) above from other directors (excluding directors who are Audit & Supervisory Committee members) and ensuring the effectiveness of instructions to these directors and employees

- (i) The transfer and evaluation of Audit & Supervisory Committee staff is undertaken by the Human Resources department after prior discussion with full-time Audit & Supervisory Committee members.
- (ii) Audit & Supervisory Committee staff must not be concurrently assigned to any other department and must report solely to the Audit & Supervisory Committee.

(8) Systems for reporting to the Audit & Supervisory Committee by directors (excluding directors who are Audit & Supervisory Committee members) and employees of the Company and its subsidiaries, for other reporting to the Audit & Supervisory Committee and for ensuring that persons who make reports are not subjected to unfavorable treatment as a result of making reports

- (i) When directors (excluding directors who are Audit & Supervisory Committee members; the same applies to all following references to directors hereinafter in this item (8)) and executive officers discover facts that may result in significant harm to the Company, they report such facts to the Audit & Supervisory Committee immediately.
- (ii) Directors and executive officers report to the Audit & Supervisory Committee on serious lawsuits and disputes, changes in accounting policy, major accidents, administrative punishment by the authorities or other matters that are to be discussed by the Audit & Supervisory Committee with the directors and executive officers even if they are not facts that may result in significant harm to the Company.
- (iii) Directors and executive officers request reports from subsidiaries' directors, executive officers, auditors or employees engaged in internal audits of subsidiaries on facts that may result in a significant loss to the Company or its subsidiaries and on other matters that the Audit & Supervisory Committee will decide on after discussions with the directors and executive officers. These reports are reported to the Audit & Supervisory Committee.
- (iv) The internal auditing department makes regular reports to the Audit & Supervisory Committee on the results of its internal audits of the corporate group.
- (v) Reports from employees of the Company or its major subsidiaries are received via the hotline and the status of such reports is regularly reported to the Audit & Supervisory Committee.

(vi) Officers and employees of the corporate group are thoroughly informed that persons who make reports to the hotline, cooperate in an investigation, or make reports to the Audit & Supervisory Committee under any provisions of this item (8) will not be subject to retaliatory or unfavorable treatment.

(9) Matters related to procedures for the advance payment or reimbursement of costs incurred in conjunction with the execution of duties by Audit & Supervisory Committee members and policies concerning the handling of other costs or claims incurred in the execution of their duties

The Audit & Supervisory Committee prepares a budget in advance for costs deemed to be necessary for the execution of duties. Requests for reimbursement for costs incurred in an emergency or on an impromptu basis may be made after the fact.

(10) Other systems to ensure that audits of the Audit & Supervisory Committee are conducted effectively

- (i) The Audit & Supervisory Committee audits the execution of duties of directors (excluding directors who are Audit & Supervisory Committee members; the same applies hereinafter in this item (10)) in accordance with its annual plan.
- (ii) The full-time Audit & Supervisory Committee Members attends important meetings such as meetings of the Executive Committee.
- (iii) The Audit & Supervisory Committee maintains close cooperation with the internal auditing department and the Accounting Auditor by holding regular meetings and other means.
- (iv) The Audit & Supervisory Committee communicates with directors, executive officers and general managers of major departments through meetings and interviews on the execution of duties.
- (v) Cooperation is maintained by holding meetings regularly with the full-time Audit & Supervisory Committee members and full-time corporate auditors of major companies in the Mazda Group and by sharing information with them.

(11) Basic philosophy on the elimination of anti-social forces

The Mazda Group has no association with anti-social forces or groups nor engages in any acts to facilitate the activities of such forces or groups. Any unreasonable demands from an anti-social force or group are dealt with firmly, including systematic efforts in cooperation with external bodies such as the police or lawyers as necessary.

2. Outline of status of operation

The Company has established systems in accordance with resolutions of the Board of Directors described above, and works to ensure that these systems operate appropriately. Major initiatives undertaken this fiscal year are described below.

The Audit & Supervisory Committee members and internal auditing department audit the effectiveness of internal control on an ongoing basis, and the Board of Directors receives reports on the status of the system's operation.

(1) Risk management and compliance initiatives

- The functioning of risk management and compliance this year was ascertained and evaluated at meetings of the Risk & Compliance Committee. The Company is working to further clarify risks in both the Company and its subsidiaries and to strengthen risk management. Progress in these areas is reviewed every six months at meetings of the Risk & Compliance Committee.
- Under the medium-term activity plan (April 1, 2020 – March 31, 2025), the Company is making efforts to establish a foundation of strong risk management across the entire Mazda Group with the following two goals: 1) establish and reliably operate a process for early identification and preemptive prevention of risk, and 2) clarify rules that must be followed throughout the Group's corporate activities and strengthen autonomous risk management activities based on those rules.
- This fiscal year the Company has continued to position compliance with the Subcontract Act as a priority initiative. In addition to efforts to ensure appropriate use of a system to realize uniform business management, the Company continues to conduct regular training and internal auditing.

- As the effort to comply with the Antitrust Act and the Subcontract Act, the Company have clarified our policy to facilitate the passing on of prices for parts, raw materials, etc. , and is monitoring the status of the response.
- Corporate officers and employees receive education on compliance on an ongoing basis. (This includes group classes/online classes on business affairs and duties, opportunities for self-study using e-learning, and the regular dissemination of information.)
- Employees of the Company and its major subsidiaries are made aware of the hotline (in house and third-party organization) through methods such as posters and Intranet. Reports are received and handled appropriately. During this fiscal year, the Company are striving to improve the awareness and reliability of the hotline operational results with employees of the company and affiliates.
- Employees are regularly informed of the reporting process so that information on fraud or losses material to corporate management are reliably conveyed through the organization and handled promptly and smoothly.
- Efforts are being made to reduce risks. Departments that manage company-wide risks engage in discussion concerning risks identified from a company-wide perspective, confirm the emergence of new risks, and examine necessary countermeasures.
- Effective compliance education programs for the Company's division managers and its subsidiaries' managing directors are being developed and implemented.
- To enable business continuity and early recovery to normal conditions in the event of a large-scale disaster, procedures have been decided on actions to take in normal times as well as times of emergency including the Company's initial response in the event its business partners suffer damages from the disaster, and these procedures are regularly checked and updated. Initial response training based on a large-scale disaster scenario is also being conducted systematically. In the wake of the Noto Peninsula Earthquake, the Company immediately confirmed the damage status of suppliers and sales companies after the earthquake occurred, confirmed whether business continuity was possible, and worked to minimize the impact on our business.

(2) Initiatives related to ensuring the efficiency of the execution of duties

- The budget is set based on the business plan, and progress is verified.
- All matters that must be discussed by the Board of Directors under the provisions of the Regulations of the Board of Directors are brought before the board accordingly.
- Duties are allocated to executive officers under the Rules of Managerial Authority, Descriptions of Office Duties and other related internal regulations, and authority is delegated to executive officers.
- Efforts are being made to ensure effective and efficient deliberations are made at board meetings. A yearly schedule for board meetings is prepared, and outside directors are thoroughly briefed in advance on matters to be brought before the Board of Directors.
- To enhance the functionality of board meetings, board meeting attendants conduct self-evaluations using a survey form. Meeting proceedings and deliberations are also analyzed, and ways to improve the meetings are discussed.

(3) Initiatives to ensure the appropriateness of operations in the corporate group

- The status of risk management and compliance initiatives at subsidiaries and the status of operation of the hotline are assessed, and guidance and support are offered.
- Education on the roles and responsibilities of management, compliance, and risk management is provided to the directors of subsidiaries.
- The Company and its subsidiaries cooperate in the implementation of internal audits to ascertain the effectiveness of internal control. During audits, education is provided for directors of subsidiaries on internal controls based on examples of issues within the Group.
- In addition to on-site audits, ongoing efforts are made to promote more efficient and appropriate audit activities in cooperation with relevant divisions including auditing activities utilizing the web conference system.

- At domestic subsidiaries, the Company's middle managers serve as auditors and conduct audits. Each company promotes autonomous internal control initiatives, such as sharing and deliberating on internal control issues in its internal control committee, and makes regular reports to the Company's management, along with reports on its financial condition. At overseas subsidiaries, audit committee meetings are held with local corporate officers and the internal auditing department as well as the Company's corporate officers, supervising departments and internal auditing department in attendance. At these meetings, internal control initiatives are deliberated and views are exchanged. Furthermore, initiatives are implemented to further strengthen the internal control and risk management systems of subsidiaries, including the provision of guidance and support to improve the audit system and internal control function at subsidiaries.
- At the Company and its subsidiaries, self-assessment of the status of the operation of internal control is conducted using a checklist, flaws in control are ascertained independently, and corrective measures are taken. The internal auditing department also recommends necessary improvements, and newly identified risks are reflected in the checklist as appropriate.

(4) Initiatives for ensuring that audits of the Audit & Supervisory Committee are conducted effectively

- The Audit & Supervisory Committee formulates the audit policy and priority measures based on the surrounding business environment and the status of governance of the Mazda Group, and audits the status of execution of duties of the directors (excluding directors who are Audit & Supervisory Committee members) in line with the annual plan.

Based on the audit plan, the Audit & Supervisory Committee also engages in dialogue with directors (excluding directors who are members of the Audit & Supervisory Committee), executive officers, general managers of key divisions, and managing directors of affiliated companies and conducts on-site inspections of domestic and overseas affiliates regarding the operational status of the internal control system. Likewise, in cooperation with the Accounting Auditor and the internal auditing department, the Audit & Supervisory Committee comprehensively and effectively determines and confirms the operational status of the internal control system of the Mazda Group as a whole and reports the results to the Board of Directors.

- While improving the audit environment, full-time Audit & Supervisory Committee members attend management meetings, the Risk & Compliance Committee, the Quality Committee and other important meetings, gather information on business risks, governance, and internal control risks and issues within the Mazda Group by exchanging information and opinions with directors (excluding directors who are Audit & Supervisory Committee members) and others, and share these with the Audit & Supervisory Committee.
- Outside Directors who are Audit & Supervisory Committee members audit and supervise from their independent perspectives the status of execution of duties by directors (excluding directors who are Audit & Supervisory Committee members) based on information obtained from full time Audit & Supervisory Committee members, discussions on risks and issues of key strategies at Board of Directors meetings, and regular reports on the execution of duties by directors (excluding directors who are Audit & Supervisory Committee members).
- The Audit & Supervisory Committee members confirm the status of deliberation by the Risk Compliance Committee through regular reports of the Board of Directors. In addition, the full-time Audit & Supervisory Committee members receive reports on the status of hotline reports, and share with the Audit & Supervisory Committee risks and issues they have identified and the status of countermeasures.
- The full-time Audit & Supervisory Committee members cooperate with the corporate auditors of domestic subsidiaries (mainly larger companies) in exchanging information on a regular basis to determine the status of governance and internal control in the Group.

Consolidated Balance Sheet

(As of March 31, 2024)

ASSETS		LIABILITIES	
Account title	Amount	Account title	Amount
	Mil.yen		Mil.yen
Current Assets	1,993,029	Current Liabilities	1,405,617
Cash and deposits	818,563	Trade notes and accounts payable	435,290
Trade notes and accounts receivable	163,426	Short-term loans payable	30,304
Securities	104,000	Bonds due within one year	20,000
Inventories	680,452	Long-term loans payable due within one year	94,238
Other	228,155	Lease obligations	7,231
Allowance for doubtful receivables	(1,567)	Income taxes payable	79,079
		Other accounts payable	52,842
Non-current Assets	1,798,739	Accrued expenses	403,325
Property, plant and equipment	1,192,875	Reserve for warranty expenses	156,383
Buildings and structures (net)	205,336	Other	126,925
Machinery, equipment and vehicles (net)	405,095		
Tools, furniture and fixtures (net)	71,833	Non-current Liabilities	628,773
Land	419,653	Bonds	45,000
Leased assets (net)	24,498	Long-term loans payable	359,122
Construction in progress	66,460	Lease obligations	19,894
Intangible assets	62,727	Deferred tax liability related to land revaluation	64,345
Software	60,284	Provision related to environmental regulations	29,505
Other	2,443	Liability for retirement benefits	67,594
Investments and other assets	543,137	Other	43,313
Investment securities	304,378	Total Liabilities	2,034,390
Long-term loans receivable	18,592		
Asset for retirement benefits	96,107	NET ASSETS	
Deferred tax assets	55,989		Mil.yen
Other	68,350	Capital and Retained Earnings	1,420,720
Allowance for doubtful receivables	(279)	Common stock	283,957
		Capital surplus	263,007
		Retained earnings	875,629
		Treasury stock	(1,873)
		Accumulated Other Comprehensive Income/(Loss)	316,865
		Net unrealized gain/(loss) on available-for-sale securities	77,407
		Deferred gains/(losses) on hedges	135
		Land revaluation	145,099
		Foreign currency translation adjustment	55,394
		Accumulated adjustments for retirement benefits	38,830
		Stock Acquisition Rights	471
		Non-controlling Interests	19,322
		Total Net Assets	1,757,378
Total Assets	3,791,768	Total Liabilities and Net Assets	3,791,768

(In Japanese yen rounded to millions)

Consolidated Statement of Operations

(For the Year Ended March 31, 2024)

Account title	Amount	
		Mil.yen
Net sales		4,827,662
Cost of sales		3,788,978
Gross profit		1,038,684
Selling, general and administrative expenses		788,181
Operating income		250,503
Non-operating income		
Interest and dividend income	24,848	
Equity in net income of affiliated companies	8,808	
Foreign exchange gain	54,181	
Other	7,263	95,100
Non-operating expenses		
Interest expense	7,838	
Loss on transfer of receivables	10,416	
Other	7,229	25,483
Ordinary income		320,120
Extraordinary income		
Gain on sales of property, plant and equipment	217	
Other	15	232
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	15,420	
Impairment loss	5,787	
Other	822	22,029
Income before income taxes		298,323
Income taxes		
Current	109,860	
Deferred	(20,953)	88,907
Net income		209,416
Net income attributable to non-controlling interests		1,720
Net income attributable to owners of the parent		207,696

(In Japanese yen rounded to millions)

Consolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2024)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2023	283,957	263,035	699,231	(1,995)	1,244,228	20,243	(68)
Changes during the period:							
Dividends paid			(31,501)		(31,501)		
Net income attributable to owners of the parent			207,696		207,696		
Purchase of treasury stock				(2)	(2)		
Sale of treasury stock		(28)		124	96		
Reversal for land revaluation			203		203		
Changes in items other than capital and retained earnings, net						57,164	203
Total changes during the period	-	(28)	176,398	122	176,492	57,164	203
Balance at March 31, 2024	283,957	263,007	875,629	(1,873)	1,420,720	77,407	135

	Accumulated Other Comprehensive Income/(Loss)				Stock Acquisition Rights	Non-controlling Interests	Total Net Assets
	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total			
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2023	145,302	14,184	15,709	195,370	475	16,728	1,456,801
Changes during the period:							
Dividends paid							(31,501)
Net income attributable to owners of the parent							207,696
Purchase of treasury stock							(2)
Sale of treasury stock							96
Reversal for land revaluation							203
Changes in items other than capital and retained earnings, net	(203)	41,210	23,121	121,495	(4)	2,594	124,085
Total changes during the period	(203)	41,210	23,121	121,495	(4)	2,594	300,577
Balance at March 31, 2024	145,099	55,394	38,830	316,865	471	19,322	1,757,378

(In Japanese yen rounded to millions)

Notes to Consolidated Financial Statements

Note on the Assumptions as Going Concern

Not applicable

Notes on Basis of Presenting Consolidated Financial Statements

1. Consolidation Scope

- | | |
|---|--|
| (1) Number of consolidated subsidiaries | 70 |
| (2) Primary consolidated subsidiaries | Mazda Motor of America, Inc., Mazda Canada, Inc., Mazda Motor Manufacturing de Mexico S.A. de C.V., Mazda Motor Europe GmbH, Mazda Motor Logistics Europe N.V., Mazda Motors (Deutschland) GmbH, Mazda Motors UK Ltd., Mazda Australia Pty. Ltd., Mazda Motor (China) Co., Ltd., Mazda Sales (Thailand) Co., Ltd., Mazda Powertrain Manufacturing (Thailand) Co., Ltd., Kanto Mazda Co., Ltd., Tokai Mazda Sales Co., Ltd., Kansai Mazda Co., Ltd., Kyusyu Mazda Co., Ltd., Mazda Parts Co., Ltd., Kurashiki Kako Co., Ltd., Mazda Logistics Co., Ltd., Mazda Chuhan Co., Ltd., etc. |
| (3) Changes in consolidation scope | (Newly added)
(Due to new establishment)
1 Mazda Alliance Services Europe GmbH
(Excluded)
(Due to transfer of equity shares)
1 Hakodate Mazda Co., Ltd. |
| (4) A primary unconsolidated subsidiary and reason for exclusion from consolidation scope | PT. Mazda Motor Indonesia
This subsidiary is immaterial in terms of total assets, sales, net income and retained earnings, etc. The exclusion of this immaterial subsidiary does not have material impacts on overall consolidated financial statements. |

2. Application of Equity Method

- | | |
|---|--|
| (1) Number of equity method-applied affiliates | 20 |
| (2) Primary equity method-applied affiliates | AutoAlliance (Thailand) Co., Ltd., Changan Mazda Automobile Co., Ltd., Changan Mazda Engine Co., Ltd., Mazda Toyota Manufacturing, U.S.A., Inc., Toyo Advanced Technologies Co., Ltd., Mazda Credit, Inc., etc. |
| (3) Primary affiliates not accounted for by the equity method and reason for not applying the equity method | Hiroshima Toyo Carp Co., Ltd. and others
These affiliates not accounted for by the equity method are all immaterial in terms of net income and retained earnings and do not have material impacts on overall consolidated financial statements. |

3. Accounting Periods of Consolidated Subsidiaries

The year-end consolidated balance sheet date is March 31. Among the consolidated subsidiaries, 21 companies including Mazda Motor Manufacturing de Mexico S.A. de C.V. have year-end balance sheet dates (in its statutory financial statements) different from the year-end consolidated balance sheet date, most of which are December 31.

In preparing the consolidated financial statements, for 7 of the 21 companies including Mazda Motor Manufacturing de Mexico S.A. de C.V., special purpose financial statements that are prepared for consolidation are used to supplement the companies' statutory financial statements. For the other 14 companies, in preparing the consolidated financial statements, financial statements of these companies with different balance sheet dates are used. However, necessary adjustments in consolidation are made for material transactions that have occurred between the balance sheet date of these subsidiaries and the consolidated year-end balance sheet date.

4. Accounting Policies

(1) Valuation Standards and Methods for Significant Assets

- a) Securities:
- Held-to-maturity debt securities
 - Amortized cost method (straight-line method)
 - Available-for-sale securities
 - Other than shares without market value:
 - Stated at fair value (Net unrealized gains/losses are reported within net assets. Costs of securities sold are calculated mainly using a moving average method.)
 - Shares without market value:
 - Stated at cost on a historical cost basis, mainly based on the moving average method.
- b) Derivative instruments: Mainly a fair value method
- c) Inventories: For inventories that are held for the purpose of sales in the normal course of business, inventories are stated mainly on a historical cost basis based on a weighted average method. (The carrying value in the consolidated balance sheet is determined by the lower of cost or net realizable value.)

(2) Depreciation and Amortization Methods for Significant Non-current Assets

- a) Property, plant and equipment (excluding leased assets) Mainly depreciated using the straight-line method over the estimated useful lives of the assets with a residual value at the end of useful lives to be a memorandum value.
- b) Intangible assets (excluding leased assets) Straight-line method
Software for internal use is amortized on a straight-line basis over the available period of internal use, i.e. 5 years.
- c) Leased assets For finance leases which do not transfer ownership, depreciation or amortization expense is recognized on a straight-line basis over the lease period. For leases with a guaranteed minimum residual value, the contracted residual value is considered to be the residual value for financial accounting purposes. For other leases, the residual value is zero.
The consolidated foreign subsidiaries that apply the International Financial Reporting Standards (“IFRS”) or Generally Accepted Accounting principles in the U.S. (“US GAAP”) have adopted IFRS 16 “Leases” or Accounting Standards Update (“ASU”) 2016-02 “Leases.” In accordance with these accounting standards, the lessee recognizes in principle all of the lease assets and lease liabilities on the balance sheets. For leased assets, depreciation or amortization expense is recognized on a straight-line basis over the lease period.

(3) Standards for Significant Allowances

- a) Allowance for doubtful receivables Allowance for doubtful receivables provides for losses from bad debts. The amount estimated to be uncollectible is recorded. For receivables at an ordinary risk, the amount is based on the past default ratio, and for receivables at a high risk, the amount is calculated in consideration of the collectibility of individual receivables.
- b) Reserve for warranty expenses Reserve for warranty expenses provides for after-sales expenses of products (vehicles). In accordance with the coverage of the warranty booklet and relevant laws and regulations, the amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects and expected reimbursements into consideration.
- c) Provision related to environmental regulations Provision related to environmental regulations provides for the estimated costs of complying with environmental regulations at the end of the fiscal year.

(4) Basis for Recognition of Significant Revenues and Expenses

The main business of the Group is the manufacture and sale of automobiles and their components, as well as maintenance services. For product sales, revenue is recognized when control over a product is transferred to the customer and the performance obligation is satisfied. This transfer generally takes place when the product is delivered at a location agreed with the customer. Maintenance services, etc. are treated as separate performance obligations from the delivery of the product. For non-recurring services such as maintenance, the performance obligation is satisfied and revenue is recognized when the service is completed and delivered to the customer. For recurring services such as Connected Services, the performance obligation is satisfied and revenue is recognized over the period the service is provided.

Revenue is measured based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties. The total consideration of the contract is allocated to performance obligations based on their standalone selling prices. These standalone selling prices are determined with reference to the selling prices of similar products or services, or other reasonably available information.

The Group provides dealers with sales incentives calculated based on sales promotion programs, which generally represent discounts from the Group to dealers. Sales incentives are deducted from revenue recognized when the applicable products are delivered to the dealers.

Consideration for products is usually collected from customers within 30 days from the time revenue is recognized, and consideration for services is collected from customers within 30 days from the time services are provided, and there are no significant payment terms.

(5) Accounting Method for Retirement Benefit

- | | |
|---|---|
| a) Method of attributing expected benefit to periods | In calculating the retirement benefit obligation, the method of attributing expected benefit to the accounting period is based on mainly a benefit formula basis. |
| b) Method of amortization of actuarial gains or losses and prior service cost | The recognition of actuarial differences is deferred on the straight-line basis over a period equal to or less than the average remaining service period of employees at the time such gains or losses are realized (mainly 13 years). The amortization of net gains or losses starts from the fiscal year immediately following the fiscal year in which such gains or losses arise. The recognition of prior service cost is deferred on a straight-line basis over a period equal to or less than the average remaining service period of employees at the time such cost is incurred (mainly 12 years). |

- | | |
|----------------------------------|--|
| (6) Foreign Currency Translation | Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate on the fiscal year end; gains and losses in foreign currency translation are included in the income of the current period. Balance sheets of consolidated foreign subsidiaries are translated into Japanese yen at the rates on the fiscal year ends of the subsidiaries' accounting periods except for net assets accounts, which are translated at the historical rates. Statement of operations of consolidated foreign subsidiaries are translated at average rates of the subsidiaries' fiscal years, with the translation differences prorated and included in the net assets as foreign currency translation adjustment and non-controlling interests. |
|----------------------------------|--|

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|---------------------------------------|---|
| (7) Accounting for Hedging Activities | Full-deferral hedge accounting is applied.
Also, for certain interest rate swap contracts that are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest swap contract is added to or deducted from the interest on the assets or liabilities for which the interest rate swap contract was executed. |
|---------------------------------------|---|

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| (8) Amortization of Goodwill | Goodwill is amortized on a straight-line basis over a period (primarily 5 years) during which each investment is expected to generate benefits. |
|------------------------------|---|

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|---------------------------------|--|
| (9) Other Accounting Treatments | a) Any non-deductible consumption taxes associated with asset purchases
Any non-deductible consumption taxes associated with asset purchases are recorded as an expense during the fiscal year.
b) Presentation of operating lease assets under US GAAP
Operating lease assets under US GAAP are included in leased assets under property, plant and equipment. |
|---------------------------------|--|

Notes on Revenue Recognition

1. Breakdown of revenue

The Group's revenues consist primarily of revenue from contracts with customers, and revenues generated from sources other than contracts with customers are immaterial. The following table shows revenues recognized at a point in time, such as product sales or maintenance services, and revenues recognized over time based on contract period, for each of reportable segments.

(Amounts in millions of yen)

	Reportable Segments				
	Japan	North America	Europe	Other areas	Total
Timing of revenue recognition					
Revenue recognized at a point in time	941,562	2,326,416	885,929	654,457	4,808,364
Revenue recognized over time	1,057	15,964	1,721	556	19,298
Total	942,619	2,342,380	887,650	655,013	4,827,662

2. Basic information for understanding revenue

For details on Basic information for understanding revenue, refer to "Notes to Consolidated Financial Statements (Basis of Presenting Consolidated Financial Statements), 4. Accounting Policies (4) Basis for Recognition of Significant Revenues and Expenses."

3. Information for understanding the amount of revenue for the current and subsequent periods

(1) Contract Balances

Receivables from contracts with customers and contract liabilities as of March 31, 2024 were as follows.

Receivables from contracts with customers (Balance as of April 1, 2023)	
Trade notes	3,017 million yen
Accounts receivable	163,904 million yen
Receivables from contracts with customers (Balance as of March 31, 2024)	
Trade notes	3,451 million yen
Accounts receivable	159,975 million yen
Contract liabilities (Balance as of April 1, 2023)	
Other current liabilities	99,027 million yen
Contract liabilities (Balance as of March 31, 2024)	
Other current liabilities	108,057 million yen

(*) Contract liabilities consist mainly of advances received related to product sales and deferred revenue related to Connected Services. Of the amount recognized as revenue in the fiscal year, the amount included in the contract liabilities balance at the beginning of the period was ¥55,998 million.

(2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations and the breakdown by period in which revenue is expected to be recognized as of March 31, 2024 were as follows.

Within 1 year	28,082 million yen
Over 1 year	57,363 million yen
Total	<u>85,445 million yen</u>

Please note that the above amounts do not include information on remaining performance obligations that have original expected duration of one year or less, applying the practical expedient. There are no material amounts not included in the transaction price in the consideration arising from contracts with customers.

Changes in Presentation

The future estimated costs of the quality-related expense of certain consolidated subsidiaries, which were included in "Accrued expenses" under "Current Liabilities" in the previous consolidated fiscal year, are included in "Reserve for warranty expenses" from the fiscal year ended March 31, 2024, from the perspective of a more realistic presentation.

Notes on Significant Accounting Estimates

Accounting estimates that are recorded in the consolidated financial statements for the fiscal year and have a risk of a material effect on consolidated financial statements for the next fiscal year are as follows.

Reserve for warranty expenses	156,383 million yen
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Notes to Consolidated Balance Sheet

Inventories	
Merchandise and finished products	472,489 million yen
Work-in-process	179,690 million yen
Raw materials and supplies	28,273 million yen
2. Accumulated depreciation on property, plant and equipment	1,393,629 million yen
3. Assets offered as collateral and collateralized loans	
(1) Assets offered as collateral (carrying amounts as of the end of fiscal year)	
Buildings and structures	87,741 million yen
Machinery, equipment and vehicles	203,428 million yen
Tools, furniture and fixtures	44,408 million yen
Land	227,877 million yen
Inventories	155,931 million yen
Other	145,914 million yen
Total	<u>865,299 million yen</u>
(2) Collateralized loans	
Short-term loans payable	21,183 million yen
Long-term loans payable (including those due within one year)	2,582 million yen
Total	<u>23,765 million yen</u>
4. Contingent liabilities for guarantee and similar agreements	
Guarantees of loans and similar agreements	
Automobile dealers (in Europe)	20,123 million yen
Others	22 million yen
Total	<u>20,145 million yen</u>

5. In accordance with the Act on Partial Amendment of the Act on Revaluation of Land (Act No.19 of March 31, 2001), land owned by the Company for business uses was revalued. The unrealized gains on the revaluation are included in net assets as "Land revaluation," net of deferred taxes. The deferred taxes on the unrealized gains are included in liabilities as "Deferred tax liability related to land revaluation."

Method of revaluation:

The fair value of land was determined based on official notice prices that are assessed and published by the Commissioner of the National Tax Administration, as stipulated in Article 2-4 of the Ordinance Implementing the Act on Revaluation of Land (Article 119 of 1998 Cabinet Order, promulgated on March 31, 1998). Reasonable adjustments, including those for the timing of assessment, are made to the official notice prices.

Date of revaluation: March 31, 2001

The difference between the aggregate fair value of the revalued land as of the end of the fiscal year and the book value after revaluation as stipulated in Article 10 of the Land Revaluation Law was:

61,643 million yen

Notes to Consolidated Statement of Changes in Net Assets

1. Type and total number of issued shares as of March 31, 2024

Common stock 631,803,979 shares

2. Matters concerning dividends from surplus

(1) Amount of dividends paid:

Resolution	Type of stock	Total amount of dividends (Million yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2023	Common stock	15,749	25.00	March 31, 2023	June 28, 2023
Board of Directors held on November 7, 2023	Common stock	15,752	25.00	September 30, 2023	December 1, 2023

(2) Dividends for which the record date falls during the fiscal year under review but the effective date falls during the next fiscal year:

The following will be proposed at the ordinary general meeting of shareholders to be held on June 25, 2024.

Resolution	Type of stock	Resource of dividends	Total amount of dividends (Million yen)	Dividends per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 25, 2024	Common stock	Retained earnings	22,053	35.00	March 31, 2024	June 26, 2024

Note: Dividend per share includes special dividend of 5 yen.

3. Type and number of shares underlying the stock acquisition rights as of March 31, 2024

Common stock 535,200 shares

Notes on Financial Instruments

1. Overview of financial instruments

The Mazda Group manages its cash mainly through short-term deposits. Mazda Group's sources of finance include loans from banks and other financial institutions, and issuance of bonds.

The Mazda Group seeks to reduce counterparty credit risks related to trade notes, accounts receivable, and loans receivable according to internal control rules and procedures. Credit risks related to securities are minimal, as these securities consist mainly of certificates of deposits of creditworthy financial institutions. Investment securities consist mainly of stocks. The Mazda Group measures the fair value of listed stocks on a quarterly basis.

The net position of accounts receivables and payables denominated in foreign currencies are, in principle, hedged mainly through foreign exchange forward contracts, in order to reduce foreign exchange risk. Cash financed through loans payable and the issuance of bonds is used as operating funds (which are mostly short term) and for capital investment in facilities and equipment (long term). The Mazda Group conducts derivative transactions within the bounds of actual demand, in compliance with internal control rules and procedures.

2. Fair value of financial instruments and other information

As of March 31, 2024 (the consolidated balance sheet date of the current period), the carrying amounts on the consolidated balance sheet, the fair values, and the differences between these amounts, respectively, of financial instruments were as follows.

(Amounts in millions of yen)

	Carrying amount on consolidated balance sheet	Fair value	Difference
(1) Securities	104,000	104,000	-
(2) Investment securities	170,154	170,154	-
(3) Long-term loans receivable (*2)	26,238	26,380	142
(4) Bonds	65,000	64,696	(304)
(5) Long-term loans payable	453,360	453,029	(331)
(6) Lease obligations	27,125	26,898	(227)
(7) Derivative instruments (*3)	(97)	(97)	-

(*1) Cash and deposits, trade notes and accounts receivable, trade notes and accounts payable, other accounts payable, and short-term loans payable are omitted, because the fair values approach the book values since they are settled in the short term.

(*2) Long-term loans receivable are presented net of an allowance for doubtful receivables (carrying amount on the consolidated balance sheet: ¥15 million), which are recognized on the basis of each individual loans receivable. The amount presented includes long-term loans receivable due within one year (carrying amount on the consolidated balance sheet: ¥7,661 million), which are presented as part of "Other" in current assets on the consolidated balance sheet.

(*3) Receivables and payables resulting from derivative transactions are offset against each other and presented on a net basis; when a net liability results, the net amount is shown in ().

(*4) Market prices of unlisted stocks (carrying amount on the consolidated balance sheet: ¥1,923 million), investment in affiliates' stocks (carrying amount on the consolidated balance sheet: ¥132,301 million) and certain other instruments are not available because these instruments do not have market prices. Accordingly, these instruments are excluded from "(2) Investment securities."

3. Fair value of financial instruments and breakdown of input level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair value determined based on the (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2: Fair value determined based on directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value determined based on significant unobservable inputs

If multiple inputs with a significant impact are used for the fair value measurement, the financial instrument is classified to the lowest level of the fair value hierarchy.

(Note) Description of the valuation techniques and inputs used to measure fair value

(1) Securities

Securities consist mainly of certificates of deposits of creditworthy financial institutions and are settled within short periods of time, and their carrying amounts approximate their fair values. Accordingly, their fair value is classified as Level 2 assets, and carrying amounts are used as the fair values of these securities.

(2) Investment securities

Investments in publically traded equity securities are actively traded and valued based on their market prices, and their fair values are mainly classified as Level 1 assets. On the other hand, the fair value of the convertible bonds with stock acquisition rights is classified as Level 3 assets, and is calculated by applying valuation techniques based on a binomial model using significant unobservable inputs, such as discount rates, using a price obtained from an external valuation expert.

(3) Long-term loans receivable

The fair value of long-term loans receivable is calculated by discounting the principal and interest payments to present value, using the imputed interest rate that would be applied for similar new loans receivable. Accordingly, their fair value is classified as Level 2 assets.

(4) Bonds

The fair value of bonds issued by the Mazda Group is calculated based on the market price (JSDA "Reference Statistical Prices [Yields] for OTC Bond Transactions") and classified as Level 2 assets.

(5) Long-term loans payable, and (6) Lease obligations

The fair value of these liabilities is calculated by discounting the principal and interest payments to present value, using the imputed interest rate that would be applied for similar new borrowing or lease. Accordingly, their fair value is classified as Level 2 assets.

(7) Derivative instruments

The fair value of foreign exchange forward contracts is calculated based on the price presented by financial institutions and is classified as Level 2 assets.

Note to Per Share Information

Net assets per share of common stock	2,757.74 yen
Net income per share of common stock (Basic)	329.65 yen
Net income per share of common stock (Diluted)	329.38 yen

Notes to Significant Subsequent Events

Not applicable.

Unconsolidated Balance Sheet

(As of March 31, 2024)

ASSETS		LIABILITIES	
Account title	Amount	Account title	Amount
	Mil.yen		Mil.yen
Current Assets	1,340,688	Current Liabilities	830,443
Cash and deposits	496,807	Accounts payable - Trade	328,681
Accounts receivable - Trade	341,548	Bonds due within one year	20,000
Securities	104,000	Long-term loans payable due within one year	93,500
Finished products	71,324	Lease obligations	1,566
Work in process	99,845	Accounts payable - Other	16,540
Raw materials and supplies	11,894	Accrued expenses	103,521
Prepaid expenses	7,999	Income taxes payable	54,533
Accounts receivable - Other	49,105	Deposits received	77,321
Short-term loans receivable	102,332	Reserve for warranty expenses	128,675
Other	55,993	Forward exchange contracts	255
Allowance for doubtful receivables	(159)	Other	5,851
Non-current Assets	1,377,414	Non-current Liabilities	606,739
Property, plant and equipment	749,632	Bonds	45,000
Buildings	94,968	Long-term loans payable	358,000
Structures	15,420	Lease obligations	3,540
Machinery and equipment	250,827	Deferred tax liability	3,937
Vehicles	5,949	Deferred tax liability related to land revaluation	64,345
Tools, furniture and fixtures	25,194	Provision related to environmental regulations	28,049
Land	296,264	Reserve for retirement benefits	61,807
Leased assets	4,461	Reserve for loss on business of subsidiaries and affiliates	20,697
Construction in progress	56,549	Long-term guarantee deposited	6,186
Intangible assets	55,472	Asset retirement obligations	3,777
Software	55,471	Other	11,401
Leased assets	1	Total Liabilities	1,437,182
Investments and other assets	572,310	NET ASSETS	
Investment securities	165,122		Mil.yen
Stocks of subsidiaries and affiliates	249,034	Capital and Retained Earnings	1,059,243
Investments in capital of subsidiaries and affiliates	40,766	Common stock	283,957
Long-term loans receivable from subsidiaries and affiliates	22,755	Capital surplus	267,576
Long-term prepaid expenses	34,513	Capital reserve	193,847
Prepaid pension cost	44,864	Other capital surplus	73,729
Other	15,256	Retained earnings	509,578
		Other retained earnings	509,578
		Unappropriated retained earnings	509,578
		Treasury stock	(1,868)
		Valuation and Translation Adjustments	221,206
		Net unrealized gain/(loss) on available-for-sale securities	76,083
		Deferred gains/(losses) on hedges	24
		Land revaluation	145,099
		Stock Acquisition Rights	471
		Total Net Assets	1,280,920
Total Assets	2,718,102	Total Liabilities and Net Assets	2,718,102

(In Japanese yen rounded to millions)

Unconsolidated Statement of Operations

(For the Year Ended March 31, 2024)

Account title	Amount	
		Mil.yen
Net sales		3,636,113
Cost of sales		3,066,966
Gross profit		569,147
Selling, general and administrative expenses		436,845
Operating income		132,302
Non-operating income		
Interest income	17,113	
Interest income of securities	22	
Dividends income	26,501	
Rental income	4,305	
Foreign exchange gain	52,068	
Other	1,885	101,894
Non-operating expenses		
Interest expense	4,988	
Interest paid on bonds	174	
Other	2,479	7,641
Ordinary income		226,555
Extraordinary income		
Gain on sales of property, plant and equipment	14	14
Extraordinary losses		
Loss on sales of property, plant and equipment	5	
Loss on retirement of property, plant and equipment	14,774	
Impairment loss	5,683	
Reserve for loss on business of subsidiaries and affiliates	2,098	
Other	675	23,235
Income before income taxes		203,334
Income taxes		
Current	57,692	
Deferred	7,911	65,603
Net income		137,731

(In Japanese yen rounded to millions)

Unconsolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2024)

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other retained earnings Unappropriated retained earnings		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2023	283,957	193,847	73,757	403,144	(1,990)	952,715
Changes during the period:						
Dividends paid				(31,501)		(31,501)
Net income				137,731		137,731
Purchase of treasury stock					(2)	(2)
Sale of treasury stock			(28)		124	96
Reversal for Land revaluation				204		204
Changes in items other than capital and retained earnings, net						
Total changes during the period	-	-	(28)	106,434	122	106,528
Balance at March 31, 2024	283,957	193,847	73,729	509,578	(1,868)	1,059,243

	Valuation and Translation Adjustments				Stock Acquisition Rights	Total Net Assets
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Total valuation and translation adjustments		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2023	20,368	(140)	145,302	165,530	475	1,118,720
Changes during the period:						
Dividends paid						(31,501)
Net income						137,731
Purchase of treasury stock						(2)
Sale of treasury stock						96
Reversal for Land revaluation						204
Changes in items other than capital and retained earnings, net	55,715	164	(204)	55,675	(4)	55,671
Total changes during the period	55,715	164	(204)	55,675	(4)	162,199
Balance at March 31, 2024	76,083	24	145,099	221,206	471	1,280,920

(In Japanese yen rounded to millions)

Notes to Unconsolidated Financial Statements

Note on the Assumptions as Going Concern

Not applicable

Notes on Important Accounting Policies

1. Valuation Standards and Methods for Assets

(1) Securities:

Held-to-maturity debt securities

Amortized cost method (straight-line method)

Stocks of subsidiaries and affiliates:

Stated at cost on a historical cost basis, based on a moving-average method

Available-for-sale securities:

Other than shares without market value:

Stated at fair value (Net unrealized gains/losses are reported within net assets. Costs of securities sold are calculated mainly using a moving average method.)

Shares without market value:

Stated at cost on a historical cost basis, based on a moving average method.

(2) Derivative instruments:

Mainly a fair value method

(3) Inventories:

Stated on a historical cost basis based on a weighted average method. (The carrying value in the balance sheet is determined by the lower of cost or net realizable value.)

2. Depreciation and Amortization Methods for Non-current Assets

(1) Property, plant and equipment (excluding leased assets)

Mainly depreciated using the straight-line method over the estimated useful lives of the assets with a residual value at the end of useful lives to be a memorandum value.

(2) Intangible assets (excluding leased assets)

Software is amortized on a straight-line basis over the available period of internal use, i.e., 5 years.

(3) Leased assets

For finance leases which do not transfer ownership, depreciation or amortization expense is recognized on a straight-line basis over the lease period. For leases with a guaranteed minimum residual value, the contracted residual value is considered to be the residual value for financial accounting purposes. For other leases, the residual value is zero.

3. Standards for Allowances

(1) Allowance for doubtful receivables

Allowance for doubtful receivables provides for losses from bad debts. The amount estimated to be uncollectible is recorded. For receivables at an ordinary risk, the amount is based on the past default ratio, and for receivables at a high risk, the amount is calculated in consideration of the collectibility of individual receivables.

(2) Reserve for warranty expenses

Reserve for warranty expenses provides for after-sales expenses of products (vehicles). In accordance with the coverage of the warranty booklet and relevant laws and regulations, the amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects and expected reimbursements into consideration.

(3) Provision related to environmental regulations

Provision related to environmental regulations provides for the estimated costs of complying with environmental regulations at the end of the fiscal year.

(4) Reserve for retirement benefits

To provide for the payment of employees' retirement benefits, the Company makes a provision for retirement benefits based the estimated amounts of projected benefit obligation and the fair value of the plan assets at the end of this fiscal year.

a) Method of attributing expected benefit to periods

In calculating the retirement benefit obligation, the method of attributing expected benefit to

the accounting period is based on a benefit formula basis.

b) Method of amortization of actuarial gains or losses and prior service cost

The recognition of prior service cost is deferred on a straight-line basis over a period equal to or less than the average remaining service period of employees at the time such cost is incurred (12 years).

The recognition of actuarial differences is also deferred on the straight-line basis over a period equal to or less than the average remaining service period of employees at the time such gains or losses are realized (13 years). The amortization of net gains or losses starts from the fiscal year immediately following the year in which such gains or losses arise.

(5) Reserve for loss on business of subsidiaries and affiliates

Reserve for loss on business of subsidiaries and affiliates provides for losses from business of subsidiaries and affiliates. The amount is estimated in light of the financial positions and other conditions of the subsidiaries and affiliates.

4. Accounting Standard for Revenue and Expense

Our main business is the manufacture and sale of automobiles, parts, Connected Service and so on. Regarding the sale of products, we judge that the performance obligations have been satisfied when the control over the products is transferred, and we recognize the revenue. This transfer usually takes place when the product is delivered to the customer at a location agreed with the customer.

For recurring services such as Connected Services, the performance obligation is satisfied, and the revenue is recognized over the period the service is provided.

Revenue is measured based on the consideration specified in the contract with the customer and excludes the amount collected for a third party. The total price of the contract is distributed to all products based on their independent selling price. This price is calculated with reference to the selling price of similar products or other reasonably available information.

We provide the dealers with sales incentives calculated based on sales promotion measures, which generally correspond to discounts from us to the dealers. This sales incentive is deducted from the revenue recognized when the target product is delivered to the retailer.

The consideration for the sale of the product is usually paid within 30 days of the transfer of control over the product to the customer.

5. Other Accounting Treatments

(1) Accounting for hedging activities

Full-deferral hedge accounting is applied. Also, for certain interest rate swap contracts that are used as hedges and meet certain hedging criteria, the net amount to be paid or received under the interest swap contract is added to or deducted from the interest on the assets or liabilities for which the interest rate swap contract was executed.

(2) Accounting method for retirement benefits

In the unconsolidated financial statements, accounting treatment for unrecognized actuarial gains or losses and unrecognized prior service cost differs from that of in the consolidated financial statements.

(3) Accounting for national and local consumption taxes

Tax-excluded method is applied.

Any non-deductible consumption taxes associated with asset purchases are recorded as an expense during the current fiscal year.

Notes to Significant Accounting Estimates

Items for which figures are recorded in the unconsolidated financial statements for the current fiscal year based on accounting estimates and that have a risk of a material effect on unconsolidated financial statements for the next fiscal year are as follows.

Reserve for warranty expenses	128,675 million yen
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Notes to Unconsolidated Balance Sheet

1. Accumulated depreciation on property, plant and equipment	943,669 million yen
2. Short-term receivables from subsidiaries and affiliates	420,048 million yen
3. Long-term receivables from subsidiaries and affiliates	22,765 million yen
4. Short-term payables to subsidiaries and affiliates	175,991 million yen
5. Long-term payables to subsidiaries and affiliates	2,991 million yen
6. Assets offered as collateral and collateralized loans	
(1) Assets offered as collateral (carrying amounts as of the end of fiscal year)	
Buildings	56,452 million yen
Structures	5,879 million yen
Machinery and equipment	150,592 million yen
Tools, furniture and fixtures	11,990 million yen
Land	<u>163,127 million yen</u>
Total	<u>388,040 million yen</u>
(2) Collateralized loans	
Long-term loans payable (including those due within one year)	2,000 million yen
7. Contingent Liabilities for guarantee and similar agreements	
Guarantee of loans and similar agreement	
Minami Kyushu Mazda Co., Ltd.	1,820 million yen
Kanto Mazda Co., Ltd.	1,770 million yen
Tohoku Mazda Co., Ltd.	1,680 million yen
Others	<u>46 million yen</u>
Total	<u>5,316 million yen</u>
8. In accordance with the Law to Partially Revise the Land Revaluation Law (Law No.19, enacted on March 31,2001), land owned by the Company for business uses was revalued. The unrealized gains on the revaluation are included in net assets as "Land Revaluation", net of deferred taxes. The deferred taxes on the unrealized gains are included in liabilities as "Deferred tax liability related to land revaluation".	
Method of revaluation:	
The fair value of land was determined based on official notice prices that are assessed and published by the Commissioner of the National Tax Administration, as stipulated in Article 2-4 of the Ordinance Implementing the Law Concerning Land Revaluation (Article 119 of 1998 Cabinet Order, promulgated on March 31, 1998). Reasonable adjustments, including those for the timing of assessment, are made to the official notice prices.	
Date of revaluation:	March 31, 2001
The amount of difference between the aggregate fair value of the revalued land as of the end of this fiscal year and the book value after revaluation as stipulated in Article 10 of the Land Revaluation Law was ¥61,643 million.	

Notes to Unconsolidated Statement of Operations

Amount of transactions with subsidiaries and affiliates	
Sales	3,192,931 million yen
Purchase	868,249 million yen
Selling, general and administrative expenses	71,580 million yen
Non-operating transactions	36,795 million yen

Notes to Unconsolidated Statement of Changes in Net Assets

Type and number of treasury stock as of the end of fiscal year:	
Common stock	1,721,610 shares

Notes on Tax Effect Accounting

The significant components of deferred tax assets and deferred tax liabilities:

Deferred taxes assets:	
Valuation loss on investment securities	46,553 million yen
Reserve for warranty expenses	39,194 million yen
Accrued expenses, etc.	23,349 million yen
Reserve for retirement benefits	18,827 million yen
Inventories, etc.	11,082 million yen
Provision related to environmental regulations	8,544 million yen
Accrued employees' bonuses	6,778 million yen
Reserve for loss on business of subsidiaries and affiliates	6,304 million yen
Others	<u>16,411 million yen</u>
Subtotal	177,042 million yen
Valuation allowance	<u>(133,917) million yen</u>
Total deferred tax assets	43,125 million yen
Deferred tax liabilities:	
Net unrealized gain on available-for-sales securities	(33,326) million yen
Prepaid pension cost	(13,666) million yen
Asset retirement cost corresponding to asset retirement obligations	(59) million yen
Others	<u>(11) million yen</u>
Total deferred tax liabilities	<u>(47,062) million yen</u>
Net deferred tax assets	<u>(3,937) million yen</u>
Deferred tax liabilities related to land revaluation:	
Deferred tax assets related to land revaluation	548 million yen
Less valuation allowance	(548) million yen
Deferred tax liabilities related to land revaluation	<u>(64,345) million yen</u>
Net deferred tax liability related to land revaluation	<u>(64,345) million yen</u>

Notes on Related Party Transactions

Subsidiaries, affiliate etc.

(In millions of yen)

Type	Name of related parties	% of voting rights held	Relationship	Contents of transaction	Transaction amount	Account title	Year-end balance
Subsidiary	Mazda Motor of America, Inc.	Direct: 100%	-Sale of Mazda - brand products -Dispatch of directors	Sales of Automobiles *1	1,330,124	Accounts receivable -Trade	112,153
Subsidiary	Mazda Motor Logistics Europe N.V.	Direct: 100%	-Sale of Mazda - brand products -Dispatch of directors	Sales of automobiles *1	723,806	Accounts receivable -Trade	80,586
Subsidiary	Mazda Motor Manufacturing de Mexico S.A.de C.V.	Direct: 100%	-Manufacturing and sale of Mazda brand products -Dispatch of directors	Purchase of Automobiles *1, 2	446,178	Accounts payable -Trade	34,650
				Lending of funds *3	25,861	Loans receivable	36,925
				Collection of loans receivable	92,782		
Subsidiary	Mazda Motor de Mexico S. de R.L. de C.V.	Direct: 100%	-Sale of Mazda brand products -Dispatch of directors	Lending of funds *3	11,033	Loans receivable	27,663
Affiliates	Mazda Toyota Manufacturing, U.S.A., Inc.	Direct: 50%	-Dispatch of directors	Lending of funds *3	103,244	Loans receivable	60,645
				Collection of loans receivable	44,053		

Transaction terms and policies on the determination of transaction terms, etc.:

*1 Conditions of transaction are determined on arms-length basis based on market prices.

*2 Supplies of parts for overseas production for a fee and purchase of automobiles are recorded on Unconsolidated Statement of Operations at a net amount.

*3 Interest rate applied to lending of funds is reasonably determined in consideration of market interest rates.

Notes to Per Share Information

Net Assets per share of common stock	2,032.19 yen
Net income per share of common stock (Basic)	218.60 yen
Net income per share of common stock (Diluted)	218.42 yen

Notes to Significant Subsequent Event

Not applicable

Independent Auditor's Report

May 9, 2024

To the Board of Directors of Mazda Motor Corporation:

KPMG AZSA LLC
Hiroshima Office, Japan

Hiroshi Tawara
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Koji Yoshida
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kazumi Kanehara
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Mazda Motor Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory committee is responsible for overseeing the directors' performance of their duties with regard to the design,

implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC

Independent Auditor's Report

May 9, 2024

To the Board of Directors of Mazda Motor Corporation:

KPMG AZSA LLC
Hiroshima Office, Japan

Hiroshi Tawara
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Koji Yoshida
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Kazumi Kanehara
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Mazda Motor Corporation ("the Company") as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit and supervisory

committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit and supervisory committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit and supervisory committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and supervisory committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC

Audit Report

The Audit & Supervisory Committee conducted audits on directors' execution of their duties during the 158th fiscal year beginning April 1, 2023, and ending March 31, 2024. Methods and results of the audits are described below.

1. Methods and content of audits

With regard to the content of resolution by the Board of Directors in relation to matters prescribed in Article 399-13, Paragraph 1, Item (i)(b) and (c) of the Companies Act and the system (internal control system) developed based on the resolution, the Audit & Supervisory Committee members received regular reports from directors, executive officers and employees on the creation and operation status of the system; requested explanations and exchanged opinions and information; expressed their views as necessary; and conducted audits using the following methods.

- (i) Based on the Standards for Audits by the Audit & Supervisory Committee set forth by the Audit & Supervisory Committee and pursuant to the audit policy, activity plan, sharing of audit activities, etc. for this fiscal year, the Audit & Supervisory Committee members, in cooperation with the Company's internal audit department, attended important meetings; received reports from directors, executive officers and employees on matters relating to the execution of their duties and requested explanations as necessary; reviewed important documents including those on important decisions; and confirmed the status of operations and assets at the Company's head office and its major places of business. In addition, with regard to the Company's subsidiaries, the Audit & Supervisory Committee members exchanged opinions and information with the directors and auditors of subsidiaries and received reports on their operations as necessary.
- (ii) The Audit & Supervisory Committee members monitored and verified that the accounting auditor maintained an independent point of view and conducted appropriate accounting audits and received reports from the accounting auditor on the execution of its duties, requested explanations of the accounting auditor as necessary, and exchanged opinions and information with the accounting auditor. The Audit & Supervisory Committee members also received notification from the accounting auditor that it had created and operated "a system to ensure that accounting auditors perform their duties appropriately" (pursuant to each item of Article 131 of the Companies Act Accounting Regulations) in accordance with the "Standards for Quality Control of Audits" (Business Accounting Council) etc. Furthermore, the Audit & Supervisory Committee members requested explanations as necessary and exchanged opinions and information.

Based on the above methods, the Audit & Supervisory Committee members reviewed the business report and its detailed statements, the (unconsolidated) financial statements (balance sheet, profit & loss statement, statement of changes in net assets and explanatory notes) and their detailed statements, and the consolidated financial statements (consolidated balance sheet, consolidated profit & loss statement, consolidated statement of changes in net assets and consolidated explanatory notes).

2. Audit results

(1) Results of the audit of the business report, etc.

- (i) The business report and its attached specification are deemed to correctly show the Company's situation in accordance with laws and regulations and the Articles of Incorporation.
- (ii) No material facts regarding misconduct or violations of laws and regulations or of the articles of incorporation were found as to the directors' performance of their duties.

(iii) The content of resolution by the Board of Directors concerning the Internal Control System is deemed appropriate. We did not find any matter to be mentioned with respect to the directors' performance of their duties pertinent to the System.

(2) Results of the audit of financial statements and their attached specifications

The methods and results of the audit by the accounting auditor, KPMG AZSA LLC, are deemed appropriate.

(3) Results of the audit of consolidated financial statements

The methods and results of the audit by the accounting auditor, KPMG AZSA LLC, are deemed appropriate.

May 9, 2024

Audit & Supervisory Committee, Mazda Motor Corporation

Nobuhiko Watabe, Audit & Supervisory Committee Member (full-time)

Akira Kitamura, Audit & Supervisory Committee Member

Hiroko Shibasaki, Audit & Supervisory Committee Member

Masato Sugimori, Audit & Supervisory Committee Member

Hiroshi Inoue, Audit & Supervisory Committee Member

Note: Mr. Akira Kitamura, Mrs. Hiroko Shibasaki, Mr. Masato Sugimori, Mr. Hiroshi Inoue are Outside Audit & Supervisory Committee members as stipulated under Item 15 of Article 2 and Paragraph 6 of Article 331 of the Companies Act.