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Securities Code: 7261
June 5, 2023
(Electronic provision of information starts on: May 29, 2023)

To Our Shareholders with Voting Rights

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

NOTICE OF THE 157TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 157th Ordinary General Meeting of Shareholders of Mazda Motor Corporation on June 27, 2023. 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 26, 2023.

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 27, 2023 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 157th Fiscal Year (from April 1, 2022 to March 31, 2023)

2. Unconsolidated Financial Statements for the 157th Fiscal Year (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus Funds

Proposal No. 2: Election of Ten (10) Directors (Excluding Directors who are Audit & Supervisory Committee Members)

Proposal No. 3: Election of Five (5) Directors who are Audit & Supervisory Committee Members

Proposal No. 4: Revision of the Remuneration Amount for Directors (excluding Directors who are Audit & Supervisory Committee members)

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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/>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus Funds

The Company's policy regarding the stock dividend is to determine the amount of dividend payments, taking into account the current fiscal year's financial results, business environment, and financial condition, etc. The Company is also working to ensure stable shareholder returns and their steady increase.

To respond to changes in the automobile industry and investment in research and development and facilities for further growth while bearing in mind the business environment including sales and exchange rate fluctuations and the Company's financial situation, we propose a year-end dividend of 25 yen per share.

An interim dividend of 20 yen per share has been paid, making the annual dividend for this fiscal year 45yen per share.

1. Type of asset to be distributed: Cash
2. Allocation of asset to be distributed to shareholders and total amount:
25 yen per share of the Company's common stock
Total amount: 15,749,241,325 yen
3. Date on which distribution of surplus funds will take effect: June 28, 2023

【Reference】 Trends in Dividends

	154rd Fiscal Year (April 2019 to March 2020)	155th Fiscal Year (April 2020 to March 2021)	156th Fiscal Year (April 2021 to March 2022)	157th Fiscal Year (April 2022 to March 2023)
Annual dividend per share (JPY)	35	0	20	45
Dividend payout ratio (consolidated)	181.7%	-	15.4%	19.8%

Note: The annual dividend per share for the 157th fiscal year is predicated on the approval and adoption of the proposal as proposed.

Proposal No. 2: Election of Ten (10) 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. Akira Marumoto and Mr. Akira Koga will retire. Accordingly, we propose to elect ten (10) 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 meeting attended
1	Reelection	Kiyotaka Shobuda	Male	Representative Director and Chairman of the Board	100% (17/17)
2	Reelection	Mitsuru Ono	Male	Director and Senior Managing Executive Officer	94% (16/17)
3	Reelection	Masahiro Moro	Male	Director and Senior Managing Executive Officer	100% (17/17)
4	Reelection	Yasuhiro Aoyama	Male	Director and Senior Managing Executive Officer	100% (17/17)
5	Reelection	Ichiro Hirose	Male	Director and Senior Managing Executive Officer	100% (14/14)
6	Reelection	Takeshi Mukai	Male	Director and Senior Managing Executive Officer	100% (14/14)
7	New Candidate	Jeffrey H. Guyton	Male	Senior Managing Executive Officer	-
8	New Candidate	Takeji Kojima	Male	Senior Managing Executive Officer	-
9	Reelection	Kiyoshi Sato	Male	Independent Outside Director	100% (17/17)
10	Reelection	Michiko Ogawa	Female	Independent Outside Director	100% (17/17)

Candidate No. 1 Kiyotaka Shobuda

Reelection



Date of Birth	April 11, 1959 (64 years old)
Numbers of Company shares held	10,800 shares
Number of BOD meeting attended	100% (17/17)

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 (scheduled to be named on June 2023)

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 this knowledge and performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No. 2 Mitsuru Ono

Reelection



Date of Birth	December 25, 1958 (64 years old)
Numbers of Company shares held	1,200 shares
Number of BOD meeting attended	94% (16/17)

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

- April 1981 Joined Sumitomo Bank, Ltd. (now Sumitomo Mitsui Banking Corp.)
- April 2011 Executive Officer, General Manager of International Credit Management Dept.
- April 2012 Executive Officer, Deputy Head of International Banking Unit; General Manager of International Credit Management Dept.
- June 2015 Standing Auditor (to April 2017)
- May 2017 Adviser at the Company
- June 2017 Director and Senior Managing Executive Officer; Oversight of Financial Services; Assistant to the Officer overseeing Fleet Sales; In charge of Global Corporate Communications
- June 2018 Director and Senior Managing Executive Officer; Oversight of Financial Services and Administrative Domain; Assistant to the Officer overseeing Fleet Sales
- June 2019 Director and Senior Managing Executive Officer; Oversight of Financial Services and Administrative Domain
- June 2021 Director and Senior Managing Executive Officer; Oversight of Financial Services and Corporate Planning & Development

(to the present)

Reasons for nomination as a candidate for director:

As an executive officer at a financial institution, Mr. Ono held key posts in international business operations. He has extensive experience in and knowledge of the operations of international companies, including auditing the execution of operations as a standing auditor. He also has exceptional character and insight. Since his appointment as director, he has overseen finance and administrative areas, and contributed to driving forward the Company's business. Based on this knowledge and performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No. 3 Masahiro Moro

Reelection



Date of Birth	November 8, 1960 (62 years old)
Numbers of Company shares held	4,500 shares
Number of BOD meeting attended	100% (17/17)

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

(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. He also has extensive experience in and knowledge of management, including as chairman and CEO of Mazda Motor America, Inc. (Mazda North American Operations), as well as superior character and insight. Since his appointment as director, he has overseen operations in North America, communication and administrative areas, and contributed to driving forward the Company's business. Based on this knowledge and performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No. 4 Yasuhiro Aoyama

Reelection



Date of Birth	November 2, 1965 (57 years old)
Numbers of Company shares held	6,400 shares
Number of BOD meeting attended	100% (17/17)

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

(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. He also has extensive experience in and knowledge of management, including as president and CEO of Mazda Motor Europe GmbH, 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 this knowledge and performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No. 5 Ichiro Hirose

Reelection



Date of Birth	October 26, 1960 (62 years old)
Numbers of Company shares held	4,400 shares
Number of BOD meeting attended	100% (14/14)

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	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

(to the present)

Reasons for nomination as a candidate for director:

Mr. Hirose has extensive experience primarily in R&D and product planning, both in Japan and abroad. With his experience and outstanding ability in these areas as well as his 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 this knowledge and performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No. 6 Takeshi Mukai

Reelection



Date of Birth	March 14, 1962 (61 years old)
Numbers of Company shares held	6,500 shares
Number of BOD meeting attended	100% (14/14)

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

(to the present)

Reasons for nomination as a candidate for director:

Mr. Mukai has extensive experience primarily in production, quality and business logistics, both in Japan and abroad. With his experience and outstanding ability in these areas as well as his 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 this knowledge and performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No.

7 Jeffrey H. Guyton

New

Candidate



Date of Birth	January 8, 1967 (56 years old)
Numbers of Company shares held	0 shares

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 (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. He also has exceptional character and insight. Based on this knowledge and performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No. 8 Takeji Kojima

New

Candidate



Date of Birth	August 24, 1965 (57 years old)
Numbers of Company shares held	1,863 shares

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 (to the present)

Reasons for nomination as a candidate for director:

Mr. Kojima has extensive experience primarily in product strategy and Corporate Communications and Corporate Liaison. With his experience and outstanding ability in these areas as well as his superior character and insight, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory function. Thus we propose his election as director.

Candidate No. 9 Kiyoshi Sato

Reelection

Independent

Outside



Date of Birth	April 2, 1956 (67 years old)
Numbers of Company shares held	1,500 shares
Number of BOD meeting attended	100% (17/17)

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 Jun. 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 Jun. 2019)	
June 2019	Outside Director, Inabata & Co., Ltd.	(to the present)
June 2019	Outside Director, Mazda Motor Corporation	(to the present)

Important office concurrently held:

- Outside Director, Shibaura Machine Co., Ltd.
- Outside Director, Inabata & Co., Ltd.

Term of office as Outside Director: 4 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 rich expertise in the areas of sales and marketing gained through many years working in sales, including overseas business at an electronics manufacturer. He has served in senior roles such as 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. Therefore, we propose his election as an outside director to make use of his expertise and experience in the Company's management. After his appointment, we expect him to make efforts to enhance the supervisory function of the Board of Directors through his advice and recommendations from an international perspective and a broad management viewpoint in particular.

Candidate No. 10 Michiko Ogawa

Reelection

Independent

Outside



Date of Birth	December 4, 1962 (60 years old)
Numbers of Company shares held	3,400 shares
Number of BOD meeting attended	100% (17/17)

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: 4 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 of 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 efforts, and she has rich experience in and insight into corporate management. Therefore, we propose her election as an outside director to make use of her expertise and experience in the Company's management. After her appointment, we expect her to make efforts to enhance the supervisory function of the Board of Directors through her advice and recommendations from a brand marketing perspective and a professional viewpoint 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. 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.
 3. The Attendance of Mr. Hirose and Mr. Mukai at Board meetings as shown follows his assumption of his post on June 24, 2022.
 4. 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 the independence of an outside officer have been posted in its report on corporate governance on its website: <https://www.mazda.com/en/investors/library/governance/>
 5. Mr. Sato currently serves as an outside director at Shibaura Machine Co., Ltd. and Inabata & Co., Ltd. No business is transacted between the Company and the Shibaura Machine Co., Ltd., or between the Company and Inabata & 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, 2023 were minimal, comprising less than 2% of the Company's consolidated sales. No business is transacted between the Company and Japan Audio Society.
 6. 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. On approval of Mr. Sato's and Ms. Ogawa's appointments as outside directors, the liability limitation agreements will be continued.
 7. 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 the 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.

Proposal No. 3: Election of Five (5) Directors who are Audit & Supervisory Committee Members

The terms of six (6) current directors who are Audit & Supervisory Committee members will expire at the conclusion of this general meeting of shareholders and Mr. Masatoshi Maruyama and Mr. Ichiro Sakai will retire. Accordingly, we propose to elect five (5) directors who are Audit & Supervisory Committee members.

To further enhance transparency, fairness and objectivity, the nominations of candidates for 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 submission of this proposal has also been approved by the Audit & Supervisory Committee.

The candidates for Directors who are Audit & Supervisory Committee members are as follows:

follows:

Candidate No.		Name		Position concurrently held	Number of BOD meeting attended	Number of the Audit & Supervisory Committee meeting attended
1	Reelection	Nobuhiko Watabe	Male	Director, Audit & Supervisory Committee Member (Full time)	100% (17/17)	100% (19/19)
2	Reelection	Akira Kitamura	Male	Director, Audit & Supervisory Committee Member	94% (16/17)	100% (19/19)
3	Reelection	Hiroko Shibasaki	Female	Director, Audit & Supervisory Committee Member	100% (17/17)	95% (18/19)
4	Reelection	Masato Sugimori	Male	Director, Audit & Supervisory Committee Member	100% (17/17)	95% (18/19)
5	New Candidate	Hiroshi Inoue	Male	-	-	-

Candidate No. 1 Nobuhiko Watabe

Reelection



Date of Birth	September 19, 1958(64 years old)
Numbers of Company shares held	5,400 shares
Number of BOD meeting attended	100% (17/17)
Number of the Audit & Supervisory Committee meetings attended	100% (19/19)

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

March 1982	Joined the Company
Feb. 2002	Deputy General Manager of Corporate Planning Div.
April 2006	Deputy General Manager of Domestic Marketing Div.
Jan. 2011	General Manager of China Business Div.
June 2013	Executive Officer; In charge of Operations in China; General Manager, China Business Div.; CEO, Mazda Motor (China) Co., Ltd.
April 2016	Executive Officer; In charge of Operations in China; Chairman, Mazda Motor (China) Co., Ltd.
April 2017	Managing Executive Officer; In charge of Operations in China; Chairman, Mazda Motor (China) Co., Ltd.
April 2021	Managing Executive Officer; Assistant to the Officer overseeing Global Sales
June 2021	Director, Audit & Supervisory Committee Member (Full time)

(to the present)

Reasons for nomination as a candidate director, Audit & Supervisory Committee member:

Mr. Watabe has held key posts in corporate planning and business with China, both in Japan and abroad, and has an exceptional character and insight. Since his appointment to the Audit & Supervisory Board as a full-time member, he has conducted the Company's audits appropriately. Based on this knowledge and performance, he can be expected to contribute to further strengthening the audit and supervisory functions of the Company's management. Thus we propose his election as director, Audit & Supervisory Committee member.

Candidate No. 2 Akira Kitamura

Reelection

Independent

Outside



Date of Birth	March 16, 1951(72 years old)
Numbers of Company shares held	2,800 shares
Number of BOD meeting attended	94% (16/17)
Number of the Audit & Supervisory Committee meetings attended	100% (19/19)

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

April 1974	Joined Sumitomo Bank, Ltd. (now Sumitomo Mitsui Banking Corp.)	
June 2003	Executive Officer	
April 2006	Managing Executive Officer	
April 2007	Director & Senior Managing Executive Officer	
April 2008	Representative Director & Senior Managing Executive Officer (to March 2009)	
April 2009	Advisor, Kansai Urban Banking Corporation	
June 2009	Vice Chairman (Representative Director)	
March 2010	Chairman of the Board & CEO (Representative Director)	
June 2016	Advisor (to March 2019)	
April 2018	Outside Director, ARK Real Estate Co., Ltd.	(to the present)
June 2018	Outside Audit & Supervisory Board Member, Mazda Motor Corporation	
June 2019	Outside Director, Audit & Supervisory Committee Member, Mazda Motor Corporation	(to the present)
June 2020	Outside Audit & Supervisory Board Member, Toyo Aluminium K.K.	(to the present)

Important office concurrently held:

- Outside Director, ARK Real Estate Co., Ltd.
- Outside Audit & Supervisory Board Member, Toyo Aluminium K.K.

Term of office as Outside Director: 4 years (as of the close of this Meeting)

Term of office as Director, Audit & Supervisory Committee Member: 4 years (as of the close of this Meeting)

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

Mr. Kitamura has held key posts at a financial institution, including representative director & senior managing executive officer as well as chairman of the board and chief executive officer (representative director), and has considerable knowledge of finance and accounting. He also has rich experience in and knowledge of corporate management. The Company therefore requests his election as an outside director, Audit & Supervisory Committee member so that he can apply this experience and knowledge in audits and supervision of the Company's management. After his appointment, we expect Mr. Kitamura to make efforts to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the broad viewpoint of corporate management and from his expert understanding of finance and accounting in particular.

Candidate No. 3 Hiroko Shibasaki

Reelection

Independent

Outside



Date of Birth	July 6, 1953(69 years old)
Numbers of Company shares held	1,700 shares
Number of BOD meeting attended	100% (17/17)
Number of the Audit & Supervisory Committee meetings attended	95% (18/19)

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

April 1974	Joined Tokio Marine and Fire Insurance Company, Limited (now Tokio Marine & Nichido Fire Insurance Co., Ltd.)
July 2008	Senior General Manager, General Manager, Voice of Customers Dept.
July 2010	Senior General Manager, General Manager, Fukuoka Chuo Branch
April 2012	Managing Executive Officer, General Manager, Fukuoka Chuo Branch
April 2015	Managing Executive Officer
April 2018	Advisor (to March 2019)
June 2019	Outside Director, Audit & Supervisory Committee Member, Mazda Motor Corporation (to the present)
June 2021	Outside Director, Kyudenko Corporation (to the present)

Important office concurrently held:

Outside Director, Kyudenko Corporation

Term of office as Outside Director: 4 years (as of the close of this Meeting)

Term of office as Director, Audit & Supervisory Committee Member: 4 years (as of the close of this Meeting)

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

Ms. Shibasaki has many years of experience in the field of sales at a casualty insurance company and gained extensive knowledge of sales through serving as branch president and branch manager. In roles such as managing executive officer, she oversaw sales in Kyushu and Okinawa and gained rich experience in and insight into corporate management. Ms. Shibasaki also has extensive experience in and knowledge of corporate management. The Company therefore requests her election as an outside director, Audit & Supervisory Committee member so that she can apply this experience and knowledge in audits and supervision of the Company's management. After her appointment, we expect Ms. Shibasaki to make efforts to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the standpoint of customer satisfaction and from her expert knowledge of sales in particular.

Candidate No. 4 Masato Sugimori

Reelection

Independent

Outside



Date of Birth	March 17, 1957(66 years old)
Numbers of Company shares held	900 shares
Number of BOD meeting attended	100% (17/17)
Number of the Audit & Supervisory Committee meetings attended	95% (18/19)

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

April 1979	Joined Sumitomo Corporation
April 2010	Executive Officer, Sumitomo Corporation; Executive Vice President and CFO, Sumitomo Corporation North America Group, General Manager, Corporate Coordination Group in Sumitomo Corporation North America Group Executive Vice President and CFO of Sumitomo Corporation of America, Assistant General Manager for the Americas
April 2013	Managing Executive Officer, Assistant General Manager, Corporate Planning & Coordination Group, General Manager, Corporate Planning & Coordination Dept.
April 2016	Senior Managing Executive Officer, Assistant CFO, Risk Management
April 2017	Senior Managing Executive Officer, Assistant to General Manager, Media, ICT, Lifestyle Related Goods & Services Business Unit, Sumitomo Corporation Executive Vice President, General Manager, Corporate Control Unit, Jupiter Telecommunications Co., Ltd.
June 2017	Director, Executive Vice President, CFO, General Manager, Corporate Control Unit, Jupiter Telecommunications Co., Ltd.
June 2019	Director, J:COM Tokyo Co., Ltd. (to June 2021) Director, J:COM SAITAMA · HIGASHINIHON Co., Ltd.(to June 2021)
April 2020	Advisor, Assistant to General Manager, Media & Digital Business Unit, Sumitomo Corporation Director, Executive Vice President, General Manager, Corporate Unit, Jupiter Telecommunications Co., Ltd.
April 2021	Advisor, Sumitomo Corporation (to March 2022) Advisor, Jupiter Telecommunications Co., Ltd (to June 2021)
June 2021	Outside Director, Audit & Supervisory Committee Member, Mazda Motor Corporation (to the present)

Term of office as Outside Director: 2 years (as of the close of this Meeting)

Term of office as Director, Audit & Supervisory Committee Member: 2 years (as of the close of this Meeting)

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

Mr. Sugimori has worked in administration for many years at a trading company and has considerable knowledge of risk management, finance and accounting. He has also served as a senior managing executive officer and has extensive experience in and insight into corporate management. The Company therefore requests his election as an outside director, Audit & Supervisory Committee member so that he can apply this experience and knowledge in audits and supervision of the Company's management. After his appointment, we expect Mr. Sugimori to make efforts to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the broad viewpoint of risk management and from his expert understanding of finance and accounting in particular.

Candidate No. 5 Hiroshi Inoue

New

Candidate

Independent

Outside



Date of Birth	June 17, 1957(66years old)
Numbers of Company shares held	0 shares

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

April 1985	Appointed to public Prosecutor	
Jan. 2012	Assistant Vice-Minister of Justice, Ministry of Justice	
Nov. 2012	Chief Prosecutor, Nara District Public Prosecutors Office	
July 2014	Director-General, Immigration Bureau, Ministry of Justice	
March 2017	Director-General, Inspection and Guidance Department, Supreme Public Prosecutors Office	
June 2017	Chief Prosecutor, Nagoya District Public Prosecutors Office	
Feb. 2018	Superintending Prosecutor, Sapporo High Public Prosecutors Office	
Jan. 2020	Superintending Prosecutor, Fukuoka High Public Prosecutors Office	
Oct. 2020	Registered as lawyer (Daiichi Tokyo Bar Association)	(to the present)
June 2021	Outside Audit & Supervisory Board Member, Mitsui Mining & Smelting Co., Ltd.	(to the present)

Important office concurrently held:

Lawyer
Outside Audit & Supervisory Board Member, Mitsui Mining & Smelting Co., Ltd.

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

Having served as a prosecutor and attorney for many years, Ms. Inoue has extensive experience in and knowledge of the legal profession. The Company therefore requests his election as an outside director, Audit & Supervisory Committee member so that he can apply this experience and knowledge in audits and supervision of the Company's management. After his appointment, we expect Mr. Inoue to make efforts 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 expert standpoint as a legal professional in particular.
















Mr. Inoue has not been involved in corporate management in any way other than as an outside director/auditor, but for the aforementioned reasons the Company has deemed that he is able to appropriately execute the duties of outside director, Audit & Supervisory Committee member.

- Notes: 1. There are no special conflicts of interest between the Company and the candidates for Directors who are to be Audit & Supervisory Committee members.
2. Mr. Kitamura, Ms. Shibasaki, Mr. Sugimori and Mr. Inoue are candidates for outside director pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. Based on its criteria for the independence of an outside officer, the Company has determined that Mr. Kitamura, Ms. Shibasaki, Mr. Sugimori and Mr. Inoue have sufficient independence such that no risk of conflict of interest with general shareholders will result and has submitted an Independent Directors Notification regarding them to the Tokyo Stock Exchange.
- The Company's criteria for the independence of an outside officer, have been posted in its report on corporate governance on its website: <https://www.mazda.com/en/investors/library/governance/>
4. Mr. Kitamura served as representative director & senior managing executive officer at Sumitomo Mitsui Banking Corp., but he has since stepped down from all posts at the bank. As of the convening of this General Meeting of Shareholders, fourteen years will have passed since he resigned as an executive in March 2009. As of March 31, 2023, the bank owned 1.6 percent of the Company's stock, and the balance of the Mazda group borrowings from the bank was 139,500 million yen (approximately 4.3 percent of the Company's consolidated assets). The Mazda Group has dealings with several financial institutions, and the ratio of its borrowings from the bank is not particularly high when compared to that of other institutions. Mr. Kitamura served as a Chairman of the Board & CEO (Representative Director) at Kansai Urban Banking Corporation. As of the convening of this General Meeting of Shareholders, four years will have passed since he has stepped down from all posts at the bank. As of March 31, 2023, the balance of the Mazda Group borrowings from the bank was 2,000 million yen, a very small amount equal to less than 0.1 percent of the Company's consolidated assets. No business is transacted between the Company and ARK Real Estate Co., Ltd. and between the Company and Toyo Aluminium K.K.
- Ms. Shibasaki served as managing executive officer at Tokio Marine & Nichido Fire Insurance Co., Ltd., but she has since stepped down from all posts at Tokio Marine & Nichido Fire Insurance. As of the convening of this General Meeting of Shareholders, four years will have passed since she has stepped down from all posts at Tokio marine & Nichido Fire Insurance. The number of transactions between Tokio Marine & Nichido Fire Insurance in the fiscal year ending March 2023 was very small, less than 1 percent of the Company's consolidated sales. No business is transacted between the Company and Kyudenko Corporation.
- Mr. Sugimori served as a senior managing executive officer at Sumitomo Corporation. As of the convening of this General Meeting of Shareholders, a year will have passed since he has stepped down from all posts at Sumitomo Corporation. In the fiscal year ending March 2023, Mazda paid Sumitomo Corporation for services in its capacity as a trading company, but the amount was very small, less than 1 percent of the Company's consolidated sales.
- Mr. Inoue currently serves as an Outside Audit & Supervisory Board member, Mitsui Mining & Smelting Co., Ltd. No business is transacted between the Company and Mitsui Mining & Smelting.
5. The Company has concluded liability limitation agreements with Mr. Kitamura, Ms. Shibasaki, Mr. Sugimori 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. On approval of their appointments as outside directors, the liability limitation agreements will be continued. On approval of Mr. Inoue's appointment as an outside director, the Company will enter into a Liability Limitation Agreement with him 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.
6. 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 are

covered by the insurance agreement. A candidate whose appointment as a director is approved will be included in the insured in the 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 and No. 3 are 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 64 Male Reelection	Masahiro Moro 62 Male Reelection	Jeffrey H. Guyton 56 Male New Candidate	Mitsuru Ono 64 Male Reelection	Yasuhiro Aoyama 57 Male Reelection	Ichiro Hirose 62 Male Reelection	Takeshi Mukai 61 Male Reelection	Takeji Kojima 57 Male New Candidate	Kiyoshi Sato 67 Male Reelection Independent Outside	Michiko Ogawa 60 Female Reelection Independent Outside	Nobuhiko Watabe 64 Male Reelection	Akira Kitamura 72 Male Reelection Independent Outside	Hiroko Shibasaki 69 Female Reelection Independent Outside	Masato Sugimori 66 Male Reelection Independent Outside	Hiroshi Inoue 66 Male New Candidate Independent Outside
Attributes	Representative Director and Chairman of the Board	Representative Director, President and CEO	Representative Director, Senior Managing Executive Officer and CFO	Director and Senior Managing Executive Officer	Director and Senior Managing Executive Officer	Director, Senior Managing Executive Officer and CTO	Director and Senior Managing Executive Officer	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 represent all knowledge and experience of the respective persons.

Proposal No. 4: Revision of the Remuneration Amount for Directors (excluding Directors who are Audit & Supervisory Committee members)

At the 153rd Ordinary General Meeting of Shareholders held on June 26, 2019, the upper limit on remuneration for directors (excluding directors who are Audit & Supervisory Committee members) was set at 1 billion yen per year (excluding the employee salary portion for employee directors) and that amount has remained the same since then. Taking into consideration factors such as 1) recent increases in remuneration at the Company in line with improvement in business performance, 2) the need to pay appropriate compensation commensurate with the level of compensation in a director's country of ordinary residence, etc. to ensure the diversity of directors and appoint outstanding human resources globally, and 3) economic conditions and other various circumstances, we would like to propose that the upper limit of remuneration for directors (excluding directors who are Audit & Supervisory Committee members) be revised to 1.5 billion yen per year. As in the past, this amount of remuneration does not include the employee salary of an employee director.

At the meeting of the Board of Directors held on May 12, 2023, as indicated in the Reference section below, the Policies on determining details of individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members) were amended with the addition of the Policy on the payment of remuneration to directors of foreign nationality (non-Japanese nationality). We believe that this proposal is appropriate because it is necessary and rational for the payment of remuneration to directors in line with the policies.

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, 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 current number of directors (excluding directors who are Audit & Supervisory Committee members) is ten (10) (including two (2) outside directors). If Proposal No.2 is passed as proposed, the number of directors (excluding directors who are Audit & Supervisory Committee members) will continue to be ten (10) (including two (2) outside directors.)

Reference: Policies on determining details of individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members)

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.

BUSINESS REPORT
(From April 1, 2022 to March 31, 2023)

1. Business activities of the Mazda Group
(1) Progress and results of business activities

Business environment during the fiscal year ended March 31, 2023

In the business environment surrounding the Mazda Group this fiscal year, economic activities gradually resumed following the lifting of COVID-19 restrictions around the world. During this time, the Japanese government also made progress in easing restrictions on movement. Although economic activities are beginning to return to their pre-pandemic level, the outlook remains uncertain due to factors such as the prolonged Russia and Ukraine crisis, surges in resource prices, turmoil in the supply chain, and fluctuations in the financial market.

Under these conditions, despite a deterioration in the external environment marked by surges in material prices and logistics costs, the lockdown in Shanghai, and a decline in production and shipment volumes due mainly to shortages in semiconductors and transport vessels, the Mazda Group steadily improved its profit base by implementing group-wide initiatives to improve per-unit profit, curb costs, reduce marketing expenses, improve fixed cost efficiency, and redesign components to expand the use of general-purpose semiconductors as a means of mitigating semiconductor shortages. Furthermore, during the first year of the period of strong growth earmarked in its medium-term management plan, the Mazda Group worked to bring business on a growth trajectory and strengthen the financial base by capitalizing on assets developed during the foundation building period (FY March 2020 to FY March 2022) such as its U.S. plant, multi-electrification technologies, and Large Product lineup.

Business Overview

[Product]

In the SUV segment, which has been growing globally, Mazda is making full use of bundled planning¹, flexible production² and other technological assets to expand its product lineup efficiently.

In April last year in North America, Mazda began sales of the Mazda CX-50, a new crossover SUV targeting outdoor-oriented customers, which is a different segment from customers who favor the Mazda CX-5 for city use.

Mazda introduced the Mazda CX-60, an all-new crossover SUV, which is the first of Mazda's new generation Large Products, in Europe in August and in Japan in September last year. The CX-60 delivers not only smooth, powerful driving achieved through a newly developed longitudinal platform³ and a high-output powertrain but also the latest environmental and safety performance that offers peace of mind and a reassuring sense of security. The CX-60 is the first model equipped with Driver Emergency Assist⁴, which uses advanced technology to automatically slow down and stop the car when it determines the driver is unable to continue driving due to loss of consciousness⁵, and to make emergency calls. The CX-60 also has a "driver personalization system," which recognize the driver using the camera inside the vehicle and automatically restores the driver settings that have been stored and automatically adjusts the seat according to the driver's physique so that recommended driving position lead to safer driving. These technologies have been highly acclaimed and were selected for the 2022-2023 Japan Automotive Hall of Fame Car Technology of the Year.

In April this year in the U.S., we introduced the Mazda CX-90, a new mid-sized crossover SUV and the second of the new generation Large Products. Designed for the needs of customers in North America, one of Mazda's key markets, the CX-90 is a wide-body three-row SUV with enhanced comfort, functionality and safety performance

that makes driving more enjoyable and traveling with family and friends more fun.

Following on from the CX-60 and CX-90, Mazda also plans to introduce two Large Products, the Mazda CX-70⁶ and Mazda CX-80⁷, in 2023. By expanding the SUV lineup to meet the characteristics of each market and customer needs, we will aim for further growth in our business and brand.

Mazda CX-60 XD-HYBRID Premium Modern



MazdaCX-90 (US model)



1. A method for developing a common chassis and parts across vehicle models, vehicle classes and segments to be introduced in the future.
2. A production system capable of producing multiple models and parts on the same line as well as flexibly accommodating the introduction of new models quickly with low investment.
3. Incorporates Mazda's SKYACTIV Multi-Solution Scalable Architecture, a platform for Large Products that supports longitudinal power unit layout. Offers a greater sense of maneuverability.
4. In December last year, the CX-60 was recognized by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) as Japan's first road transport vehicle to conform to revised safety standards under the Road Transport Vehicle Act, based on the United Nations' Regulation No. 79 Revision 4 (most recent revision as of November 2022) concerning driver emergency functions.
5. Loss of consciousness caused by reasons such as heart problems, cerebrovascular events, nervous conditions including epilepsy, or low blood sugar
6. Wide-body, two-row seat crossover SUV to be introduced in North America and other regions.
7. Three-row seat crossover SUV to be introduced in Europe, Japan and other regions.

In January this year, in Europe, Mazda also unveiled the Mazda MX-30 e-SKYACTIV R-EV, a plug-in hybrid model that uses a rotary engine as a power generator. The MX-30 e-SKYACTIV R-EV is a series-type plug-in hybrid model that maintains the core values provided by the MX-30 but expands its use as a battery EV. With an EV driving range of 85 km,⁸ it can be used as a battery EV in a wide range of everyday situations. Also equipped with a rotary engine that acts as a generator⁹, the motor can power the entire driving range even during long distance drives.

Throughout FY2022, we also undertook product improvements in various other models including the Mazda 2, Mazda3, Mazda CX-30, Mazda CX-5 and Mazda CX-8. These improvements included the introduction of electrification technology, improved safety performance, changes in design through the addition of new body colors, and improvements to equipment.

Through the joy of driving, which is the inherent appeal of cars, Mazda will continue to enrich the lives of people and society and realize a beautiful earth. Offering cars that uplift people's spirits, Mazda aims to become a brand that builds strong bonds with customers.

Mazda MX-30 e-Skyactiv R-EV



Mazda 2 15BD (updated model)



- 8 Electric-only driving range (electric range). Value when "EV mode" is selected in European WLTP mode. This value is obtained under specific test conditions and may vary depending on actual driving conditions.
- 9 The newly developed rotary engine for power generation takes advantage of the compact rotary engine's ability to achieve the necessary output performance without requiring a large space. This compact electric drive unit is used in combination with a 17.8 kWh lithium-ion battery and a 50-liter fuel tank to achieve a unique series plug-in hybrid system.

Sales volume by market

Global sales volume 1,110,000 units (down 11.3% year on year)

Global sales volume for the fiscal year ended March 31, 2023 was 1,110,000 units, down 11.3% year on year as sales declined in all countries except Japan due mainly to a shortage in car transport vessels and reductions in production stemming from semiconductor supply shortages.

Japan 165,000 units (up 10.8% year on year)

Thanks to the introduction of the CX-60, an all-new SUV, and an increase in sales of the CX-5 updated model and the Mazda Roadster (MX-5), sales rose to 165,000 units, up 10.8% year on year.

North America 407,000 units (down 7.4% year on year)

In the U.S., while sales of crossover SUVs such as the CX-30 and newly introduced CX-50 were strong, overall sales declined 9.3% year on year to 301,000 units, due to the impact of reductions in production. Although sales of the Mazda2 and the CX-5 in Mexico increased, sales in North America as a whole declined 7.4% year on year to 407,000 units.

EU 160,000 units (down 15.5% year on year)

While sales of the Mazda2 Hybrid and the CX-60 plug-in hybrid model were strong, sales in Europe decreased 15.5% year on year to 160,000 units due mainly to a decline in sales in Russia and Ukraine.

China 84,000 units (down 50.4% year on year)

Completion of a round of key model cycles and intensifying price competition in China resulted in a 50.4% year-on-year fall in sales to 84,000 units.

Other markets 294,000 units (down 3.1% year on year)

In Australia, another key market, sales declined 11.7% year on year to 91,000 units due to delays in logistics stemming from stricter quarantine control at unloading ports. Although sales in some countries like Vietnam increased, sales in other markets as a whole fell 3.1% year on year to 294,000 units.

Financial Performance

Financial performance on a consolidated basis for the fiscal year ended March 31, 2023 was as follows.

	Prior year (fiscal year ended March 31, 2022)	Fiscal year ended March 31, 2023	(vs. Prior year)	
			Amount	Rate of change
	billion yen	billion yen	billion yen	
Net Sales	3,120.3	3,826.8	+706.5	+22.6%
Operating Income	104.2	142.0	+37.8	+36.2%
Ordinary Income	123.5	185.9	+62.4	+50.5%
Net Income Attributable to Owners of the Parent	81.6	142.8	+61.2	+75.1%

Changes in operating income were as follows.

	Fiscal year ended March 31, 2023
	billion yen
Volume & mix	+103.4
Exchange rate	+119.2
Cost improvement	(132.0)
Fixed costs and others	(43.9)
Transfer to extraordinary losses on the prior year	(8.9)
Total	+37.8

Net cash provided by operating activities in this consolidated fiscal year was up 137.4 billion yen as increase in inventory resulted in higher working capital, while the income before income taxes was 170.0 billion yen. (In the previous fiscal year there was an increase of 189.2 billion yen.) Cash flow from investing activities was down 99.4 billion yen as the result of the expenditure of 79.8 billion yen for the acquisition of property, plant and equipment. (In the previous fiscal year there was a decrease of 136.2 billion yen.) As a result, consolidated free cash flow (net of cash flow from operating and investing activities) was up 38.0 billion yen. (In the previous fiscal year there was an increase of 52.9 billion yen.)

Net cash provided by financing activities was down 89.9 billion yen as the result of repayment of long-term borrowings and payment of dividends despite of funding through corporate bond and long-term borrowings for investment. (In the previous fiscal year there was a decrease of 86.4 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 ¥25 per share at the ordinary general meeting of shareholders. The total dividend for this fiscal year will be ¥45 per share.

Net sales breakdown of the Mazda Group

Category	Domestic	Overseas	Total
	million yen	million yen	million yen
Vehicles	387,742	2,867,729	3,255,471
Knockdown parts (Overseas)	—	16,182	16,182
Parts	44,132	276,309	320,441
Other	191,075	43,583	234,658
Total	622,949	3,203,803	3,826,752

(2) Capital investment

For further growth in the future, we focused investment on next-generation products, environmental, IT, safety technologies and reinforcing our global production system. As a result of efficient investment in these areas, capital investment amounted to 94.1 billion yen on a consolidated basis. (This figure was 144.3 billion yen in the previous fiscal year.)

(3) Financing

In the fiscal year ended March 31, 2023, the Company took out long-term loans totaling 4.8 billion yen.

(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 in accordance with our core policy 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, in November last year, 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

Dividing the period until 2030 into three phases, we will flexibly respond to uncertain changes in society.

- Phase 1 (2022-2024): Strengthening of the business foundation using accumulated assets
- Phase 2 (2025-2027): Transition to electrification
- Phase 3 (2028–2030): Full-scale launch of BEVs



Initiatives for Opening the Future

i). Initiatives for achieving carbon neutrality

To achieve our goal of becoming carbon neutral (CN)³ by the year 2050, we have established “achieving CN 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 CN 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 CN 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 EVs, 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 EV 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 battery EVs in the Chinese market where electrification is advanced, we will begin to introduce EVs 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.

Furthermore, for the sustainable development of local economies as electrification advances, Mazda has established a 4-way joint venture with Ondo Corporation, Hiroshima Aluminum Industry Co., Ltd. and HIROTEC Corporation to develop highly efficient production technology for electric drive units and establish production and supply systems for these. To enhance the driving experience and the sheer joy of driving, Mazda also entered into a joint development agreement with Imasen Electric Industrial Co., Ltd. and ROHM Co., Ltd. to develop inverters, which are a key component of electric drive systems, and established a joint venture with Imasen Electric. Mazda also concluded a joint development agreement with Fukuta Electric & Machinery Co., Ltd. to develop advanced motor technologies, while also establishing a joint venture company with Fukuta Electric & Machinery and Chuo Kaseihin Co., Inc.

During Phase 1 and Phase 2, Mazda will procure batteries from partner companies while continuing in-house research and development of advanced battery technology adopted by Green Innovation Fund Projects.⁵ In addition to its purchasing arrangements with existing partner companies, Mazda also recently entered into an agreement with Envision AESC Japan to purchase batteries for EVs to be produced in Japan.

■ Phase 3 (2028–2030): Full-scale launch of BEVs

As we move forward with the full-fledged introduction of pure battery EV 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.
5. A fund of two trillion yen established by the Ministry of Economy, Trade and Industry (METI) under its 2050 Green Growth Strategy for Achieving Carbon Neutrality in 2050 and assigned to the New Energy and Industrial Technology Development Organization (NEDO) to create a virtuous cycle between the economy and the environment.

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

In line with our “human-centered” philosophy, we will continue to invest in human research and draw out the full potential of people using our capability in model-based research and development.⁶ Furthermore, under Mazda Proactive Safety, our safety philosophy based on avoidance of risk itself rather than dealing with a risk event after it occurs, we will continue to develop advanced driver-assist technologies using IT technologies to make cars that provide safety and security for drivers, passengers and people in the vicinity of Mazda cars with the goal of completely eliminating by 2040 all fatal accidents caused by any new Mazda, which can be avoided through automotive technologies.

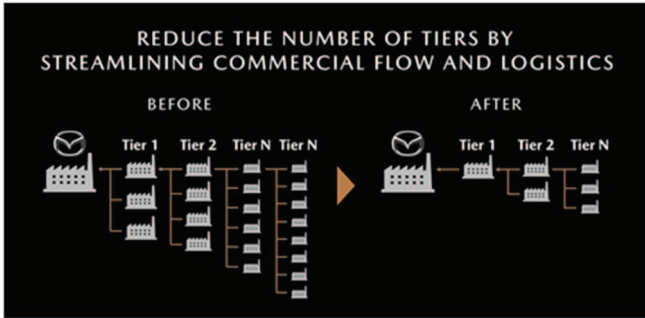
As part of our investment in people, we are promoting reforms together with Aidemy Inc. to ensure all indirect employees attain a certain level of competency in AI and IT by 2030.

Furthermore, by 2030, we will double productivity by developing work process models and we will allocate management resources we generate to work with higher added value.

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 chain⁷ 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.

In our supply chain, we will make efforts not only to make individual improvements in all processes from material procurement to delivery to customers, but also realize a “total optimization process” that facilitates the smooth uninterrupted flow of goods at maximum speed. In addition, we are working on innovative changes in our procurement system, which include fewer tiers in the procurement of materials and parts and bringing the production sites of variety of parts closer to our production facilities. We are also working to expand the use of general-purpose materials and semiconductors. In this way, we intend to minimize the impact of changes in the external environment including geopolitical risks, pandemics, and large-scale disasters such as earthquakes.



6. An efficient development technique that uses desk-top simulation as the main method of verification in development, thereby minimizing the number of prototypes and actual unit evaluations required
7. A series of business activities for creating added value for products such as product planning, design, development, production engineering, manufacturing, sales, and services

*The business forecast and future plans in this text are based on certain assumptions made by the Mazda Group at the time of 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	154th Term (April 2019 to March 2020)	155th Term (April 2020 to March 2021)	156th Term (April 2021 to March 2022)	157th Term (April 2022 to March 2023)
Net sales (millions of yen)	3,430,285	2,882,066	3,120,349	3,826,752
Operating income (millions of yen)	43,603	8,820	104,227	141,969
Ordinary income (millions of yen)	53,091	28,251	123,525	185,936
Net income attributable to owners of the parent (millions of yen)	12,131	(31,651)	81,557	142,814
Net income per share (yen)	19.26	(50.26)	129.49	226.71
Total assets (millions of yen)	2,787,640	2,917,414	2,968,148	3,259,251
Net assets (millions of yen)	1,205,846	1,195,830	1,316,697	1,456,801
Net assets per share (yen)	1,865.63	1,876.40	2,065.74	2,285.21
Equity ratio	42.1%	40.5%	43.8%	44.2%

(ii) The Company

Item	154th Term (April 2019 to March 2020)	155th Term (April 2020 to March 2021)	156th Term (April 2021 to March 2022)	157th Term (April 2022 to March 2023)
Net sales (millions of yen)	2,584,322	2,135,873	2,339,290	3,000,360
Operating income (millions of yen)	(43,523)	(82,882)	69,877	48,828
Ordinary income (millions of yen)	(13,060)	(23,083)	130,014	102,591
Net income (millions of yen)	(23,870)	(35,813)	84,529	89,771
Net income per share (yen)	(37.90)	(56.86)	134.20	142.50
Total assets (millions of yen)	2,090,940	2,309,305	2,327,779	2,467,387
Net assets (millions of yen)	1,001,820	966,004	1,062,218	1,118,720
Net assets per share (yen)	1,590.25	1,533.24	1,685.70	1,775.08
Equity ratio	47.9%	41.8%	45.6%	45.3%

(6) Principal business (as of March 31, 2023)

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-60, CX-50, CX-5, CX-4, 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, 2023)

(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

(ii) Subsidiaries and Affiliates

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

(8) Employees (as of March 31, 2023)

(i) The Mazda Group

Number of employees	Change from previous year
48,481	(269)

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
22,832	+180	42.2 years old	17.2 years

Notes: 1. The number of employees excludes employees on loan from other companies.
2. The number of employees does not include 524 temporary employees, etc.

(9) Principal parent companies and subsidiaries (as of March 31, 2023)

(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
AutoAlliance (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.	40US\$	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	47.5	Automobile sales finance

Note: 1. Figures with an asterisk include indirect ownership

2. The Company has 20 equity-method companies.

3. Mazda Sollers Manufacturing Rus LLC (MSMR) was excluded from equity-method company because the Company had transferred all of its equity interest in MSMR in December 2022.

(10) Major creditors (as of March 31, 2022)

Creditor	Balance of Borrowings (million yen)
Sumitomo Mitsui Banking Corporation	139,500
Development Bank of Japan Inc.	113,000
Sumitomo Mitsui Trust & Banking Co., Ltd.	61,620
Mizuho Bank, Ltd.	41,195
MUFG Bank, Ltd.	34,000
Yamaguchi Bank, Ltd.	25,000
Hiroshima Bank, Ltd.	18,000
Momiji Bank, Ltd.	14,212
The Nishi-Nippon City Bank, Ltd.	8,570
The Chugoku Bank, Ltd.	7,316

2. Status of shares (as of March 31, 2023)**(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:** 132,385 (decreased by 10,395 from previous year)**(4) Major shareholders:**

Name	No. of shares held (thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	97,975	15.6
Custody Bank of Japan, Ltd. (Trust Account)	32,328	5.1
Toyota Motor Corporation	31,928	5.1
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	11,414	1.8
STATE STREET BANK WEST CLIENT – TREATY 505234	10,412	1.7
SSBTC CLIENT OMNIBUS ACCOUNT	10,273	1.6
Sumitomo Mitsui Banking Corporation	10,191	1.6
JP MORGAN CHASE BANK 385781 FUNDS	7,649	1.2
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	6,563	1.0
Itochu Automobile Investment LLC.	6,051	1.0

Note: Calculation of the shareholding ratio excludes treasury stock (1,834,326 shares).

3. Stock acquisition rights

(1) Stock acquisition rights held by directors (as of March 31, 2023)

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)	155 (6)	41 (2)	Common stock 19,600 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)	190 (7)	44 (2)	Common stock 23,400 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)	269 (7)	56 (2)	Common stock 32,500 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)	330 (6)	37 (1)	Common stock 36,700 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)	667 (6)	74 (1)	Common stock 74,100 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)	740 (8)	-	Common stock 74,000 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)	414 (8)	-	Common stock 41,400 shares	1,099 yen per share	1 yen per share	From August 23, 2022 to August 22, 2052

- 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)

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 2022 (July 29, 2022)	615	Common stock 61,500 shares	1,099 yen per share	1 yen per share	From August 23, 2022 to August 22, 2052	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, 2023)

Position	Name	Responsibilities in the Company and important offices concurrently held
Representative Director and Chairman of the Board	Kiyotaka Shobuda	Chairman, The Mazda Foundation
Representative Director	Akira Marumoto	President and CEO
Director	Mitsuru Ono	Senior Managing Executive Officer Oversight of Financial Services and Corporate Planning & Development
Director	Akira Koga	Senior Managing Executive Officer Oversight of Corporate Strategy, Product Strategy, MDI & IT, and Partnership
Director	Masahiro Moro	Senior Managing Executive Officer Oversight of Communication, Corporate Communications, Corporate Liaison, Sustainability and Administrative Domain
Director	Yasuhiro Aoyama	Senior Managing Executive Officer Oversight of Global Marketing, Sales, Customer Service and New Business (MaaS)
*Director	Ichiro Hirose	Senior Managing Executive Officer Oversight of R&D, Cost Innovation and Innovation
*Director	Takeshi Mukai	Senior Managing Executive Officer Oversight of Quality, Purchasing, Production, Business Logistics and Carbon Neutrality
Director	Kiyoshi Sato	Outside Director, Shibaura Machine Co., Ltd. Outside Director, Inabata & Co., Ltd.
Director	Michiko Ogawa	Director, Panasonic Holdings Corporation Chairman, Japan Audio Society
Director, Audit & Supervisory Committee Member (Full-time)	Masatoshi Maruyama	
Director, Audit & Supervisory Committee Member (Full-time)	Nobuhiko Watabe	
Director, Audit & Supervisory Committee Member	Ichiro Sakai	Attorney-at-law
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	

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

2. Mr. Masatoshi Maruyama and Mr. Nobuhiko Watabe have been elected as full-time Audit & Supervisory Committee members. As Mr. Maruyama and Mr. Watabe have 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 156th Ordinary General Meeting of Shareholders held on June 24, 2022.
5. Changes in important offices held concurrently by directors during the fiscal year are as follows:
Mr. Takeshi Mukai resigned from his post as Outside Director of Daikyo Nishikawa Corporation on June 17, 2022.
6. Although there are business transactions with the Panasonic Holdings Corporation, transactions during the fiscal year ended March 31, 2023 comprised an insignificant amount of less than 2% 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
Kiyoshi Fujiwara	June 24, 2022	Expiry of term of office	Representative Director Executive Vice President and COO Oversight of Innovation, Carbon Neutrality, Partnership and New Business

8. Position and Responsibilities of directors changed on April 1, 2023 as follows:

Position	Name	Responsibilities in the Company and important offices concurrently held
Director and Assistant to President	Akira Koga	
Director	Yasuhiro Aoyama	Senior Managing Executive Officer Oversight of Global Marketing, Sales, Customer Service, New Business (MaaS) and Product Strategy

(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, 2023)

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 members and outside directors) consists of 1) a fixed amount of basic remuneration commensurate with the director’s position and responsibilities, 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.

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 are consolidated net income attributable to owners of the parent (hereinafter “consolidated net income”) and consolidated sales.

The target values are the values announced in the business results outlook each fiscal year, and the amount of performance-based remuneration for a given fiscal year is set 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.

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 Board of Directors resolution.

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

At the 153rd Ordinary General Meeting of Shareholders held on June 26, 2019, the upper limit on remuneration for directors (excluding directors who are Audit & Supervisory Committee members) was set at 1 billion yen per year (excluding the employee salary portion for employee directors), and the upper limit on remuneration for directors who are Audit & Supervisory Committee members was set at 300 million yen per year. There were nine (9) directors (excluding directors who are Audit & Supervisory Committee members) (including two (2) outside directors) and 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, 2023

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	
Directors (excluding directors who are Audit & Supervisory Committee Members) (of which, outside directors)	628 (29)	434 (29)	148 (-)	45 (-)	11 (2)
Directors who are Audit & Supervisory Committee Members (of which, outside directors)	145 (67)	145 (67)	- (-)	- (-)	6 (4)
Total (of which, outside directors)	772 (96)	579 (96)	148 (-)	45 (-)	17 (6)

Notes: 1. The above includes one (1) director (excluding directors who are Audit & Supervisory Committee members), who retired at the conclusion of the 156th Ordinary General Meeting of Shareholders held on June 24, 2022. None of the above seventeen (17) 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, 2021 and fiscal year ending March 31, 2022 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, 2021	Consolidated net income	-90.0 billion yen	-31.7 billion yen
	Consolidated net sales	2850.0 billion yen	2882.1 billion yen
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

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 45 million yen recorded in the current business year 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. 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 17 out of 17 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 17 out of 17 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	Ichiro Sakai	Attended 17 out of 17 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 compliance and from his standpoint as a legal professional 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 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.

Category	Name	Attendance Record	Outline of main activities and duties performed in relation to the anticipated role
Director, Audit & Supervisory Committee Member	Akira Kitamura	<p>Attended 16 out of 17 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 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.</p> <p>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.</p>
Director, Audit & Supervisory Committee Member	Hiroko Shibasaki	<p>Attended 17 out of 17 meetings of the Board of Directors</p> <p>Attended 18 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. 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>

Category	Name	Attendance Record	Outline of main activities and duties performed in relation to the anticipated role
Director, Audit & Supervisory Committee Member	Masato Sugimori	<p>Attended 17 out of 17 meetings of the Board of Directors</p> <p>Attended 18 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>

- Notes:1. 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.
2. 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.

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, 2023

	Compensation (million yen)
(i) Amount of compensation to the Accounting Auditor	233
(ii) Total compensation to be paid or payable to the Accounting Auditor by the Company and its Consolidated Subsidiaries	301

- 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 represents the total amount of compensation.
3. The company commissions to the Accounting Auditor the non-and it service, that are, agreed-upon procedures engagements related to the Act on Strengthening Industrial Competitiveness, in addition to services specified in Article 2, Paragraph 1 of the certified Public Accountants Act.

(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.

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 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 introduced in the previous year to realize uniform business management, the Company continues to conduct regular training and auditing.
- Corporate officers and employees receive education on compliance on an ongoing basis. (This includes classes on business affairs and duties, opportunities for self-study using e-learning, and the regular dissemination of information.)

- In efforts to improve the workplace culture, the Company has been holding seminars on topics related to organizational culture for company officers and executives, and arranges opportunities for regular dialogue between management and general employees.
- 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 seminars. Reports are received and handled appropriately. In response to the Amended Whistleblower Protection Act, the Company revised the hotline operating rules and shared these with domestic 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 response to the spread of COVID-19, the status of infection and its impact on production and sales were checked, including at subsidiaries, and necessary prevention and control measures were implemented.

(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. During this fiscal year, the Company reviewed the position of management meetings and other advisory bodies to the president and delegated authority as appropriate to further improve the efficiency of decision-making.
- 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.
- 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 during COVID-19 conditions.
- 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 and supervisory policy and priority measures based on the surrounding business environment and the status of governance of the Mazda Group, and audits and supervises the status of execution of duties of the directors (excluding directors who are Audit & Supervisory Committee members) in line with the annual 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 checks conditions on site as needed 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 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 the Group companies (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, 2023)

ASSETS		LIABILITIES	
Account title	Amount	Account title	Amount
	Mil.yen		Mil.yen
Current Assets	1,724,164	Current Liabilities	1,261,220
Cash and deposits	628,098	Trade notes and accounts payable	480,975
Trade notes and accounts receivable	166,921	Short-term loans payable	1,460
Securities	89,000	Long-term loans payable due within one year	199,579
Inventories	670,904	Lease obligations	6,847
Other	170,814	Income taxes payable	18,212
Allowance for doubtful receivables	(1,573)	Other accounts payable	46,566
		Accrued expenses	298,212
Non-current Assets	1,535,087	Reserve for warranty expenses	85,647
Property, plant and equipment	1,164,606	Provision for loss on compensation for damage	400
Buildings and structures (net)	200,542	Other	123,322
Machinery, equipment and vehicles (net)	378,913	Non-current Liabilities	541,230
Tools, furniture and fixtures (net)	78,496	Bonds	50,000
Land	419,419	Long-term loans payable	345,340
Leased assets (net)	25,289	Lease obligations	20,869
Construction in progress	61,947	Deferred tax liability related to land revaluation	64,434
Intangible assets	54,614	Provision related to environmental regulations	14,533
Software	52,158	Liability for retirement benefits	18,238
Other	2,456	Other	27,816
Investments and other assets	315,867	Total Liabilities	1,802,450
Investment securities	214,895		
Asset for retirement benefits	12,289		
Deferred tax assets	51,011		
Other	37,955		
Allowance for doubtful receivables	(283)		
		NET ASSETS	
			Mil.yen
		Capital and Retained Earnings	1,244,228
		Common stock	283,957
		Capital surplus	263,035
		Retained earnings	699,231
		Treasury stock	(1,995)
		Accumulated Other Comprehensive Income/(Loss)	195,370
		Net unrealized gain/(loss) on available-for-sale securities	20,243
		Deferred gains/(losses) on hedges	(68)
		Land revaluation	145,302
		Foreign currency translation adjustment	14,184
		Accumulated adjustments for retirement benefits	15,709
		Stock Acquisition Rights	475
		Non-controlling Interests	16,728
		Total Net Assets	1,456,801
Total Assets	3,259,251	Total Liabilities and Net Assets	3,259,251

(In Japanese yen rounded to millions)

Consolidated Statement of Operations

(For the Year Ended March 31, 2023)

Account title	Amount	
		Mil.yen
Net sales		3,826,752
Cost of sales		3,025,230
Gross profit		801,522
Selling, general and administrative expenses		659,553
Operating income		141,969
Non-operating income		
Interest and dividend income	13,169	
Equity in net income of affiliated companies	15,777	
Foreign exchange gain	25,952	
Other	6,910	61,808
Non-operating expenses		
Interest expense	8,483	
Loss on transfer of receivables	2,349	
Other	7,009	17,841
Ordinary income		185,936
Extraordinary income		
Gain on sales of property, plant and equipment	136	
Compensation for the exercise of eminent domain	271	
Other	54	461
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	5,094	
Impairment loss	296	
Loss on liquidation of subsidiaries and affiliates	10,953	
Other	82	16,425
Income before income taxes		169,972
Income taxes		
Current	44,523	
Deferred	(18,790)	25,733
Net income		144,239
Net income attributable to non-controlling interests		1,425
Net income attributable to owners of the parent		142,814

(In Japanese yen rounded to millions)

Consolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2023)

	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, 2022	283,957	263,003	581,458	(2,100)	1,126,318	29,707	(1,314)
Changes during the period:							
Dividends paid			(25,197)		(25,197)		
Net income attributable to owners of the parent			142,814		142,814		
Purchase of treasury stock				(2)	(2)		
Sale of treasury stock		(29)		107	78		
Change of scope of consolidation			(78)		(78)		
Land revaluation			234		234		
Change in treasury shares of parent arising from transactions with non-controlling shareholders		61			61		
Changes in items other than capital and retained earnings, net						(9,464)	1,246
Total changes during the period	-	32	117,773	105	117,910	(9,464)	1,246
Balance at March 31, 2023	283,957	263,035	699,231	(1,995)	1,244,228	20,243	(68)

	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, 2022	145,536	(6,162)	7,055	174,822	440	15,117	1,316,697
Changes during the period:							
Dividends paid							(25,197)
Net income attributable to owners of the parent							142,814
Purchase of treasury stock							(2)
Sale of treasury stock							78
Change of scope of consolidation							(78)
Land revaluation							234
Change in treasury shares of parent arising from transactions with non-controlling shareholders							61
Changes in items other than capital and retained earnings, net	(234)	20,346	8,654	20,548	35	1,611	22,194
Total changes during the period	(234)	20,346	8,654	20,548	35	1,611	140,104
Balance at March 31, 2023	145,302	14,184	15,709	195,370	475	16,728	1,456,801

(In Japanese yen rounded to millions)

Notes to Consolidated Financial Statements

Notes on Going Concern Assumption

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 Hanbai 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 | (Excluded)
(Due to dissolution of a company)
1 Mazda Motor International 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) Changes in scope of equity method | (Newly added)
(Due to new establishment)
3 MCF Electric Drive Co., Ltd. and 2 others
(Excluded)
(Due to transfer of equity shares)
1 MAZDA SOLLERS Manufacturing Rus LLC |
| (4) 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
 - Securities other than shares that do not have a market value:
 - Stated at fair value (unrealized gains/losses on these securities are reported, net of applicable income taxes, as a separate component of accumulated other comprehensive income within net assets. Realized gains/losses on the sale of such securities are computed mainly using a moving-average cost.)
 - Shares that do not have a market value:
 - Stated at cost on a historical cost basis, mainly based on a 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 US GAAP adopted IFRS 16 "Leases" ("IFRS 16") or ASU 2016-02. In accordance with these accounting standards, the lessee recognizes in principle all of the lease assets and lease liabilities on the balance sheet. For lease 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 The allowance for doubtful receivables provides for losses from bad debts. The amount estimated to be uncollectible is recognized. For receivables at ordinary risk, the amount is based on the past default ratio, and for receivables at high risk, the amount is calculated in consideration of the collectability of individual receivables.
- b) Reserve for warranty expenses The reserve for warranty expenses provides for after-sales expenses of products (vehicles). In accordance with the coverage of 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 for loss on compensation for damage The provision for loss on compensation for damage provides for expected loss from compensation for damages in the future when the loss is probable and the amount is
- d) Provision related to environmental regulations The 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 a separate performance obligation 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.

(7) Accounting for Hedging Activities

Full-deferral hedge accounting is applied.

(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.

(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. |

Changes in Accounting Policies

- Application of Accounting Standard for Fair Value Measurement

We have applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021; hereinafter "Implementation Guidance on Fair Value Measurement Accounting Standard") from the beginning of the fiscal year ended March 31, 2023 and have applied prospectively a new accounting policy provided for by the Implementation Guidance on Fair Value Measurement Accounting Standard in accordance with the transitional treatment specified in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard. The application of this guidance has no impact on the consolidated financial statements.

- Application of ASU 2016-02 "Leases"

The consolidated foreign subsidiaries that apply US GAAP have adopted ASU 2016-02 "Leases" from the consolidated fiscal year under review. In accordance with this adoption, the lessee recognized substantially all lease assets and lease liabilities on the consolidated balance sheet. The consolidated foreign subsidiaries have adopted the transitional treatment, by which the cumulative effect of applying this standard was recognized at the date of initial application.

As a result, at the beginning of the fiscal year ended March 31, 2023, leased assets (net) included in property, plant and equipment increased by ¥9,378 million, lease obligations (the total amount of Current and Non-current) increased by ¥10,220 million, and other non-current liabilities decreased by ¥842 million.

Notes on Revenue Recognition

1. Breakdown of revenue

The Group's revenues consist primarily of revenues recognized from contracts with customers, and revenues generated from sources other than contracts with customers are insignificant. 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	953,145	1,622,571	634,214	600,907	3,810,837
Revenue recognized over time	784	13,452	1,135	544	15,915
Total	953,929	1,636,023	635,349	601,451	3,826,752

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, 2023 were as follows.

Receivables from contracts with customers (Balance as of April 1, 2022)	
Trade notes	2,893 million yen
Accounts receivable	143,243 million yen
Receivables from contracts with customers (Balance as of March 31, 2023)	
Trade notes	3,017 million yen
Accounts receivable	163,904 million yen
Contract liabilities (Balance as of April 1, 2022)	
Others of current liabilities	83,710 million yen
Contract liabilities (Balance as of March 31, 2023)	
Others of current liabilities	99,027 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 ¥49,913 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, 2023 were as follows.

Within 1 year	23,603 million yen
Over 1 year	37,548 million yen
Total	<u>61,151 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.

Additional Information

The Company and its certain domestic consolidating subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system, effective from the fiscal year ended March 31, 2023. As a result of this, accounting treatment and disclosure procedures for corporate tax, local corporate tax and tax effect accounting are in compliance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASJB Guidance No. 42, August 12, 2021; hereinafter referred to as “Practical Solution No. 42”). Also, in accordance with Paragraph 32(1) of the Practical Solution No. 42, we see no impact of a change in accounting policies as a result of the application of the Practical Solution No. 42.

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	85,647 million yen
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Notes to Consolidated Balance Sheet

Inventories

Merchandise and finished products	450,327 million yen
Work-in-process	190,853 million yen
Raw materials and supplies	29,724 million yen

2. Accumulated depreciation on property, plant and equipment	1,312,989 million yen
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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	84,311 million yen
Machinery, equipment and vehicles	194,671 million yen
Tools, furniture and fixtures	44,941 million yen
Land	228,075 million yen
Inventories	123,933 million yen
Other	86,937 million yen
Total	<u>762,868 million yen</u>

(2) Collateralized loans

Short-term loans payable	190 million yen
Long-term loans payable (including those due within one year)	2,770 million yen
Total	<u>2,960 million yen</u>

4. Contingent liabilities for guarantee and similar agreements

Guarantees of loans and similar agreements

Automobile dealers (in Europe)	17,738 million yen
Others	28 million yen
Total	<u>17,766 million yen</u>

5. In accordance with the Act on Partial Revision of the Act on Revaluation of Land (Act No.19, enacted on March 31, 2001; hereinafter the "Act"), 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 provided for in Article 3, Paragraph 3 of the Act:

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 Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 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 this fiscal year and the book value after revaluation as stipulated in Article 10 of the Act was:

68,223 million yen

Notes to Consolidated Statement of Operations

- Loss on liquidation of subsidiaries and affiliates

Loss on liquidation of subsidiaries and affiliates of ¥10,953 million represents the transfer-related costs incurred in connection with the transfer of the entire equity interest in MAZDA SOLLERS Manufacturing Rus LLC, which was accounted for using the equity method, to the joint venture partner SOLLERS PJSC in December 2022. The transfer agreement includes a right for the Company to repurchase its interest, but in view of the current situation in Ukraine and other factors, the Company has no plan to exercise this right at this time.

Notes to Consolidated Statement of Changes in Net Assets

1. Type and total number of issued shares as of March 31, 2023

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 24, 2022	Common stock	12,597	20.00	March 31, 2022	June 27, 2022
Board of Directors held on November 10, 2022	Common stock	12,599	20.00	September 30, 2022	December 2, 2022

- (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 24, 2022.

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 27, 2023	Common stock	Retained earnings	15,749	25.00	March 31, 2023	June 28, 2023

3. Type and number of shares underlying the stock acquisition rights as of March 31, 2023

Common stock 560,100 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, 2023 (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	89,000	89,000	-
(2) Investment securities	87,834	87,834	-
(3) Bonds	50,000	49,678	(322)
(4) Long-term loans payable	544,919	546,775	1,856
(5) Lease obligations	27,716	27,331	(385)
Derivative instruments (*2)	(482)	(482)	-

(*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

(*2) 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 ().

(*3) Market prices of unlisted stocks (carrying amount on the consolidated balance sheet: ¥1,623 million), investment in affiliates' stocks (carrying amount on the consolidated balance sheet: ¥125,438 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) 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.

(4) Long-term loans payable, and (5) 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.

(6) 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	2,285.21 yen
Net income per share of common stock (Basic)	226.71 yen
Net income per share of common stock (Diluted)	226.52 yen

Notes to Significant Subsequent Events

Not applicable

Unconsolidated Balance Sheet

(As of March 31, 2023)

ASSETS		LIABILITIES	
Account title	Amount	Account title	Amount
	Mil.yen		Mil.yen
Current Assets	1,266,634	Current Liabilities	821,196
Cash and deposits	375,500	Accounts payable - Trade	365,729
Accounts receivable - Trade	363,469	Long-term loans payable due within one year	198,000
Securities	89,000	Lease obligations	1,252
Finished products	69,899	Accounts payable - Other	14,160
Work in process	108,616	Accrued expenses	84,102
Raw materials and supplies	13,965	Income taxes payable	6,656
Prepaid expenses	7,506	Deposits received	59,769
Accounts receivable - Other	52,466	Reserve for warranty expenses	85,647
Short-term loans receivable	137,007	Provision for loss on compensation for damage	400
Other	49,485	Forward exchange contracts	828
Allowance for doubtful receivables	(279)	Other	4,653
Non-current Assets	1,200,753	Non-current Liabilities	527,471
Property, plant and equipment	721,698	Bonds	50,000
Buildings	92,599	Long-term loans payable	343,500
Structures	14,953	Lease obligations	2,522
Machinery and equipment	231,442	Deferred tax liability related to land revaluation	64,434
Vehicles	4,940	Provision related to environmental regulations	13,792
Tools, furniture and fixtures	21,838	Reserve for retirement benefits	21,196
Land	296,661	Reserve for loss on business of subsidiaries and affiliates	19,532
Leased assets	3,303	Long-term guarantee deposited	5,777
Construction in progress	55,962	Asset retirement obligations	3,976
Intangible assets	47,733	Other	2,742
Software	47,732	Total Liabilities	1,348,667
Leased assets	1		
Investments and other assets	431,322	NET ASSETS	
Investment securities	84,964		Mil.yen
Stocks of subsidiaries and affiliates	247,928	Capital and Retained Earnings	952,715
Investments in capital of subsidiaries and affiliates	40,766	Common stock	283,957
Long-term loans receivable from subsidiaries and affiliates	5,958	Capital surplus	267,604
Long-term prepaid expenses	19,044	Capital reserve	193,847
Deferred tax assets	28,540	Other capital surplus	73,757
Other	4,122	Retained earnings	403,144
		Other retained earnings	403,144
		Unappropriated retained earnings	403,144
		Treasury stock	(1,990)
		Valuation and Translation Adjustments	165,530
		Net unrealized gain/(loss) on available-for-sale securities	20,368
		Deferred gains/(losses) on hedges	(140)
		Land revaluation	145,302
		Stock Acquisition Rights	475
		Total Net Assets	1,118,720
Total Assets	2,467,387	Total Liabilities and Net Assets	2,467,387

(In Japanese yen rounded to millions)

Unconsolidated Statement of Operations

(For the Year Ended March 31, 2023)

Account title	Amount	
		Mil.yen
Net sales		3,000,360
Cost of sales		2,579,670
Gross profit		420,690
Selling, general and administrative expenses		371,862
Operating income		48,828
Non-operating income		
Interest income	8,665	
Interest income of securities	10	
Dividends income	21,148	
Rental income	4,331	
Foreign exchange gain	27,113	
Other	917	62,184
Non-operating expenses		
Interest expense	4,122	
Interest paid on bonds	166	
Other	4,133	8,421
Ordinary income		102,591
Extraordinary income		
Gain on sales of property, plant and equipment	10	
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	1,111	
Other	54	1,175
Extraordinary losses		
Loss on sales of property, plant and equipment	255	
Loss on retirement of property, plant and equipment	4,359	
Impairment loss	217	
Loss on liquidation of subsidiaries and affiliates	10,215	
Other	67	15,113
Income before income taxes		88,653
Income taxes		
Current	8,585	
Deferred	(9,703)	(1,118)
Net income		89,771

(In Japanese yen rounded to millions)

Unconsolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2023)

	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, 2022	283,957	193,847	73,786	338,335	(2,095)	887,830
Changes during the period:						
Dividends paid				(25,197)		(25,197)
Net income				89,771		89,771
Purchase of treasury stock					(2)	(2)
Sale of treasury stock			(29)		107	78
Reversal for Land revaluation				234		234
Changes in items other than capital and retained earnings, net						-
Total changes during the period	-	-	(29)	64,809	105	64,885
Balance at March 31, 2023	283,957	193,847	73,757	403,144	(1,990)	952,715

	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, 2022	29,793	(1,381)	145,536	173,948	440	1,062,218
Changes during the period:						
Dividends paid						(25,197)
Net income						89,771
Purchase of treasury stock						(2)
Sale of treasury stock						78
Reversal for Land revaluation						234
Changes in items other than capital and retained earnings, net	(9,425)	1,241	(234)	(8,418)	35	(8,383)
Total changes during the period	(9,425)	1,241	(234)	(8,418)	35	56,502
Balance at March 31, 2023	20,368	(140)	145,302	165,530	475	1,118,720

(In Japanese yen rounded to millions)

Notes to Unconsolidated Financial Statements

Notes on Going Concern Assumption

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:

Securities other than shares that do not have a market value:

Stated at fair value (unrealized gains/losses on these securities are reported, net of applicable income taxes, as a separate component of accumulated other comprehensive income within net assets. Realized gains/losses on the sale of such securities are computed using a moving-average cost.)

Shares that do not have a 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

The allowance for doubtful receivables provides for the losses from bad debt. The amount estimated to be uncollectible is recognized. 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 collectability of individual receivables.

(2) Reserve for warranty expenses

The reserve for warranty expenses provides for after-sales expenses of products (vehicles).

In accordance with the coverage of warranty booklet and the related laws and regulations, the amount is estimated per product warranty provisions and actual costs incurred in the past, taking future prospects into consideration.

(3) Provision for loss on compensation for damage

The provision for loss on compensation for damage provides for expected loss from compensation for damages in the future when the loss is probable and the amount is reasonably estimable.

(4) Provision related to environmental regulations

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

(5) Reserve for retirement benefits

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

a) Method of attributing expected benefit to periods

In calculating the retirement benefit obligation, the method of attributing the 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.

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

The reserve for loss on business of subsidiaries and affiliates provides for losses from business of subsidiaries and affiliates. The amount is estimated in consideration 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, and Connected 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 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 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 all products and services 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 Company provides dealers with sales incentives calculated based on sales promotion programs, which generally represent discounts from the Company 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. Other Accounting Treatments

(1) Method of hedge accounting

Deferred hedge accounting is applied. 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 treatment for retirement benefits

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

(3) Accounting treatment for national and local consumption taxes

The tax-excluded method is applied.

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

Change in Accounting Policy

- Application of Accounting Standard for Fair Value Measurement

We have applied the Implementation Guidance on Fair Value Measurement Accounting Standard from the beginning of the fiscal year ended March 31, 2023 and have applied prospectively a new accounting policy provided for by the Implementation Guidance on Fair Value Measurement Accounting Standard in accordance with the transitional treatment specified in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard. The application of this guidance has no impact on the unconsolidated financial statements.

Notes on Revenue Recognition

Basic information for understanding revenue arising from contracts with customers is as described in “4. Basis for recognizing revenues and expenses” under “Significant Accounting Policies” in the Notes to the Financial Statements, and therefore, notes have been omitted.

Additional Information

The Company has transitioned from the consolidated taxation system to the group tax sharing system, effective from the fiscal year ended March 31, 2023. As a result of this, accounting treatment and disclosure procedures for corporate tax, local corporate tax and tax effect accounting are in compliance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASJB Guidance No. 42, August 12, 2021; hereinafter referred to as “Practical Solution No. 42”). Also, in accordance with Paragraph 32(1) of the Practical Solution No. 42, we see no impact of a change in accounting policies as a result of the application of the Practical Solution No. 42.

Notes to Significant Accounting Estimates

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

Reserve for warranty expenses	85,647 million yen
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Notes to Unconsolidated Balance Sheet

- | | |
|---|----------------------------|
| 1. Accumulated depreciation on property, plant and equipment | 935,453 million yen |
| 2. Short-term receivables from subsidiaries and affiliates | 453,515 million yen |
| 3. Long-term receivables from subsidiaries and affiliates | 5,984 million yen |
| 4. Short-term payables to subsidiaries and affiliates | 132,167 million yen |
| 5. Long-term payables to subsidiaries and affiliates | 2,836 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 | 54,525 million yen |
| Structures | 5,369 million yen |
| Machinery and equipment | 145,150 million yen |
| Tools, furniture and fixtures | 10,436 million yen |
| Land | <u>163,127 million yen</u> |
| Total | <u>378,607 million yen</u> |
| (2) Collateralized loans | |
| Long-term loans payable | 2,000 million yen |
| (including those due within one year) | |
| 7. Contingent liabilities for guarantee and similar agreements | |
| Guarantee of loans and similar agreement | |
| Mazda Motor of America Inc. | 2,237 million yen |
| Others | <u>49 million yen</u> |
| Total | <u>2,286 million yen</u> |
| 8. In accordance with the Act on Partial Revision of the Act on Revaluation of Land (Act No.19, enacted on March 31, 2001; hereinafter the “Act”), 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 provided for in Article 3, Paragraph 3 of the Act:

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 Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 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 this fiscal year and the book value after revaluation as stipulated in Article 10 of the Act was ¥68,223 million.

Notes to Unconsolidated Statement of Operations

1. Amount of transactions with subsidiaries and affiliates

Sales	2,531,291 million yen
Purchase	630,121 million yen
Selling, general and administrative expenses	65,672 million yen
Non-operating transactions	27,970 million yen

2. Loss on liquidation of subsidiaries and affiliates

The loss on liquidation of subsidiaries and affiliates of 10,215 million yen is due to costs associated with the transfer of all equity interest in MAZDA SOLLERS Manufacturing Rus LLC, an equity-method affiliate, to Sollers PJSC in December 2022. Although the transfer agreement includes a right for the Company to repurchase its equity interest, in view of the current situation in Ukraine and other factors, the Company has no plan to exercise that right at this time.

Notes to Unconsolidated Statement of Changes in Net Assets

Type and number of treasury stock as of the end of the fiscal year:

Common stock 1,834,326 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	46,160 million yen
Accrued expenses, etc.	27,351 million yen
Reserve for warranty expenses	26,088 million yen
Inventories, etc.	11,271 million yen
Reserve for retirement benefits	6,456 million yen
Accrued employees' bonuses	6,123 million yen
Reserve for loss on business of subsidiaries and affiliates	5,949 million yen
Tax loss carryforwards	517 million yen
Provision for loss on compensation for damage	122 million yen
Others	<u>11,366 million yen</u>
Subtotal	141,403 million yen
Valuation allowance for tax loss carryforwards	(397) million yen
Valuation allowance for deductible temporary differences, etc.	<u>(103,457) million yen</u>
Total valuation allowance	<u>(103,854) million yen</u>
Total deferred tax assets	37,549 million yen

Deferred tax liabilities:

Net unrealized gain on available-for-sales securities	(8,921) million yen
Asset retirement cost corresponding to asset retirement obligations	<u>(88) million yen</u>
Total deferred tax liabilities	<u>(9,009) million yen</u>
Net deferred tax assets	<u>28,540 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>(64,434) million yen</u>
Net deferred tax liability related to land revaluation	<u>(64,434) million yen</u>

Notes to Transactions with Relevant Parties

Subsidiaries and affiliates

(In millions of yen)

Type	Name of company	% 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	1,002,802	Accounts receivable -Trade	128,793
				Lending and borrowing of funds through Inter-company cash management *2	49,367	Deposits Received	7,400
Subsidiary	Mazda Motor Logistics Europe N.V.	Direct: 100%	-Sale of Mazda - brand products -Dispatch of directors	Sales of automobiles *1	396,457	Accounts receivable -Trade	62,289
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, 3	300,734	Accounts payable -Trade	19,478
				Lending of funds *4	151,273	Loans receivable	96,149
				Collection of loans receivable	133,733		

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

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

*2 Interest rates applied to the lending/borrowing of funds through inter-company cash management are reasonably determined in consideration of market interest rates. The transaction amount indicates the average balance during the period.

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

*4 The interest rate applied to the lending of funds is reasonably determined in consideration of market interest rates.

Notes to Per Share Information

Net assets per share of common stock	1,775.08 yen
Net income per share of common stock (Basic)	142.50 yen
Net income per share of common stock (Diluted)	142.38 yen

Notes to Significant Subsequent Event

Not applicable

Independent Auditor's Report

May 11, 2023

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

Takuya Morishima
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, 2023 and for the year from April 1, 2022 to March 31, 2023 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, related safeguards.

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.

Copy of Independent Auditor's Report (English Translation)

Independent Auditor's Report

May 11, 2023

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

Takuya Morishima
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, 2023 and for the year from April 1, 2022 to March 31, 2023 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, related safeguards.

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.

Copy of Audit Report of the Audit & Supervisory Committee (English Translation)

Audit Report

The Audit & Supervisory Committee conducted audits on the directors' execution of their duties during the 157th fiscal year beginning April 1, 2022 and ending March 31, 2023. The methods and results of the audits are described below.

1. Methods and content of audits

With regard to the content of the 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 establishment and status of operation of the system. Furthermore, they requested explanations of and exchanged opinions and information with directors, executive officers and employees, 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 established and was operating "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 (October 28, 2005, 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 statement, 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 detailed statement 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 in regard to the directors' performance of their duties.
 - (iii) The content of the resolution of 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 pertaining 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 11, 2023

Audit & Supervisory Committee, Mazda Motor Corporation

Masatoshi Maruyama, Audit & Supervisory Committee Member
(full-time)

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

Ichiro Sakai, Audit & Supervisory Committee Member

Akira Kitamura, Audit & Supervisory Committee Member

Hiroko Shibasaki, Audit & Supervisory Committee Member

Masato Sugimori, Audit & Supervisory Committee Member

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