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Securities Code: 7261

June 3, 2025

(Electronic provision of information starts on: May 27, 2025)

## To Our Shareholders with Voting Rights

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

## NOTICE OF THE 159th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 159th Ordinary General Meeting of Shareholders of Mazda Motor Corporation on June 25, 2025. 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 Tuesday, June 24, 2025.**

### 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:** Wednesday, June 25, 2025 at 10:00 a.m.  
(Reception opens at 9:00 a.m.)
- 2. Place:** Mazda Head Office Auditorium  
3-1 Shinchu, 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 159th Fiscal Year (from April 1, 2024 to March 31, 2025)
  2. Unconsolidated Financial Statements for the 159th Fiscal Year (from April 1, 2024 to March 31, 2025)

**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

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

## Message from the President

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

In Phase 1 (2022-2024) of our 2030 Management Policy, our aim was to prepare for future electrification and carbon neutrality and to acquire resources for growth investment in these areas. We have already completed the market launch of four Large models, the CX-60, CX-70, CX-80 and CX-90, all of which are equipped with plug-in hybrid systems and other electrification technologies, and we have achieved net cash of 400 billion yen, exceeding our plan.

In Phase 2 (2025-2027), we will focus on transitioning to electrification, but the electrification landscape has many uncertainties, including rising investment costs due to inflation, regional differences in the progress of electrification, and attempts by the current U.S. administration to change the trade framework policy. Under these circumstances, as a niche player in the industry, we are promoting what we call our “Lean Asset Strategy” to thoroughly utilize our assets and collaborate with our partners to minimize management risk and increase adaptability. Through this strategy, we intend to enhance productivity and significantly streamline investment and man-hours required for electrification, thereby increasing our corporate value and realizing sustainable growth.

In line with our Lean Asset Strategy, we will evolve Mazda Monozukuri Innovation, our unique approach to development and production process innovation in manufacturing, to further increase efficiency and flexibility throughout the entire supply chain. This will enable us to overcome the challenges of electrification and the increasing complexity of software development in the future, and to offer multi-solutions to meet the diverse needs of our customers and environmental regulations.

As the automotive industry undergoes a once-in-a-century transformation, Mazda will continue to evolve the "joy of driving" to adapt to the next generation and to deliver unique value regardless of business scale by striking the right balance of sustainable technology development and flexible business management.

We look forward to your ongoing support and understanding.

Click [here](#) to see the Mazda Multi-Solution briefing, which explains our Lean Asset Strategy in detail.

## 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 factors such as the current fiscal year's financial results, business environment and financial conditions. The Company continues to strive for stable shareholder returns and their steady increase.

Based on the above policy, we propose a year-end dividend of 30 yen per share.

An interim dividend of 25 yen per share has already been paid, bringing the annual dividend for this fiscal year to 55 yen per share.

1. Type of asset to be distributed: Cash
2. Allocation of assets to be distributed to shareholders and total amount:  
30 yen per share of the Company's common stock  
Total amount: 18,910,702,050 yen
3. Date on which distribution of surplus funds will take effect: June 26, 2025

#### 【Reference】 Trends in Dividends

|                                      | 156th Fiscal Year<br>(April 2021<br>to March 2022) | 157th Fiscal Year<br>(April 2022<br>to March 2023) | 158th Fiscal Year<br>(April 2023<br>to March 2024) | 159th Fiscal Year<br>(April 2024<br>to March 2025) |
|--------------------------------------|--|--|--|--|
| Annual dividend per share (JPY)      | 20   | 45   | 60   | 55   |
| Dividend payout ratio (consolidated) | 15.4%  | 19.8%  | 18.2%  | 30.4%  |

Note: The annual dividend per share for the 159th 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 nine (9) current directors (excluding directors who are Audit & Supervisory Committee members) will expire at the conclusion of this general meeting of shareholders, and Mr. Ichiro Hirose will retire. To strengthen supervisory functions, we propose to increase the number of outside directors by one (1) and 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 meetings attended |
|---------------|---------------|-------------------|--------|--|---------------------------------|
| 1             | Reelection    | Kiyotaka Shobuda  | Male   | Representative Director and Chairperson of the Board               | 100% (15/15)                    |
| 2             | Reelection    | Masahiro Moro     | Male   | Representative Director, President and CEO                         | 100% (15/15)                    |
| 3             | Reelection    | Jeffrey H. Guyton | Male   | Representative Director, Senior Managing Executive Officer and CFO | 100% (15/15)                    |
| 4             | Reelection    | Yasuhiro Aoyama   | Male   | Director and Senior Managing Executive Officer                     | 80% (12/15)                     |
| 5             | Reelection    | Takeshi Mukai     | Male   | Director, Senior Managing Executive Officer and CSCO               | 100% (15/15)                    |
| 6             | Reelection    | Takeji Kojima     | Male   | Director, Senior Managing Executive Officer and CSO                | 100% (15/15)                    |
| 7             | New Candidate | Ryuichi Umeshita  | Male   | Senior Managing Executive Officer and CTO                          | -                               |
| 8             | Reelection    | Kiyoshi Sato      | Male   | Independent Outside Director                                       | 100% (15/15)                    |
| 9             | Reelection    | Michiko Ogawa     | Female | Independent Outside Director                                       | 93% (14/15)                     |
| 10            | New Candidate | Miki Oikawa       | Female | Independent Outside  | -                               |

Candidate No. **1 Kiyotaka Shobuda** Reelection

|  |                               |
|--|-------------------------------|
| Date of Birth  | April 11, 1959 (66 years old) |
| Number of Company shares held                                    | 20,100 shares                 |
| (Potential number of additional Company shares that may be held) | (48,100 shares)               |
| Number of BOD meetings attended                                  | 100% (15/15)                  |



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 Chairperson of the Board   |

(to the present)

Important office concurrently held:

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

Reasons for nomination as a candidate for director:

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

Candidate No. **2** **Masahiro Moro** Reelection

|  |                                 |
|--|---------------------------------|
| Date of Birth  | November 8, 1960 (64 years old) |
| Number of Company shares held                                    | 19,600 shares                   |
| (Potential number of additional Company shares that may be held) | (40,900 shares)                 |
| Number of BOD meetings attended                                  | 100% (15/15)                    |



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; Chairperson 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; Chairperson and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)                                |
| June 2021   | Director and Senior Managing Executive Officer; Oversight of Communication, Corporate Communications, Corporate Liaison and Administrative Domain  |
| June 2022   | Director and Senior Managing Executive Officer; Oversight of Communication, Corporate Communications, Corporate Liaison, Sustainability and Administrative Domain  |
| June 2023   | Representative Director, President and CEO; Oversight of Communication and Sustainability  |

(to the present)

Reasons for nomination as a candidate for director:

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

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

|                                 |                                |
|---------------------------------|--------------------------------|
| Date of Birth                   | January 8, 1967 (58 years old) |
| Number of Company shares held   | 33,422 shares                  |
| Number of BOD meetings attended | 100% (15/15)                   |



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

|            |  |
|------------|--|
| Dec. 1996  | Finance Supervisor, Truck Vehicle Center, Ford Motor Company   |
| Mar. 1998  | Manager, Financial Review for Corporate Controllers Office, Ford Motor Company   |
| Feb. 2000  | Finance Manager, Association Management, Ford Asia Pacific   |
| Sep. 2000  | Joined Mazda Motor Corporation; General Manager, Cost Planning Div.  |
| June 2002  | Executive Officer; General Manager, Cost Planning Div.   |
| Oct. 2003  | Vice President Finance and Systems, CFO, Mazda Motor Europe GmbH   |
| March 2009 | Managing Executive Officer; President and CEO, Mazda Motor Europe GmbH   |
| April 2016 | Senior Managing Executive Officer; Assistant to the Officer overseeing Brand Enhancement; President and CEO, Mazda Motor Europe GmbH   |
| April 2019 | Senior Managing Executive Officer; Assistant to the Officer overseeing Operations in North America and Brand Enhancement; President Mazda Motor of America, Inc. (Mazda North American Operations)     |
| June 2021  | Senior Managing Executive Officer; Oversight of Operations in North America; President and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)   |
| April 2023 | Senior Managing Executive Officer; Oversight of Operations in North America  |
| June 2023  | Representative Director, Senior Managing Executive Officer and CFO; Assistant to President; Oversight of Operations in North America and Cost Innovation   |
| June 2024  | Representative Director, Senior Managing Executive Officer and CFO; Assistant to President; Oversight of Corporate Planning & Development, Operations in North America, and Cost Innovation            |
| April 2025 | Representative Director, Senior Managing Executive Officer and CFO; Assistant to President; Oversight of Corporate Planning & Development, Operations in North America and Europe, and Cost Innovation |

(to the present)

Reasons for nomination as a candidate for director:

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



Candidate No. **4 Yasuhiro Aoyama** Reelection

|  |                                 |
|--|---------------------------------|
| Date of Birth  | November 2, 1965 (59 years old) |
| Number of Company shares held                                    | 16,900 shares                   |
| (Potential number of additional Company shares that may be held) | (31,100 shares)                 |
| Number of BOD meetings attended                                  | 80% (12/15)                     |



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

|            |   |
|------------|---|
| March 1988 | Joined the Company  |
| Oct. 2007  | General Manager, Product Planning & Business Strategy Div.  |
| Oct. 2011  | General Manager, Global Marketing Div.  |
| April 2014 | Executive Officer; General Manager, Global Sales & Marketing Div.   |
| Jan. 2016  | Executive Officer; Global Sales Coordination; In charge of Global Marketing and Customer Service  |
| April 2017 | Managing Executive Officer; Global Sales Coordination; In charge of Brand Enhancement, Global Marketing and Customer Service  |
| April 2019 | Senior Managing Executive Officer; In charge of Operations in Europe; Assistant to the Officer overseeing Brand Enhancement; President and CEO, Mazda Motor Europe GmbH |
| June 2021  | Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales and Customer Service   |
| June 2022  | Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales, Customer Service and New Business (MaaS)  |
| April 2023 | Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales, Customer Service, New Business (MaaS) and Product Strategy                        |
| June 2023  | Director and Senior Managing Executive Officer; Oversight of Global Sales and Product Strategy; Assistant to the Officer overseeing Cost Innovation                     |
| April 2024 | Director, Senior Managing Executive Officer and CCEO; Oversight of Product Strategy   |
| April 2025 | Director and Senior Managing Executive Officer; Oversight of Cost Reduction   |

(to the present)

Reasons for nomination as a candidate for director:

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

Candidate No. **5 Takeshi Mukai** Reelection

|  |                               |
|--|-------------------------------|
| Date of Birth  | March 14, 1962 (63 years old) |
| Number of Company shares held                                    | 15,700 shares                 |
| (Potential number of additional Company shares that may be held) | (29,800 shares)               |
| Number of BOD meetings attended                                  | 100% (15/15)                  |



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

|            |   |
|------------|---|
| March 1986 | Joined the Company  |
| April 2006 | General Manager, Body Production Engineering Dept.  |
| Sep. 2010  | Vice President, AutoAlliance (Thailand) Co., Ltd.   |
| Jan. 2013  | Deputy General Manager, Hofu Plant  |
| April 2015 | Executive Officer; General Manager, Hofu Plant  |
| April 2016 | Executive Officer; In charge of Global Quality  |
| April 2017 | Executive Officer; In charge of Global Quality; Assistant to the Officer in charge of Cost Innovation   |
| April 2018 | Managing Executive Officer; In charge of Global Quality; Assistant to the Officer in charge of Cost Innovation  |
| April 2019 | Managing Executive Officer; In charge of Global Production, Global Business Logistics and Cost Innovation   |
| April 2021 | Senior Managing Executive Officer; In charge of Global Purchasing, Global Production, Global Business Logistics and Cost Innovation   |
| June 2021  | Senior Managing Executive Officer; Oversight of Quality, Purchasing, Production and Business Logistics; In charge of Cost Innovation  |
| June 2022  | Director and Senior Managing Executive Officer; Oversight of Quality, Purchasing, Production, Business Logistics and Carbon Neutrality  |
| June 2023  | Director and Senior Managing Executive Officer; Oversight of Quality, Purchasing, Production, Business Logistics and Carbon Neutrality; Assistant to the Officer overseeing Cost Innovation |
| April 2024 | Director, Senior Managing Executive Officer and CSCO; Oversight of Quality and Carbon Neutrality  |
| April 2025 | Director, Senior Managing Executive Officer and CSCO; Oversight of Monozukuri Innovation, Supply Chain Innovation and Carbon Neutrality Promotion   |
|            | (to the present)  |

Reasons for nomination as a candidate for director:

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

Candidate No. **6 Takeji Kojima** Reelection

|  |                                |
|--|--------------------------------|
| Date of Birth  | August 24, 1965 (59 years old) |
| Number of Company shares held                                    | 10,363 shares                  |
| (Potential number of additional Company shares that may be held) | (21,300 shares)                |
| Number of BOD meetings attended                                  | 100% (15/15)                   |



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

|            |   |
|------------|---|
| April 1989 | Joined the Company  |
| Jul. 2011  | General Manager, Technology Planning Dept.  |
| Aug. 2014  | Deputy General Manager, Product Strategy Div.   |
| April 2015 | General Manager, Product Strategy Div.  |
| April 2017 | General Manager, Corporate Communications Div.  |
| April 2018 | Executive Officer; General Manager, Corporate Communications Div.   |
| Jan. 2019  | Executive Officer; In charge of Corporate Communications and Corporate Liaison  |
| April 2020 | Executive Officer; In charge of Corporate Communications and Corporate Liaison, and Tokyo Office Managing   |
| April 2021 | Managing Executive Officer; In charge of R&D Administration, Product Strategy, Technical Research Center and Carbon Neutrality  |
| April 2023 | Senior Managing Executive Officer; Oversight of Corporate Strategy, R&D Strategy Planning and MDI&IT; Assistant to the Officer overseeing Carbon Neutrality   |
| June 2023  | Director, Senior Managing Executive Officer and CSO; Oversight of Corporate Strategy, R&D Strategy Planning and MDI & IT; Assistant to the Officer overseeing Carbon Neutrality and Cost Innovation |
| April 2024 | Director, Senior Managing Executive Officer and CSO; Assistant to the Officer overseeing Carbon Neutrality  |
| April 2025 | Director, Senior Managing Executive Officer and CSO; Assistant to the Officer overseeing Carbon Neutrality Promotion  |

(to the present)

Reasons for nomination as a candidate for director:

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

Candidate No. 7 Ryuichi Umeshita

New

Candidate

|  |                              |
|--|------------------------------|
| Date of Birth  | April 3, 1965 (60 years old) |
| Number of company shares held                                    | 17,700shares                 |
| (Potential number of additional Company shares that may be held) | (14,500 shares)              |



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

|            |   |
|------------|---|
| March 1988 | Joined the Company  |
| Dec. 2010  | General Manager, Product Planning Div.  |
| May 2015   | General Manager, Customer Service Div.; Representative Director & President, Mazda Parts Co., Ltd.  |
| April 2016 | Executive Officer, General Manager, Customer Service Div.   |
| April 2018 | Executive Officer, In charge of Customer Service; Assistant to the Officer in charge of Brand Enhancement and Global Marketing  |
| June 2019  | Executive Officer, In charge of Brand Enhancement, Global Marketing, Sales and Customer Service   |
| April 2021 | Executive Officer, Executive Vice President, Mazda Motor of America, Inc. (Mazda North American Operations)   |
| April 2023 | Managing Executive Officer, Assistant to the Officer overseeing Operations in North America; Executive Vice President, Mazda Motor of America, Inc. (Mazda North American Operations) |
| Oct. 2023  | Managing Executive Officer, In charge of Electrification Promotion  |
| April 2025 | Senior Managing Executive Officer and CTO; Oversight of R&D; Assistant to the Officer overseeing Monozukuri Innovation  |

(to the present)

Reasons for nomination as a candidate for director:

Mr. Umeshita has extensive experience primarily in R&D, product planning, marketing and sales. Having served as Executive Vice President of Mazda Motor of America, Inc. (Mazda North American Operations), he also has considerable knowledge of management as well as superior character and insight. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and its supervisory functions. Thus, we propose his election as director.

Candidate No. 8 Kiyoshi Sato

Reelection

Independent

Outside

|                                 |                              |
|---------------------------------|------------------------------|
| Date of Birth                   | April 2, 1956 (69 years old) |
| Number of Company shares held   | 2,000 shares                 |
| Number of BOD meetings attended | 100% (15/15)                 |



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 Chairperson of the Board   |
| June 2011  | Director<br>Director and Chairperson, Tokyo Electron America, Inc.<br>Director and Chairperson, Tokyo Electron Europe Ltd. |
| Nov.2013   | Director and President, TEL Solar AG   |
| July 2014  | Advisor (to June 2016)   |
| June 2016  | Audit & Supervisory Board Member, Tokyo Electron Yamanashi Ltd.  |
| June 2017  | Outside Director, Toshiba Machine Co., Ltd. (currently Shibaura Machine Co., Ltd.)<br>(to the present)                     |
| July 2017  | Advisor, Tokyo Electron Ltd. (to June 2019)  |
| June 2019  | Outside Director, Inabata & Co., Ltd. (to June 2023)   |
| June 2019  | Outside Director, Mazda Motor Corporation<br>(to the present)  |

Important office concurrently held:

Outside Director, Shibaura Machine Co., Ltd.

Term of office as Outside Director: 6 years (as of the close of this Meeting)

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

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

Candidate No. 9 Michiko Ogawa

Reelection

Independent

Outside

|                                 |                                 |
|---------------------------------|---------------------------------|
| Date of Birth                   | December 4, 1962 (62 years old) |
| Number of Company shares held   | 5,200 shares                    |
| Number of BOD meetings attended | 93% (14/15)                     |



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;<br>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;<br>Director, Corporate Engineering Division, In charge of Technics Brand                   |                  |
| Feb. 2018  | Director, Persol AVC Technology Co., Ltd. (to June 2021)   |                  |
| June 2018  | Chairperson, 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,<br>Director in charge of Technics Brand, Panasonic Holdings Corporation                                |                  |
| April 2025 | Executive Officer, in charge of Government and External Relations, and Solution Partners<br>General Manager, Technics Business Promotion, Panasonic Holdings Corporation   | (to the present) |

Important office concurrently held:

Executive Officer, Panasonic Holdings Corporation  
Chairperson, Japan Audio Society

Term of office as Outside Director: 6 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' experiences working in audio technology development at an electronics manufacturer and has in-depth knowledge as an audio technology researcher. As an officer in charge of premium audio equipment, she engaged in brand re-establishment initiatives and has extensive experience in and insight into corporate management. Thus, to make use of her knowledge and experience in the Company's management, we propose her election as an outside director. After her appointment, she can be expected to make efforts to enhance the supervisory function of the Board of Directors through her advice and recommendations from a brand marketing perspective and professional insight as an engineer in particular.

Candidate No. 10 Miki Oikawa

New  
Candidate  
Independent  
Outside

|                               |                                 |
|-------------------------------|---------------------------------|
| Date of Birth                 | January 11, 1969 (56 years old) |
| Number of Company shares held | 0 shares                        |



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

|            |  |
|------------|--|
| April 1991 | Joined POLA Cosmetics, INC. (Currently POLA INC.)  |
| Jan. 2012  | Corporate Officer, Head of Product Planning & Promotion, and General Manager of Product Planning Department        |
| Jan. 2013  | Corporate Officer in charge of Product Planning, Advertising, Beauty Research and Design Research                  |
| Jan. 2014  | Director in charge of Product Planning, Advertising, Beauty Research and Design Research                           |
| Jan. 2015  | Director in charge of Direct Sales Fashion and Others Business   |
| Jan. 2016  | Director in charge of Direct Sales   |
| Jan. 2017  | Director in charge of Total Beauty Business  |
| Jan. 2018  | Director and Corporate Officer in charge of Business Division  |
| Jan. 2020  | Senior Corporate Officer, POLA ORBIS HOLDINGS INC.<br>Representative Director and President, POLA INC.             |
| Jan. 2022  | Senior Corporate Officer in charge of Group Diversity, POLA ORBIS HOLDINGS INC.<br>(to Dec. 2024)                  |
| Jan. 2023  | Representative Director and President Executive General Manager of Total Beauty Business, POLA INC. (to Dec. 2024) |
| March 2025 | Chairperson, General incorporated association Toget-HER  |

(to the present)

Important office concurrently held:

Chairperson, General incorporated association Toget-HER

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

Ms. Oikawa has many years of experience working in product planning and sales operations at a cosmetics manufacturer and has in-depth knowledge in product planning, sales and marketing as well as diversity. Having served in various key positions including representative director and president, she also possesses extensive experience and insight in corporate management. Thus, to make use of her knowledge and experience in the Company's management, we propose her election as an outside director. After her appointment, she can be expected to provide advice and recommendations from the perspective of diversity and broad management viewpoints in particular to enhance the supervisory function of the Board of Directors.



- Notes:
1. There are no special conflicts of interest between the Company and the candidates for director (excluding directors who are Audit & Supervisory Committee members).
  2. “Potential number of additional Company shares that may be held” refers to the number of shares corresponding to stock acquisition rights granted as stock options, which may be granted in the future.
  3. Mr. Sato, Ms. Ogawa and Ms. Oikawa are candidates for outside directors pursuant to Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
  4. Based on its criteria for the independence of an outside officer, the Company has determined that Mr. Sato, Ms. Ogawa and Ms. Oikawa 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 determining the independence of an outside officer are disclosed in its report on corporate governance on its website at <https://www.mazda.com/en/investors/library/governance/>.
  5. Mr. Sato currently serves as an outside director at Shibaura Machine Co., Ltd. There are no business transactions between the Company and Shibaura Machine Co., Ltd.  
Ms. Ogawa currently serves as Executive Officer at Panasonic Holdings Corporation. Transactions between Panasonic Holdings Corporation and the Company in the year ended March 31, 2025 were minimal, comprising less than 2% of the Company’s consolidated sales. Furthermore, there are no business transactions between the Company and Japan Audio Society.  
Ms. Oikawa currently serves as a chairperson at General Incorporated Association Toget-HER. There are no business transactions between the Company and Toget-HER.
  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 act. Upon the approval of Mr. Sato’s and Ms. Ogawa’s appointments as outside directors, the Company intends to continue these liability limitation agreements. On approval of Ms. Oikawa’s appointment as an outside director, the Company will enter into a Liability Limitation Agreement with her 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.
  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 this liability insurance agreement for officers, etc. The Company also plans to renew this agreement with the same content at the time of the next renewal.
  8. While Mr. Sato and Ms. Ogawa were serving as outside directors, an incident of inappropriate handling related to applications for type designation was identified at the Company. While they regularly provided advice and comments to emphasize the importance of thorough compliance with laws and regulations, they were not aware of this incident before it was identified. Since the discovery of the incident, they have been fulfilling their responsibilities by presenting proposals to conduct thorough investigations and strengthen the internal control system to prevent a recurrence.
  9. The Name in family register of Miki Oikawa is Miki Takenaga.



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

The terms of five (5) current directors who are Audit & Supervisory Committee members will expire at the conclusion of this general meeting of shareholders and Mr. Nobuhiko Watabe 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:

| Candidate No. |               | Name             |        |                     | Position concurrently held              | Number of BOD meeting attended | Number of the Audit & Supervisory Committee meeting attended |
|---------------|---------------|------------------|--------|---------------------|---|--------------------------------|--|
| 1             | New Candidate | Hironori Tanaka  | Male   |                     | Managing Executive Officer              | -                              | -  |
| 2             | Reelection    | Akira Kitamura   | Male   | Independent Outside | Director, Audit & Supervisory Committee | 100% (15/15)                   | 100% (16/16)   |
| 3             | Reelection    | Hiroko Shibasaki | Female | Independent Outside | Director, Audit & Supervisory Committee | 100% (15/15)                   | 100% (16/16)   |
| 4             | Reelection    | Masato Sugimori  | Male   | Independent Outside | Director, Audit & Supervisory Committee | 93% (14/15)                    | 100% (16/16)   |
| 5             | Reelection    | Hiroshi Inoue    | Male   | Independent Outside | Director, Audit & Supervisory Committee | 100% (15/15)                   | 100% (16/16)   |

Candidate No. 1 Hironori Tanaka

New  
Candidate

|  |                                  |
|--|----------------------------------|
| Date of Birth  | September 9, 1963 (61 years old) |
| Numbers of Company shares held                                   | 6,600 shares                     |
| (Potential number of additional Company shares that may be held) | (17,100 shares)                  |



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

|            |   |
|------------|---|
| April 1989 | Joined the Company  |
| April 2017 | General Manager, Domestic Business Div.   |
| April 2019 | Executive Officer, General Manager, Domestic Business Div.  |
| July 2019  | Executive Officer, In charge of Domestic Sales  |
| April 2022 | Managing Executive Officer, In charge of Operations in ASEAN; President, Mazda South East Asia Ltd.       |
| April 2025 | Managing Executive Officer, Assistant to the Officer overseeing Administrative Domain<br>(to the present) |

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

Mr. Tanaka has held key posts and has extensive knowledge both in domestic and ASEAN business. He also has exceptional character and insight. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the 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 (74 years old) |
| Numbers of Company shares held                                | 3,600 shares                  |
| Number of BOD meeting attended                                | 100% (15/15)                  |
| Number of the Audit & Supervisory Committee meetings attended | 100% (16/16)                  |



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 (currently Kansai Mirai Bank, Limited) |                  |
| June 2009  | Vice Chairperson (Representative Director)                                       |                  |
| March 2010 | Chairperson 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: 6 years (as of the close of this Meeting)

Term of office as Director, Audit & Supervisory Committee Member: 6 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 chairperson 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 (71 years old) |
| Numbers of Company shares held                                | 2,600 shares                |
| Number of BOD meeting attended                                | 100% (15/15)                |
| Number of the Audit & Supervisory Committee meetings attended | 100% (16/16)                |



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<br>(to the present)           |
| June 2021  | Outside Director, Kyudenko Corporation<br>(to the present)  |

Important office concurrently held:

Outside Director, Kyudenko Corporation

Term of office as Outside Director: 6 years (as of the close of this Meeting)

Term of office as Director, Audit & Supervisory Committee Member: 6 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 (68 years old) |
| Numbers of Company shares held                                | 1,800 shares                  |
| Number of BOD meeting attended                                | 93% (14/15)                   |
| Number of the Audit & Supervisory Committee meetings attended | 100% (16/16)                  |



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

|            |  |
|------------|--|
| April 1979 | Joined Sumitomo Corporation  |
| April 2010 | Executive Officer, Sumitomo Corporation;<br>Executive Vice President and CFO, Sumitomo Corporation North America Group, General Manager, Corporate Coordination Group in Sumitomo Corporation North America Group<br>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<br>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)<br>Director, J:COM SAITAMA · HIGASHINIHON Co., Ltd.(to June 2021)   |
| April 2020 | Advisor, Assistant to General Manager, Media & Digital Business Unit, Sumitomo Corporation<br>Director, Executive Vice President, General Manager, Corporate Unit, Jupiter Telecommunications Co., Ltd.  |
| April 2021 | Advisor, Sumitomo Corporation (to March 2022)<br>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: 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. 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**

Reelection

Independent

Outside

|   |                              |
|---|------------------------------|
| Date of Birth   | June 17, 1957 (68 years old) |
| Numbers of Company shares held                                | 3,600 shares                 |
| Number of BOD meeting attended                                | 100% (15/15)                 |
| Number of the Audit & Supervisory Committee meetings attended | 100% (16/16)                 |



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 June 2024)  |                  |
| June 2023  | Outside Director, Audit & Supervisory Committee Member, Mazda Motor Corporation              | (to the present) |
| June 2024  | Outside Director, Audit and Supervisory Committee Member, Mitsui Mining & Smelting Co., Ltd. | (to the present) |
| April 2025 | Outside Director, Audit and Supervisory Committee Member, Custody Bank of Japan, Ltd.        | (to the present) |

Important office concurrently held:

Lawyer

Outside Director, Audit and Supervisory Committee Member, Mitsui Mining & Smelting Co., Ltd.

Outside Director, Audit and Supervisory Committee Member, Custody Bank of Japan, Ltd.

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:

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. “Potential number of additional Company shares that may be held” refers to the number of shares corresponding to stock acquisition rights granted as stock options, which may be granted in the future.
  3. Mr. 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.
  4. 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/>
  5. 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, 16 years will have passed since he resigned as an executive in March 2009. As of March 31, 2025, the bank owned approximately 1.0 percent of the Company’s stock, and the balance of the Mazda group borrowings from the bank was 109,779 million yen (approximately 2.7 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 Chairperson of the Board & CEO (Representative Director) at Kansai Urban Banking Corporation (currently Kansai Mirai Bank, Limited) but he has since stepped down from all posts at the bank. As of the convening of this General Meeting of Shareholders, 6 years will have passed since he has stepped down from all posts at the bank in March 2019. As of March 31, 2025, the balance of the Mazda Group borrowings from the bank was 4,000 million yen, a very small amount equal to less than 0.1 percent of the Company’s consolidated assets. No business was 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 in March 2019. As of the convening of this General Meeting of Shareholders, 6 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 2025 was very small, less than 1 percent of the Company’s consolidated sales. No business was 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, 3 years will have passed since he has stepped down from all posts at Sumitomo Corporation in March 2022. In the fiscal year ending March 2025, 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. and Custody Bank of Japan, Ltd. The number of transactions between Mitsui Mining & Smelting in the fiscal year ending March 2025 was very small, less than 1 percent of the Company’s consolidated sales. No business was transacted between the Company and Custody Bank of Japan, Ltd.

6. The Company has concluded liability limitation agreements with Mr. Kitamura, Ms. Shibasaki, Mr. Sugimori and Mr. Inoue 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.
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 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.
8. While Mr. Kitamura, Ms. Shibasaki, Mr. Sugimori and Mr. Inoue were serving as outside directors, an incident of inappropriate handling related to applications for type designation was identified at the Company. While they regularly provided advice and comments to emphasize the importance of thorough compliance with laws and regulations, they were not aware of this incident before it was identified. Since the discovery of the incident, they have been fulfilling their responsibilities by presenting proposals to conduct thorough investigations and strengthen the internal control system prevent a recurrence.
9. It came to light that Mitsui Kinzoku Perlite Co., Ltd., a subsidiary of Mitsui Mining & Smelting Co., Ltd. for which Mr. Inoue serves as an outside director and audit and supervisory committee member, was involved in inappropriate conduct such as falsification of data on inspection reports for perlite products manufactured and sold by the company. Mr. Inoue has consistently emphasized the importance of compliance with laws and regulations at board meetings of Mitsui Mining & Smelting Co., Ltd. and, since the discovery of this incident, has been fulfilling his responsibilities by providing advice on measures to prevent a recurrence.



【Reference】

If Proposals No.2 and No. 3 are approved, the Skills matrix of the Board of Directors will be as follows:

| Name and attribute                   | Directors   |   |   |  |   |   |   |   |   |   | Directors who are Audit & Supervisory Committee Members                             |   |   |   |   |
|--------------------------------------|---|---|---|--|---|---|---|---|---|---|---|---|---|---|---|
|                                      |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|                                      | Kiyotaka Shobuda<br>66<br>Male  | Masahiro Moro<br>64<br>Male   | Jeffrey H. Guyton<br>58<br>Male   | Yasuhiro Aoyama<br>59<br>Male  | Takeshi Mukai<br>63<br>Male   | Takeji Kojima<br>59<br>Male   | Ryuichi Umeshita<br>60<br>Male  | Kiyoshi Sato<br>69<br>Male<br>Independent Outside                                   | Michiko Ogawa<br>62<br>Female<br>Independent Outside                                | Miki Oikawa<br>56<br>Female<br>Independent Outside                                  | Hironori Tanaka<br>61<br>Male   | Akira Kitamura<br>74<br>Male<br>Independent Outside                                 | Hiroko Shibasaki<br>71<br>Female<br>Independent Outside                             | Masato Sugimori<br>68<br>Male<br>Independent Outside                                | Hiroshi Inoue<br>68<br>Male<br>Independent Outside                                  |
| Attributes                           | Representative Director and Chairperson of the Board                              | Representative Director, President and CEO  | Representative Director, Senior Managing Executive Officer and CFO                | Director, Senior Managing Executive Officer  | Director, Senior Managing Executive Officer and CSCO                                | Director, Senior Managing Executive Officer and CSO                                 | Director, Senior Managing Executive Officer and CTO                                 | Director  | Director  | Director  | Director, Audit & Supervisory Committee Member (Full time)                          | Director, Audit & Supervisory Committee Member                                      | Director, Audit & Supervisory Committee Member                                      | Director, Audit & Supervisory Committee Member                                      | Director, Audit & Supervisory Committee Member                                      |
| Management (executive experience)    | ●   | ●   | ●   | ●  |   |   | ●   | ●   |   | ●   |   | ●   |   |   |   |
| Global business                      | ●   | ●   | ●   | ●  | ●   |   | ●   | ●   |   |   | ●   |   |   | ●   |   |
| Product planning/ R&D                |   |   |   | ●  |   | ●   | ●   |   | ●   | ●   |   |   |   |   |   |
| Manufacturing/ Purchase/ Quality     | ●   |   |   |  | ●   |   |   |   |   |   |   |   |   |   |   |
| Brand/ Marketing/ Sales              | ●   | ●   | ●   | ●  |   |   | ●   | ●   | ●   | ●   | ●   |   | ●   |   |   |
| ESG                                  | ●   | ●   | ●   |  | ●   | ●   | ●   | ●   | ●   | ●   |   | ●   |   | ●   | ●   |
| IT/ DX                               |   |   |   |  |   | ●   | ●   | ●   |   |   |   |   |   | ●   |   |
| HR management/ Personnel development |   | ●   |   |  |   |   |   |   |   | ●   |   |   | ●   |   | ●   |
| Legal/ Risk management               |   | ●   |   |  |   |   |   |   |   |   |   |   |   | ●   | ●   |
| Finance/ Accounting                  |   |   | ●   |  |   |   |   |   |   |   |   | ●   |   | ●   |   |

Note: 1. Titles of those who will serve as representative directors and directors (excluding directors who are Audit & Supervisory Committee members) will be determined at the Board of Directors meeting following this general meeting of shareholders.  
2. The above table indicates the main knowledge and experience of each person; it does not specify all knowledge and experience of the respective persons.  
3. The Board of Directors will consist of 15 members, of which 7 members (46.7%) are independent outside directors, and 3 members (20.0%) are women.

**BUSINESS REPORT**  
(From April 1, 2024 to March 31, 2025)

## **1. Business activities of the Mazda Group**

### **(1) Progress and results of business activities**

#### **Business environment during the fiscal year ended March 31, 2025**

Despite evidence of a slow but steady improvement in economic conditions in the business environment surrounding the Mazda Group during the fiscal year ended March 31, 2025, uncertainty about the future continued mainly due to the effects of high resource prices stemming from geopolitical risks, ongoing high policy interest rates in major countries, and exchange rate volatility. At present, geopolitical and economic uncertainty remains high amid recent changes in government in major countries and concerns over escalating global trade friction.

In this environment, despite the impact of intensifying sales competition and increases in labor costs and parts procurement prices in major markets, the group achieved growth in sales volumes and net sales particularly in the North American market, where sales volumes reached a record high, through efforts to strengthen our flexible marketing measures and introduce new products. While promoting initiatives in electrification and value creation for the future as well as investment in people, we also made efforts to enhance management efficiency through a range of activities such as reducing the number of models, reviewing parts and equipment in line with customer value, re-evaluating cost-effectiveness to reduce costs, and thoroughly streamlining operations to reduce fixed costs.

#### **Business Overview**

Mazda continues to evolve the “joy of driving” based on our human-centered values with the aim of delivering the “joy of living” by creating exciting, moving experiences in the everyday life of our customers.

In April 2024, we began sales in North America of the Mazda CX-70, two-row crossover SUV, the third model in our Large Product Group following the Mazda CX-60 and Mazda CX-90. In October, we also began sales of the Mazda CX-80, a three-row crossover SUV and the fourth model in our Large Product Group, in Europe and Japan. Both the CX-70 and CX-80 models boast high environmental performance, thanks to their adoption of plug-in hybrid systems and other electrification technologies and have achieved high safety ratings in various countries. \* With the introduction of these two models, we now have four Large Product models available globally, and intend to leverage these products to grow our sales volume.

In other existing models such as the Mazda CX-30, Mazda3, Mazda MX-30, Mazda CX-5, and CX-60, we also introduced updated models throughout the fiscal year to enhance Mazda’s ongoing product appeal by improving safety, convenience, and comfort.

\*In 2024 safety performance evaluations of the Insurance Institute for Highway Safety (IIHS) in the United States, the CX-70 won the Top Safety Pick+ award, the highest rating for safety performance. In 2024 safety performance evaluations of the European New Car Assessment Programme (Euro NCAP), the CX-80 earned the highest five-star rating and was named Best in Class Large SUV. In Japan, the CX-80 also received the Five Star Vehicle Safety Performance 2024 Award of the Japan New Car Assessment Program (JNCAP), the highest award in the JNCAP’s overall evaluation.

< MAZDA CX-70 >



< MAZDA CX-80 >



In the Chinese market where electrification is making rapid progress, we began sales of the Mazda EZ-6 in October 2024. The Mazda EZ-6 is the first of a series of new electrified vehicles developed and manufactured by Changan Mazda Automobile Co., Ltd. a local entity in which Mazda has invested, in cooperation with Chongqing Changan Automobile Co., Ltd., Mazda's joint venture partner. In addition, we plan to launch the Mazda EZ-60, our second new electrified vehicle this year to expand our lineup of electric models. We will respond to the needs and preferences of customers in China by offering two models, a battery EV (BEV) and a plug-in hybrid EV (PHEV).

In the EU market, we plan to release the Mazda6e this summer. Based on the EZ-6, the Mazda6e has been tailored for European driving performance and functionality.

In the North American market, we commenced sales of a hybrid model of the Mazda CX-50 in November last year. This model, which is produced at our U.S. Alabama plant, incorporates a hybrid system developed by the Toyota Motor Corporation.

In these early days of electrification, we intend to respond flexibly to the needs of the market and environmental regulations while taking full advantage of alliances with our partners under our Lean Asset Strategy.

< MAZDA EZ-6 >



< MAZDA EZ-60 >



## Sales volume by market

**Global sales volume** 1,303,000 units (up 5.0% year on year)

Global sales volume for the fiscal year was 1,303,000 units, up 5.0% year on year. This was driven by strong performance in the North American market, with the United States and Mexico recording their highest ever annual sales volumes.

**Japan** 152,000 units (down 5.2% year on year)

Sales declined 5.2% year on year to 152,000 units mainly due to the impact of discontinuation of sales of the Mazda CX-8. However, sales in the fourth quarter of the fiscal year increased 24.8% year on year to 49,000 units as the newly introduced CX-80 and updated models of the CX-60 and CX-5 contributed to the increase in sales volume.

**North America** 617,000 units (up 20.0% year on year)

In the United States, sales were driven by our Large Products and the introduction of a hybrid model of the CX-50, and sales reached a record-high of 435,000 units, a 15.9% increase year on year. Performance in North America as a whole was also strong, with a 20.0% year-on-year growth in sales to 617,000 units, thanks to robust sales in both Canada and Mexico

**EU** 174,000 units (down 3.4% year on year)

While sales of the CX-30 and Mazda2 Hybrid model increased, overall sales in Europe declined 3.4% from the previous year to 174,000 units mainly due to the decline in sales of models such as the CX-60, CX-5 and Mazda6.

**China** 74,000 units (down 23.1% year on year)

In China, sales declined 23.1% year on year to 74,000 units due mainly to contraction in demand for internal combustion engine vehicles and intense price competition. The Mazda EZ-6, a dedicated electrified model, was launched in October 2024.

**Other markets** 285,000 units (down 1.4% year on year)

In Australia, one of Mazda's major markets, sales of newly introduced Large Products as well as the Mazda CX-3 and CX-5 increased but overall sales declined 1.1% year on year to 97,000 units partly due to discontinuation of sales of the Mazda CX-9 and CX-8. In other markets overall, a total of 285,000 units were sold, down 1.4% from the previous year, due mainly to a contraction in sales in ASEAN markets such as Thailand and Malaysia.

## Financial Performance

Financial performance on a consolidated basis for the fiscal year ended March 31, 2025 was as follows.

|  | Fiscal year<br>ended March 31, 2024 | Fiscal year<br>ended March 31, 2025 | (vs. Prior year) |                   |
|--|-------------------------------------|-------------------------------------|------------------|-------------------|
|  |                                     |                                     | Amount           | Rate of<br>change |
|  | billion yen                         | billion yen                         | billion yen      |                   |
| Net Sales  | 4,827.7                             | 5,018.9                             | +191.2           | +4.0%             |
| Operating Income                                   | 250.5                               | 186.1                               | (64.4)           | (25.7)%           |
| Ordinary Income                                    | 320.1                               | 189.0                               | (131.1)          | (41.0)%           |
| Net Income Attributable<br>to Owners of the Parent | 207.7                               | 114.1                               | (93.6)           | (45.1)%           |

Changes in operating income were as follows.

|   | Fiscal year<br>ended March 31, 2025 |
|---|-------------------------------------|
|   | billion yen                         |
| Volume & mix                              | +62.8                               |
| Sales incentives                          | (124.9)                             |
| Exchange rate                             | +43.9                               |
| Raw materials, logistics costs and others | (46.2)                              |
| Cost improvement                          | +25.0                               |
| Fixed costs and others                    | (25.0)                              |
| Total                                     | (64.4)                              |

Net cash provided by operating activities in this consolidated fiscal year was up 305.6 billion yen due to an increase in account payables and other factors and income before income taxes was 155.8 billion yen. (In the previous fiscal year there was an increase of 418.9 billion yen.) Cash flow from investing activities was down 200.0 billion yen as the result of the expenditure for the acquisition of property, plant and equipment and etc. (In the previous fiscal year there was a decrease of 179.9 billion yen.) As a result, consolidated free cash flow (net of cash flow from operating and investing activities) was up 105.7 billion yen. (In the previous fiscal year there was an increase of 239.0 billion yen.)

Net cash provided by financing activities was up 90.1 billion yen as the result of financing through corporate bonds and long-term borrowings despite of payments for dividends and repayment of long-term borrowings. (In the previous fiscal year there was a decrease of 84.7 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 30 yen per share at the Ordinary General Meeting of Shareholders. Thus, the total dividend for the fiscal year will be 55 yen per share.

## Net sales breakdown of the Mazda Group

| Category                   | Domestic    | Overseas    | Total       |
|----------------------------|-------------|-------------|-------------|
|                            | million yen | million yen | million yen |
| Vehicles                   | 335,375     | 4,026,989   | 4,362,364   |
| Knockdown parts (Overseas) | —           | 14,903      | 14,903      |
| Parts                      | 45,555      | 330,691     | 376,246     |
| Other                      | 197,655     | 67,725      | 265,380     |
| Total                      | 578,585     | 4,440,308   | 5,018,893   |

## (2) Capital investment

For further growth in the future, we focused investment on next-generation products, environmental and safety technologies, IT and reinforcing our global production system. As a result of efficient investment in these areas, capital investment amounted to 148.4 billion yen on a consolidated basis. (This figure was 121.3 billion yen in the previous fiscal year.)

## (3) Financing

In the fiscal year ended March 31, 2025, the Company took out long-term loans totaling 170.3 billion yen. In addition, we issued a total of 80 billion yen in corporate bonds: 30 billion yen in July, 15 billion yen in December 2024, and 35 billion yen in March 2025.

## (4) Issues to be addressed

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

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

#### **Medium-term management plan key initiatives**

- Invest in brand value improvement
  - Invest in unique products, technologies, production, and customer experience –
    - Ongoing investment with further efficiency and leveling
    - Staggered launch of new products/derivatives at planned intervals
    - Ongoing product upgrades
- Curb expenditure that depreciates brand value
- Accelerate fixed cost/cost reductions to lower break-even volume
- Invest in areas where Mazda needs to catch up, and start investing in new areas
- Enhance alliances (CASE<sup>1</sup>), 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               | • Approx. 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 <sup>2</sup>       |
| 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 technology, autonomous driving technology, shared services, and electrification technology.

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 efforts to achieve our financial targets for the fiscal year ending in March 2026 but due to the increasing uncertainty of the business environment including trends in environmental regulations, social infrastructure improvements, changes in power source composition, and the diversification of customer values, we have articulated a new management policy and initiatives based on assumptions of world trends.

### **Basic management policy**

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

### **Initiatives for Opening the Future**

#### **i) Initiatives for achieving carbon neutrality**

To achieve our goal of becoming carbon neutral<sup>3</sup> by the year 2050, we have established “achieving carbon neutrality in Mazda factories around the globe by 2035” as a medium-term goal and will promote initiatives under the three pillars of energy conservation, shift to renewable energies, and use of carbon neutral fuels. As measures for the supply chain<sup>4</sup> will also be necessary, we will also promote activities to reduce CO<sub>2</sub> emissions in stages in cooperation with transport companies and business partners. In Japan, we will make efforts to restructure our supply chain and expand the use of carbon neutral fuels.

#### **ii) Initiatives in electrification in each phase**

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

- Phase 1 (2022 - 2024): Strengthening of the business foundation using accumulated assets  
Making full use of our existing assets of multiple electrification technologies, we will launch attractive products that conform with 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 CO<sub>2</sub> through improvements in fuel efficiency during the period of transition to electrification, we will further refine the multi-electrification technologies we have developed to date and introduce new hybrid systems. In addition to introducing pure BEVs in the Chinese market where electrification is advanced, we will begin to introduce BEVs globally. In consideration of the potential widespread use of renewable fuels, we will enhance to the utmost the performance of internal combustion engines through the application of technologies to further improve thermal efficiency.

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.



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

As we move forward with the full-fledged introduction of pure BEV models, we will shift our focus to full-scale electrification and will also consider various options including investment in battery production, based on changes in the external environment and progress in strengthening our financial base.

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

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

**iv) Cost reduction and supply chain resilience**

In cost reductions, we will broaden the current scope of costs of products and manufacturing to include the entire supply chain and value chain<sup>5</sup> as a whole to gain a comprehensive view of costs and we will make changes that will allow us to structure our costs based on measures to eliminate inefficiency, inconsistency and waste by reviewing our product lineup to improve investment efficiency and inventory turnover.

**3. Lean Asset Strategy for enhancing corporate value**

The environment surrounding electrification is beset by many uncertainties including rises in investment costs due to inflation and regional disparities in the progress of electrification. Mazda views the period until 2030 as the "dawn of electrification" and under its 2030 Management Policy is promoting electrification through a multi-solution approach to respond flexibly to diverse customer needs and environmental regulations. To realize this, Mazda announced its Lean Asset Strategy<sup>6</sup> in March this year as an implementation strategy for enhancing the corporate value of Mazda as a niche player by increasing the utilization of its existing assets. The main details of this strategy are as follows:

- In the area of manufacturing, we will deploy development and production process innovation unique to Mazda. In the area of development, we will increase productivity three-fold to allow for more complex development while maintaining resources at the existing level.
- For our battery EV (BEV) to be launched in 2027, we expect to significantly reduce development investment and development man-hours compared with what these were previously through collaboration and partnerships.
- In battery investment, we expect to be able to halve the impact of inflation on investment factored into our initial assumption.
- In production, we believe that utilizing our existing manufacturing assets to undertake production of both battery EVs and engine vehicles on the same production line will enable us to significantly reduce the initial capital investment and lead time to mass production compared to investment and lead time required to build a new plant dedicated to the production of battery EVs.

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

\*6. Click here to view the Mazda Multi-Solution Briefing 2025 where our Lean Asset Strategy was presented.  
<https://www.mazda.com/en/about/vision/multi-solution-briefing-2025/>



- Through the above initiatives we will not only ensure high asset efficiency with low investment and provide competitive technologies and products but also achieve sustainable growth and improve corporate value<sup>7</sup> by generating returns in excess of capital costs.

#### **4. Progress in the 2030 Management Policy**

The fiscal year ended March 31, 2025 was the final year of Phase 1 of our 2030 Management Policy, and our goals during this period were to secure funds for growth investment and lay the groundwork for future electrification and carbon neutrality. The main progress achieved during this period is as follows.

##### **Growth in net sales**

- In the three-year period of Phase 1, wholesales volume increased 25%, and net sales reached record highs in tandem with increases in per-unit prices.
- Buoyed by the full lineup of four Large products and strong sales in the North American market, net cash flow in the three years of Phase 1 increased to the 400 billion yen level and the financial structure is also growing in strength.

##### **Efforts to lower costs throughout the entire supply chain and value chain**

- We have been making efforts in cost reduction by narrowing down the power train specifications to facilitate customer choices, and by improving supply chain inventories that had been trending upwards.
- We have been promoting supply chain structural reform by streamlining the number of component types purchased from suppliers, and we have been making efforts to reduce fixed costs in areas such as parts procurement and transport. In our mixed production line, which is one of Mazda's strengths, we have also introduced highly efficient production equipment which incorporates automated guided vehicle.
- To accelerate cost structure reform activities aimed at reducing costs, in April this year we appointed an officer responsible for the oversight of cost reduction, established the Cost Planning Innovation Office to oversee attendant business, and began a thorough review of the structure of our cost governance framework and cost planning functions.
- To strengthen our business adaptability and resilience, we are now working to achieve our goal of reducing costs by 100 billion yen through structural cost reductions including optimizing our supply chain and value chain as well as reducing fixed costs by 100 billion yen by improving productivity through the selection and concentration of operations, investment efficiency, and utilization of digital transformation.

##### **Investment in people**

- To provide for the development and innovation of more advanced software technologies, which will become increasingly important in the future, we will open the new Mazda R&D Center Tokyo in Azabudai Hills in July 2025 to recruit software engineers and relocate our Tokyo headquarters there.
- We are focusing on creating a culture where all employees can demonstrate their abilities as individuals to the fullest, freely express their ideas, and engage in lively exchanges of opinions. As part of our efforts, we introduced the Blueprint program as a company-wide initiative for improving our corporate culture in November 2023. All direct and indirect employees will have participated in program activities by May this year, and we will soon move on from the introductory stage to promoting and establishing a host of program activities for all employees.

\*7. Please see the "Message from the CFO" in our Integrated Report 2024 for an overall picture of our initiatives to enhance corporate value.

<https://www.mazda.com/en/investors/library/integrated-report/>

## Preparation of electrification technology and batteries

- In September 2024, we signed an agreement with Panasonic Energy Co., Ltd. for the supply of batteries for battery EVs, and in January this year announced plans to build a new module pack plant for cylindrical lithium-ion battery cells for automotive use in Iwakuni in Yamaguchi Prefecture. Our aim is to commence plant operations in fiscal 2027, and we plan to install the completed battery packs in battery EVs that adopt Mazda's first EV-dedicated platform at Mazda's vehicle plants in Japan. We plan to have an annual production capacity of 10 GWh.
- We are promoting in-house development of next-generation battery technologies as a Green Innovation Fund<sup>\*8</sup> project, and research and development are proceeding as planned, including the opening of an in-house test lab.
- In terms of products, to meet the diverse needs of our customers, we added a hybrid model to the CX-50 in November last year, utilizing technology from Toyota Motor Corporation. In addition, the next-generation CX-5, which is scheduled to be introduced during Phase 2, will be equipped with SKYACTIV-Z, which is currently being developed as the main engine for the coming electrification era, combined with Mazda's own hybrid system by the end of 2027.
- In the Chinese market, where electrification is making rapid progress, we began selling the EZ-6, which comes in two models, a battery EV and a plug-in hybrid, in October 2024. In Europe and Thailand, we plan to introduce this model as the Mazda6e, and production for Europe began in April this year. In addition, we plan to launch the EZ-60 in China by the end of this year.

< Signed an agreement with Panasonic Energy Co., Ltd. for the supply of batteries for EVs >



< EV-dedicated platform >



### < Roadmap for the electrification transition >

| PHASE 1<br>2022-2024                                      |  | PHASE 2<br>2025-2027  | PHASE 3<br>2028-2030  |
|---|--|---|---|
| SKYACTIV-Z  |  |                                | Combustion improvement technology to be rolled-out to In-line 6 engine, to be utilized for RE |
| In-house HEV<br>Mazda Hybrid System                       |  | Introduce to the Next CX-5 in combination with Mazda in-house hybrid system                                       | Considering to roll-out technical elements of in-house HEV to Large platform products         |
| MHEV  |   | Compact SUV built in Thailand  | Launch in Japan and Global south  |
| PHEV  | Large Products (CX-60, CX-70, CX-80, CX-90)  |   | Continuous improvement  |
| Dedicated EV platform                                     |  | Battery EV                     | Considering to offer derivatives  |
| HEV with partner<br>Toyota hybrid System                  | CX-50 equipped with Toyota hybrid system  | Continuous improvement  |   |
| BEV with partner<br>Joint venture with Changan Automobile | MAZDA EZ-6 (BEV&PHEV)  MAZDA6e (BEV)      | MAZDA EZ-60 (BEV&PHEV)         | Considering 3rd and 4th models  |

\*8. Green Innovation Fund by the New Energy and Industrial Technology Development Organization (NEDO)

## **5. Efforts to strengthen compliance and governance**

As part of our efforts to prevent the recurrence of inappropriate incidents in Applications for Type Designation announced on June 3, 2024, we are taking the following measures.

- i) Revamping the mechanisms and governance framework for checking to ensure tests were conducted in compliance with certification regulations
- ii) Thoroughly reviewing procedure manuals, education, and practices to properly conduct tests in compliance with certification regulations
- iii) Improving and strengthening facilities to consistently fulfill testing conditions in compliance with certification regulations

We are committed to further strengthening compliance and governance to regain the trust of our shareholders and all other stakeholders of Mazda

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

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

| Item  | 156th Term<br>(April 2021<br>to March 2022) | 157th Term<br>(April 2022<br>to March 2023) | 158th Term<br>(April 2023<br>to March 2024) | 159th Term<br>(April 2024<br>to March 2025) |
|---|---|---|---|---|
| Net sales (millions of yen)                                       | 3,120,349                                   | 3,826,752                                   | 4,827,662                                   | 5,018,893                                   |
| Operating income (millions of yen)                                | 104,227                                     | 141,969                                     | 250,503                                     | 186,125                                     |
| Ordinary income (millions of yen)                                 | 123,525                                     | 185,936                                     | 320,120                                     | 188,996                                     |
| Net income attributable to owners of the parent (millions of yen) | 81,557                                      | 142,814                                     | 207,696                                     | 114,079                                     |
| Net income per share (yen)  | 129.49                                      | 226.71                                      | 329.65                                      | 181.00                                      |
| Total assets (millions of yen)                                    | 2,968,148                                   | 3,259,251                                   | 3,791,768                                   | 4,090,081                                   |
| Net assets (millions of yen)                                      | 1,316,697                                   | 1,456,801                                   | 1,757,378                                   | 1,810,029                                   |
| Net assets per share (yen)  | 2,065.74                                    | 2,285.21                                    | 2,757.74                                    | 2,843.31                                    |
| Equity ratio  | 43.8%                                       | 44.2%                                       | 45.8%                                       | 43.8%                                       |

**(ii) The Company**

| Item                               | 156th Term<br>(April 2021<br>to March 2022) | 157th Term<br>(April 2022<br>to March 2023) | 158th Term<br>(April 2023<br>to March 2024) | 159th Term<br>(April 2024<br>to March 2025) |
|------------------------------------|---|---|---|---|
| Net sales (millions of yen)        | 2,339,290                                   | 3,000,360                                   | 3,636,113                                   | 3,549,454                                   |
| Operating income (millions of yen) | 69,877                                      | 48,828                                      | 132,302                                     | 32,438                                      |
| Ordinary income (millions of yen)  | 130,014                                     | 102,591                                     | 226,555                                     | 66,443                                      |
| Net income (millions of yen)       | 84,529                                      | 89,771                                      | 137,731                                     | 60,132                                      |
| Net income per share (yen)         | 134.20                                      | 142.50                                      | 218.60                                      | 95.41                                       |
| Total assets (millions of yen)     | 2,327,779                                   | 2,467,387                                   | 2,718,102                                   | 2,947,097                                   |
| Net assets (millions of yen)       | 1,062,218                                   | 1,118,720                                   | 1,280,920                                   | 1,266,466                                   |
| Net assets per share (yen)         | 1,685.70                                    | 1,775.08                                    | 2,032.19                                    | 2,008.49                                    |
| Equity ratio                       | 45.6%                                       | 45.3%                                       | 47.1%                                       | 43.0%                                       |

**(6) Principal business** (as of March 31, 2025)

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

| Segment                    | Main Products  |
|----------------------------|--|
| Vehicles                   | Passenger vehicles:<br>Mazda EZ-6/Mazda6e, Mazda3, Mazda2, Mazda2 Hybrid, CX-90, CX-80, CX-8, CX-70, CX-60, CX-50, CX-5, CX-30, CX-3, MX-30, MX-5, Carol, Flair, Flair Wagon, Flair Crossover, Scrum Wagon<br>Trucks:<br>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, 2025)

## (i) The Company

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

## (ii) Subsidiaries and Affiliates

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

**(8) Employees** (as of March 31, 2025)

## (i) The Mazda Group

| Number of employees | Change from previous year |
|---------------------|---------------------------|
| 48,783              | +98                       |

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

## (ii) The Company

| Number of employees | Change from previous year | Average age    | Average years of employment |
|---------------------|---------------------------|----------------|-----------------------------|
| 23,391              | +267                      | 42.5 years old | 17.4 years                  |

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

2. The number of employees above does not include 495 temporary employees, etc.

**(9) Principal parent companies and subsidiaries** (as of March 31, 2025)

## (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                  | RMB85 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-ku , Tokyo    | ¥3,022 million   | 100.0                              | Sales of vehicles and parts                 |
| Tokai Mazda Co., Ltd.                               | Mizuho-ku, Nagoya-shi  | ¥2,110 million   | 100.0                              | Sales of vehicles and parts                 |
| Kansai Mazda Co., Ltd.                              | Naniwa-ku, Osaka       | ¥950 million     | 100.0                              | Sales of vehicles and parts                 |
| Kyushu Mazda Co., Ltd.                              | Hakata-ku, Fukuoka     | ¥826 million     | 100.0                              | Sales of vehicles and parts                 |
| Mazda Parts Co., Ltd.                               | Higashi-ku, Hiroshima  | ¥1,018 million   | 100.0                              | Sales of automobile parts                   |
| Kurashiki Kako Co., Ltd.                            | Kurashiki-shi, Okayama | ¥310 million     | 75.0                               | Manufacturing and sales of automobile parts |
| Mazda Logistics Co., Ltd.                           | Minami-ku, Hiroshima   | ¥490 million     | 100.0                              | Transportation of vehicles and parts        |
| Mazda Chuhan Co., Ltd.                              | Minami-ku, Hiroshima   | ¥1,500 million   | 100.0                              | Sales of used vehicles                      |

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

2. The Company has 71 consolidated subsidiaries.

## (iii) Principal affiliates

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

Note: 1. Figures with an asterisk include indirect ownership

2. The Company has 20 equity-method companies.

## (10) Major creditors (as of March 31, 2025)

| Creditor                                  | Balance of Borrowings (million yen) |
|---|-------------------------------------|
| Sumitomo Mitsui Banking Corporation       | 109,779                             |
| Development Bank of Japan Inc.            | 95,500                              |
| Sumitomo Mitsui Trust & Banking Co., Ltd. | 52,710                              |
| Hiroshima Bank, Ltd.                      | 29,365                              |
| Mizuho Bank, Ltd.                         | 29,166                              |
| MUFG Bank, Ltd.                           | 27,870                              |
| Yamaguchi Bank, Ltd.                      | 26,000                              |
| Momiji Bank, Ltd.                         | 19,242                              |
| The Nishi-Nippon City Bank, Ltd.          | 14,295                              |
| THE Chugoku Bank, Ltd.                    | 13,045                              |

**2. Status of shares** (as of March 31, 2025)**(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:** 184,774 (increased by 60,034 from previous year)**(4) Major shareholders:**

| Name  | No. of shares held<br>(thousands) | Shareholding<br>Ratio (%) |
|---|-----------------------------------|---------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account)  | 105,932                           | 16.8                      |
| Toyota Motor Corporation  | 31,928                            | 5.1                       |
| Custody Bank of Japan, Ltd. (Trust Account)   | 29,210                            | 4.6                       |
| NORTHERN TRUST GLOBAL SERVICES SE,<br>LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315<br>PCT NON TREATY ACCOUNT | 11,140                            | 1.8                       |
| MORGAN STANLEY & CO. LLC  | 10,737                            | 1.7                       |
| STATE STREET BANK AND TRUST COMPANY 505103  | 9,292                             | 1.5                       |
| MAN INTERNATIONAL ICVC – MAN GLG JAPAN<br>COREALPHA FUND  | 8,294                             | 1.3                       |
| STATE STREET BANK AND TRUST COMPANY 505001  | 7,730                             | 1.2                       |
| JP Morgan Securities Japan Co., Ltd   | 7,358                             | 1.2                       |
| STATE STREET BANK WEST CLIENT – TREATY 505234   | 7,221                             | 1.1                       |

Note: Calculation of the shareholding ratio excludes treasury stock (1,447,244 shares).

**(5) Status of the Company's Shares Granted to Directors as Consideration for the Execution of Duties in the Fiscal Period Under Review**

| Category  | Number of shares | Grantees |
|---|------------------|----------|
| Directors (excluding directors who are Audit & Supervisory Committee members and outside directors) | 83,600           | 7        |

Notes: 1. The above was granted as restricted stock remuneration, and the details are as described in "3. (3) Remuneration for Directors."

2. Directors who are Audit &amp; Supervisory Committee members and outside directors are not eligible for stock remuneration.



### 3. Corporate Officers

#### (1) Directors (as of March 31, 2025)

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

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

2. Mr. Nobuhiko Watabe has been elected as full-time Audit & Supervisory Committee members. As Mr. Watabe has thorough knowledge of and insight into the Company's business, he is expected to contribute to improving the effectiveness of Audit & Supervisory Committee activities through his 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 his 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. Changes in important offices held concurrently by directors during the fiscal year are as follows:
  - (1) Ms. Michiko Ogawa assumed the post of Executive Officer, Panasonic Corporation on April 1, 2025.
  - (2) Mr. Hiroshi Inoue assumed the post of Outside Director, Audit and Supervisory Committee Member, Mitsui Mining & Smelting Co., Ltd. on July 27, 2024.
  - (3) Mr. Hiroshi Inoue assumed the post of Outside Director, Audit and Supervisory Committee Member, Custody Bank of Japan, Ltd. on April 1, 2025.
5. Although there are business transactions with the Panasonic Holdings Corporation, transactions during the fiscal year ended March 31, 2025 comprised an insignificant amount of less than 2% of the Company's consolidated net sales.  
 Although there are business transactions with the Mitsui Mining & Smelting Co., transactions during the fiscal year ended March 31, 2025 comprised an insignificant amount of less than 1% of the Company's consolidated net sales.  
 The Company has no major business transactions or relationships with Shibaura Machine Co., Ltd., Japan Audio Society, Ark Real Estate Co., Ltd., Toyo Aluminium K.K. and Kyudenko Corporation.
6. 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 |
|-------------|-----------------|--------------------------|---|
| Mitsuru Ono | June 25, 2024   | Expiry of term of office | Director, Senior Managing Executive Officer<br>Oversight of Corporate Planning & Development                    |

7. Position and Responsibilities of directors changed on April 1, 2025 as follows:

| Position                | Name              | Responsibilities in the Company and important offices concurrently held   |
|-------------------------|-------------------|---|
| Representative Director | Jeffrey H. Guyton | Senior Managing Executive Officer and CFO<br>Assistant to President; Oversight of Corporate Planning & Development, Operations in North America and Europe, and Cost Innovation |
| Director                | Yasuhiro Aoyama   | Senior Managing Executive Officer<br>Oversight of Cost Reduction  |
| Director                | Ichiro Hirose     | Senior Managing Executive Officer<br>Assistant to President   |
| Director                | Takeshi Mukai     | Senior Managing Executive Officer and CSCO<br>Oversight of Monozukuri Innovation, Supply Chain Innovation and Carbon Neutrality Promotion                                       |
| Director                | Takeji Kojima     | Senior Managing Executive Officer and CSO<br>Assistant to the Officer overseeing Carbon Neutrality Promotion  |

## **(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)**

The Company establishes policies for determining details on individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members) (hereinafter “Decision Policies”) and details of these policies are given below. After the Officer Lineup & Remuneration Advisory Committee (consisting of representative directors and outside directors) deliberates on and confirms the draft of a Decision Policy, it submits a report to the Board of Directors, and the Board of Directors makes a decision based on the report.

Since the Officer Lineup & Remuneration Advisory Committee considers a proposal from various viewpoints including its consistency with the Decision Policy when deciding on details of individual remuneration for directors, the Board of Directors also basically respects the report with the understanding that it is in line with the Decision Policy.

Decision Policy:

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

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

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

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

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

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

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

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

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

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

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

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

As non-monetary remuneration, restricted stock remuneration, for which the transfer is prohibited during the tenure of office and allowed upon retirement, will be granted, and this will consist of restricted stock remuneration that is not linked to business performance (RS), and PSUs that are linked to business performance.

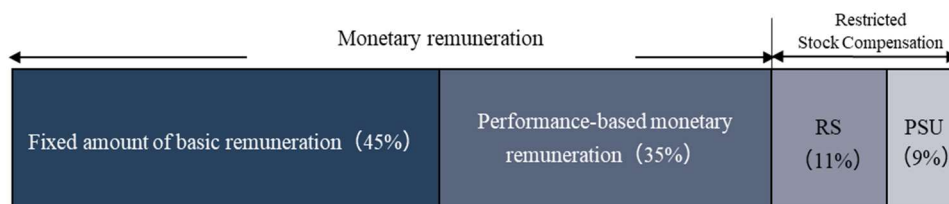
For RS, a standard amount will be set based on the director's position and responsibilities, and the number of shares equivalent to the standard amount will be granted.

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

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

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

< Structure of remuneration for directors >



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

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

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

#### Matters concerning the methods of determining individual remuneration for directors

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

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

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

Additionally, at the 158th Ordinary General Meeting of Shareholders held on June 25, 2024, 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 restricted stock remuneration" within the upper limit of their remuneration (within the range of 700,000 shares per year). 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, 2025**

| Category  | Total amount of remuneration (Millions of yen) | Total amount per type of remuneration (Millions of yen) |                                |                               |        |                    | Number of persons |
|---|--|---|--------------------------------|-------------------------------|--------|--------------------|-------------------|
|   |  | Monetary remuneration                                   |                                | Restricted Stock remuneration |        | Other remuneration |                   |
|   |  | Basic remuneration                                      | Performance-based remuneration | RS                            | PSU    |                    |                   |
| Directors (excluding directors who are Audit & Supervisory Committee Members) (of which, outside directors) | 1,065 (29)                                     | 527 (29)  | 354 (-)                        | 89 (-)                        | 47 (-) | 46 (-)             | 10 (2)            |
| Directors who are Audit & Supervisory Committee Members (of which, outside directors)                       | 106 (67)                                       | 106 (67)  | - (-)                          | - (-)                         | - (-)  | - (-)              | 5 (4)             |
| Total (of which, outside directors)   | 1,170 (96)                                     | 633 (96)  | 354 (-)                        | 89 (-)                        | 47 (-) | 46 (-)             | 15 (6)            |

Notes: 1. The above includes one (1) director (excluding directors who are Audit & Supervisory Committee members) who retired at the conclusion of the 158th Ordinary General Meeting of Shareholders held on June 25, 2024. None of the above fifteen (15) directors is an employee director; therefore, the above amounts do not include employee salary.

2. As performance-based remuneration, provided performance-based monetary remuneration and PSU to directors (excluding directors who are audit and supervisory committee members and outside directors).

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.

The number of shares to be granted as PSU are calculated based on the performance outlook at the beginning of the fiscal year, using it as the target value, and are determined according to the level of achievement.

The indicator targets and results for performance-based remuneration are as follows:

| Performance indicators            |                         | Target              | Result              |
|-----------------------------------|-------------------------|---------------------|---------------------|
| Fiscal year ending March 31, 2023 | Consolidated net income | 80.0 billion yen    | 142.8 billion yen   |
|                                   | Consolidated net sales  | 3,800.0 billion yen | 3,826.8 billion yen |
| Fiscal year ending March 31, 2024 | Consolidated net income | 130.0 billion yen   | 207.7 billion yen   |
|                                   | Consolidated net sales  | 4,500.0 billion yen | 4,827.7 billion yen |

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.

The indicators for PSU are return on equity (ROE), employee engagement, enhanced customer focus, and greenhouse gas emissions reduction. ROE was selected as an indicator to promote management with an awareness of capital efficiency. Employee engagement, enhanced customer focus, and greenhouse gas emission reduction were selected to promote important initiatives in non-financial areas of our medium- to long-term management strategy and management issues. We have determined that these are appropriate indicators as all of these can objectively quantify and confirm the Company’s performance. The number of shares to be granted will be determined based on the achievement of targets for each of the performance indicators below.

| Indicator (FY March 2025) |                                   | Target   |
|---------------------------|-----------------------------------|--|
| Financial indicator       | Return on equity (ROE)            | 10%  |
| Non-financial indicators  | Employee engagement               | 3% or more improvement from the previous year in the average rate of positive response to questions related to employee engagement in the Global Employee Survey.            |
|                           | Enhanced customer focus           | 3% or more improvement from the previous year in the average rate of positive response to questions related to employee engagement in the Global Employee Survey             |
|                           | Greenhouse gas emission reduction | Annual target value set to achieve the Japan Automobile Manufacturers Association (JAMA) goal of a 38% reduction in emissions by FY2030 (compared with emissions in FY2013). |

3. As non-monetary remuneration, restricted stock remuneration (RS and PSU) is granted to directors (excluding directors who are Audit & Supervisory Committee members and outside directors). Details of restricted stock remuneration are stated in “3. (3) (i) Policies on determining details of individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members)”, and details of its granting are stated in “2. (5) Status of the Company’s Shares Granted to Directors as Consideration for the Execution of Duties in the Fiscal Period Under Review”. The amount of the above restricted stock remuneration (RS and PSU) is the amount recorded as an expense in the fiscal year ended March 2025.
4. As other remuneration, one (1) foreign director is paid housing allowance, and other fringe benefits. The other remuneration includes a difference of 13 million yen between the expense at the end of the fiscal year prior to the fiscal year under review and the expense recorded based on the stock price at the end of the fiscal year under review for phantom stock (stock price-linked remuneration) granted in previous years.
5. The remuneration of directors who are Audit & Supervisory Committee members and outside directors, as positions independent from business execution, is a fixed amount of basic remuneration only. Furthermore, the remuneration of directors who are Audit & Supervisory Committee members is determined through discussion among the members.

**(4) Matters concerning Outside Corporate Officers**

| Category                                       | Name           | Attendance Record   | Outline of main activities and duties performed in relation to the anticipated role   |
|--|----------------|---|---|
| Director                                       | Kiyoshi Sato   | Attended 15 out of 15 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 14 out of 15 meetings of the Board of Directors  | We expect her to improve the supervisory function of the Board of Directors by offering advice and recommendations particularly from a brand marketing perspective as well as a professional viewpoint as an engineer. In the current fiscal year, she has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.   |
| Director, Audit & Supervisory Committee Member | Akira Kitamura | Attended 15 out of 15 meetings of the Board of Directors<br><br>Attended 16 out of 16 meetings of the Audit & Supervisory Committee | We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the viewpoint of corporate management and from his expert understanding of finance and accounting in particular. In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors. At Audit & Supervisory Committee meetings he has also contributed to strengthening the supervisory function by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively upon receiving reports from the directors who are full-time Audit & Supervisory Committee members on the status and results of auditing. He has also heard from directors and executive officers about the performance of their duties. |



| Category   | Name                | Attendance Record  | Outline of main activities and duties performed in relation to the anticipated role   |
|--|---------------------|--|---|
| Director,<br>Audit &<br>Supervisory<br>Committee<br>Member | Hiroko<br>Shibasaki | <p>Attended 15 out of 15 meetings of the Board of Directors</p> <p>Attended 16 out of 16 meetings of the Audit &amp; Supervisory Committee</p> | <p>We expect her to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from her viewpoint of customer satisfaction and from her expert knowledge of sales in particular.</p> <p>In the current fiscal year, she has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the Board of Directors.</p> <p>At Audit &amp; 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 &amp; Supervisory Committee members on the status and results of auditing. She has also heard from directors and executive officers about the performance of their duties.</p> |
| Director,<br>Audit &<br>Supervisory<br>Committee<br>Member | Masato<br>Sugimori  | <p>Attended 14 out of 15 meetings of the Board of Directors</p> <p>Attended 16 out of 16 meetings of the Audit &amp; 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 &amp; Supervisory Committee meetings he has also contributed to strengthening the supervisory function and improving the governance and internal control of the Mazda Group by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively on issues and risks of medium-and long-term business strategies and the status and results of auditing.</p>  |

| Category                                       | Name          | Attendance Record  | Outline of main activities and duties performed in relation to the anticipated role  |
|--|---------------|--|--|
| Director, Audit & Supervisory Committee Member | Hiroshi Inoue | <p>Attended 15 out of 15 meetings of the Board of Directors</p> <p>Attended 16 out of 16 meetings of the Audit &amp; Supervisory Committee</p> | <p>We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the viewpoint of compliance and from his standpoint as a legal professional in particular.</p> <p>In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.</p> <p>At Audit &amp; Supervisory Committee meetings he has also contributed to further strengthening the supervisory function and improving the governance and internal control of the Mazda Group by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively on issues and risks of key business strategies and the status and results of auditing.</p> |

- Notes:1. 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.
3. While Mr. Kiyoshi Sato, Ms. Michiko Ogawa, Mr. Akira Kitamura, Ms. Hiroko Shibasaki, Mr. Masato Sugimori and Mr. Hiroshi Inoue were serving as outside directors, an incident of inappropriate handling related to applications for type designation was identified at the Company. While all outside directors regularly provided advice and comments to emphasize the importance of thorough compliance with laws and regulations, they were not aware of this incident before it was identified. Since the discovery of the incident, they have been fulfilling their responsibilities by presenting proposals to conduct thorough investigations and strengthen the internal control system to prevent a recurrence.

## Stock acquisition rights

### (1) Stock acquisition rights held by directors (as of March 31, 2025)

| Title<br>(Resolution date)                                 | Number of stock acquisition rights<br>(Number of persons)                     |   | Type and number of shares underlying stock acquisition rights | Amount to be paid for stock acquisition rights | Value of assets to be contributed upon exercise of stock acquisition rights | Period of time                             |
|--|---|---|---|--|---|--|
|  | Directors (excluding directors who are Audit & Supervisory Committee members) | Directors who are Audit & Supervisory Committee members |   |  |   |  |
| Stock acquisition rights fiscal year 2016 (July 29, 2016)  | 87<br>(4)   | 18<br>(1)   | Common stock<br>10,500 shares                                 | 1,327 yen<br>per share                         | 1 yen<br>per share  | From August 23, 2016<br>to August 22, 2046 |
| Stock acquisition rights fiscal year 2017 (July 27, 2017)  | 93<br>(4)   | 22<br>(1)   | Common stock<br>11,500 shares                                 | 1,336 yen<br>per share                         | 1 yen<br>per share  | From August 22, 2017<br>to August 21, 2047 |
| Stock acquisition rights fiscal year 2018 (July 26, 2018)  | 146<br>(5)  | 28<br>(1)   | Common stock<br>17,400 shares                                 | 1,027 yen<br>per share                         | 1 yen<br>per share  | From August 21, 2018<br>to August 20, 2048 |
| Stock acquisition rights fiscal year 2019 (August 1, 2019) | 164<br>(4)  | 37<br>(1)   | Common stock<br>20,100 shares                                 | 650 yen<br>per share                           | 1 yen<br>per share  | From August 21, 2019<br>to August 20, 2049 |
| Stock acquisition rights fiscal year 2020 (July 31, 2020)  | 331<br>(4)  | 74<br>(1)   | Common stock<br>40,500 shares                                 | 415 yen<br>per share                           | 1 yen<br>per share  | From August 19, 2020<br>to August 18, 2050 |
| Stock acquisition rights fiscal year 2021 (July 30, 2021)  | 614<br>(6)  | -   | Common stock<br>61,400 shares                                 | 968 yen<br>per share                           | 1 yen<br>per share  | From August 18, 2021<br>to August 17, 2051 |
| Stock acquisition rights fiscal year 2022 (July 29, 2022)  | 282<br>(6)  | -   | Common stock<br>28,200 shares                                 | 1,099 yen<br>per share                         | 1 yen<br>per share  | From August 23, 2022<br>to August 22, 2052 |
| Stock acquisition rights fiscal year 2023 (July 21, 2023)  | 320<br>(6)  | -   | Common stock<br>32,000 shares                                 | 1,032 yen<br>per share                         | 1 yen<br>per share  | From August 10, 2023<br>to August 9, 2053  |

- Notes: 1. Outside directors are not included as “directors (excluding directors who are Audit & Supervisory Committee members)” and “directors who are Audit & Supervisory Committee members” in the table above because stock acquisition rights are not allotted to outside directors.
2. All of the stock acquisition rights held by directors who are Audit & Supervisory Committee members were granted to them when they were executive officers.
3. Persons to whom stock acquisition rights are allotted may exercise those rights on or after the day following the day they cease to hold any of the following positions at the Company: director, executive officer, fellow or any position of an equivalent status.
4. By resolution of the 158th Ordinary General Meeting of Shareholders held on June 25, 2024, provisions concerning the amount of remuneration, etc. in relation to stock acquisition rights to be allotted as remuneration in the form of stock options have been abolished. Therefore, the allotment of new stock acquisition rights as remuneration in the form of stock options based on specification of the amount of that remuneration, etc. has not been made during the fiscal year.

## 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, 2025

|  | Compensation (million yen) |
|--|----------------------------|
| (i) Amount of compensation to the Accounting Auditor   | 230                        |
| (ii) Total compensation to be paid or payable to the Accounting Auditor by the Company and its Consolidated Subsidiaries | 298                        |

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

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

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

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

If the Accounting Auditor falls under any of the circumstances set forth in Article 340, Paragraph 1 of the Companies Act, which constitutes a reason for dismissal, and there is no prospect for improvement, the Accounting Auditor may be dismissed with the consent of all members of the Audit & Supervisory Committee. Apart from any cases arising for any reason of the Company, in the event of any circumstance that poses a major obstacle to the audit activities of the Company, such as a suspension of audit operations by order of a competent authority, based on the facts, the Audit & Supervisory Committee will consider the dismissal or non-reappointment of the Accounting Auditor. If dismissal or non-reappointment is deemed appropriate, the matter of the dismissal or non-reappointment of the Accounting Auditor is submitted as an agenda item at the General Meeting of Shareholders by a resolution of the Audit & Supervisory Committee.

**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 and is reported to the Board of Directors.

- The Company is continuing its efforts this fiscal year 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.
- Employees of the Company and its major subsidiaries are made aware of the hotline (in house and third-party organization) through methods such as posters and Intranet. Reports are received and handled appropriately. During this fiscal year, the Company is striving to improve the awareness and reliability of the hotline operational results with employees of the company and affiliates.

- Employees are regularly informed of the reporting process so that information on fraud or losses material to corporate management are reliably conveyed through the organization and handled promptly and smoothly.
- Efforts are being made to reduce risks. Departments that manage company-wide risks engage in discussion concerning risks identified from a company-wide perspective, confirm the emergence of new risks, and examine necessary countermeasures.
- Corporate officers and employees receive education on compliance on an ongoing basis. This includes group classes/online classes tailored to their job duties and roles, opportunities for self-study through e-learning, and the regular dissemination of information.
- To comply with the Antimonopoly Act and the Subcontract Act, in addition to efforts to ensure appropriate use of systems that enable standardized business operation, the Company continues to conduct regular training and internal auditing. The Company has also clarified its policy to facilitate the passing on of prices for parts and raw materials, etc., and is monitoring the status of measures implemented.
- Under the executive officer responsible for corporate information security, the Information Security Committee, which manages global information security for the entire company, identifies cybersecurity risks across the entire supply chain and submits improvement plans to the Executive Committee Meeting for deliberation. The committee makes ongoing efforts to advance improvements based on these plans, and reports on their progress to the Board of Directors. To enhance the cybersecurity quality of its products, the Company takes actions based on security information and best practices identified within the industry in Japan and the United States.
- To improve awareness about information security, the Company's employees are required to take courses provided by the Company on confidential information management, personal information protection, and IT security. Additionally, the Company regularly conducts awareness activities and provides a dedicated site on the intranet where employees can obtain various information and knowledge useful for information security. The Company also works to ensure information security across the entire group by providing education support to its group companies including the dissemination of information security guidelines and the provision of tools.
- 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. These procedures are regularly checked and updated. Initial response training based on a large-scale disaster scenario is also conducted systematically.
- As part of measures to prevent the recurrence of procedural irregularities in Applications for Type Designation announced on June 3, 2024, the Company has been working on the following three initiatives: 1) revamp the system and governance structure for checking whether tests are conducted in compliance with certification regulations, 2) review, conduct training on and thoroughly implement procedures for properly conducting tests in compliance with certification regulations, and 3) improve and strengthen facilities to consistently meet testing conditions in compliance with certification regulations.

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

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

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



- The status of risk management and compliance initiatives at subsidiaries and the status of operation of the hotline are assessed, and guidance and support are offered.
- Education on the roles and responsibilities of management, compliance, and risk management is provided to the directors of subsidiaries.
- The Company and its subsidiaries cooperate in the implementation of internal audits to ascertain the effectiveness of internal control. During audits, education is provided for directors of subsidiaries on internal controls based on examples of issues within the Group.
- In addition to conducting audits through web conferencing systems as well as on-site audits, the Company is making ongoing efforts to promote even more efficient and appropriate audit activities including the introduction of systems for sharing and utilizing progress management of audit activities within the Group in cooperation with relevant divisions.
- At domestic subsidiaries, the Company's middle managers serve as auditors and conduct audits. Each company promotes autonomous internal control initiatives, such as sharing and deliberating on internal control issues in its internal control committee, and makes regular reports to the Company's management, along with reports on its financial condition. At overseas subsidiaries, audit committee meetings are held with local corporate officers and the internal auditing department as well as the Company's corporate officers, supervising departments, and internal auditing department in attendance. At these meetings, internal control initiatives are deliberated, and views are exchanged. Furthermore, initiatives are implemented to further strengthen the internal control and risk management systems of subsidiaries, including the provision of guidance and support to improve the audit system and internal control function at subsidiaries.
- At the Company and its subsidiaries, self-assessment of the status of the operation of internal control is conducted using a checklist, flaws in control are ascertained independently, and corrective measures are taken. The internal auditing department also recommends necessary improvements, and newly identified risks are reflected in the checklist as appropriate.

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

- The Audit & Supervisory Committee formulates the audit policy and priority measures based on the surrounding business environment and the status of governance of the Mazda Group, and audits the status of execution of duties of the directors (excluding directors who are Audit & Supervisory Committee members) in line with the annual plan.  
Based on the audit plan, the Audit & Supervisory Committee also engages in dialogue with directors (excluding directors who are members of the Audit & Supervisory Committee), executive officers, general managers of key divisions, and managing directors of affiliated companies and conducts on-site inspections of domestic and overseas affiliates regarding the operational status of the internal control system. Likewise, in cooperation with the Accounting Auditor and the internal auditing department, the Audit & Supervisory Committee comprehensively and effectively determines and confirms the operational status of the internal control system of the Mazda Group as a whole and reports the results to the Board of Directors.
- While improving the audit environment, full-time Audit & Supervisory Committee members attend management meetings, the Risk & Compliance Committee, the Quality Committee and other important meetings, gather information on business risks, governance, and internal control risks and issues within the Mazda Group by exchanging information and opinions with directors (excluding directors who are Audit & Supervisory Committee members) and others, and share these with the Audit & Supervisory Committee.
- Outside Directors who are Audit & Supervisory Committee members audit and supervise from their independent perspectives the status of execution of duties by directors (excluding directors who are Audit & Supervisory Committee members) based on information obtained from full time Audit & Supervisory Committee members, discussions on risks and issues of key strategies at Board of Directors meetings, and regular reports on the execution of duties by directors (excluding directors who are Audit & Supervisory Committee members).
- The Audit & Supervisory Committee members confirm the status of deliberation by the Risk Compliance Committee through regular reports of the Board of Directors. In addition, the full-time Audit & Supervisory Committee members receive reports on the status of hotline reports, and share with the Audit & Supervisory Committee risks and issues they have identified and the status of countermeasures.

- The full-time Audit & Supervisory Committee members cooperate with the corporate auditors of domestic subsidiaries (mainly larger companies) in exchanging information and confirming status of improvement initiatives on a regular basis to determine the status of governance and internal control in the Group.

## Consolidated Balance Sheet

(As of March 31, 2025)

| ASSETS                                  |                  | LIABILITIES   |                  |
|---|------------------|---|------------------|
| Account title                           | Amount           | Account title   | Amount           |
|   | Mil.yen          |   | Mil.yen          |
| <b>Current Assets</b>                   | <b>2,227,652</b> | <b>Current Liabilities</b>                                  | <b>1,501,393</b> |
| Cash and deposits                       | 1,001,379        | Trade notes and accounts payable                            | 473,851          |
| Trade notes and accounts receivable     | 148,839          | Short-term loans payable                                    | 32,300           |
| Securities                              | 206,000          | Long-term loans payable due within one year                 | 111,747          |
| Inventories                             | 659,157          | Lease obligations   | 7,805            |
| Other                                   | 212,782          | Income taxes payable  | 11,678           |
| Allowance for doubtful receivables      | (505)            | Other accounts payable                                      | 50,799           |
| <b>Non-current Assets</b>               | <b>1,862,429</b> | Accrued expenses  | 452,394          |
| <b>Property, plant and equipment</b>    | <b>1,222,770</b> | Reserve for warranty expenses                               | 179,854          |
| Buildings and structures (net)          | 206,170          | Provision for loss on production termination                | 20,319           |
| Machinery, equipment and vehicles (net) | 419,655          | Provision related to environmental regulations              | 18,830           |
| Tools, furniture and fixtures (net)     | 79,710           | Other   | 141,816          |
| Land                                    | 422,843          | <b>Non-current Liabilities</b>                              | <b>778,659</b>   |
| Leased assets (net)                     | 33,147           | Bonds   | 125,000          |
| Construction in progress                | 61,245           | Long-term loans payable                                     | 417,720          |
| <b>Intangible assets</b>                | <b>70,079</b>    | Lease obligations   | 28,427           |
| Software                                | 67,839           | Deferred tax liability related to land revaluation          | 66,246           |
| Other                                   | 2,240            | Provision related to environmental regulations              | 43,268           |
| <b>Investments and other assets</b>     | <b>569,580</b>   | Liability for retirement benefits                           | 68,724           |
| Investment securities                   | 271,063          | Other   | 29,274           |
| Long-term loans receivable              | 346              | <b>Total Liabilities</b>                                    | <b>2,280,052</b> |
| Asset for retirement benefits           | 111,800          | <b>NET ASSETS</b>   |                  |
| Deferred tax assets                     | 61,093           |   |                  |
| Other                                   | 125,546          |   |                  |
| Allowance for doubtful receivables      | (268)            |   |                  |
|   |                  |   | Mil.yen          |
|   |                  | <b>Capital and Retained Earnings</b>                        | <b>1,497,074</b> |
|   |                  | Common stock  | 283,957          |
|   |                  | Capital surplus   | 263,059          |
|   |                  | Retained earnings   | 951,634          |
|   |                  | Treasury stock  | (1,576)          |
|   |                  | <b>Accumulated Other Comprehensive Income/(Loss)</b>        | <b>295,208</b>   |
|   |                  | Net unrealized gain/(loss) on available-for-sale securities | 42,375           |
|   |                  | Deferred gains/(losses) on hedges                           | 304              |
|   |                  | Land revaluation  | 143,459          |
|   |                  | Foreign currency translation adjustment                     | 68,336           |
|   |                  | Accumulated adjustments for retirement benefits             | 40,734           |
|   |                  | <b>Stock Acquisition Rights</b>                             | <b>398</b>       |
|   |                  | <b>Non-controlling Interests</b>                            | <b>17,349</b>    |
|   |                  | <b>Total Net Assets</b>                                     | <b>1,810,029</b> |
| <b>Total Assets</b>                     | <b>4,090,081</b> | <b>Total Liabilities and Net Assets</b>                     | <b>4,090,081</b> |

(In Japanese yen rounded to millions)

## Consolidated Statement of Operations

(For the Year Ended March 31, 2025)

| Account title   | Amount  |                  |
|---|---------|------------------|
|   |         | Mil.yen          |
| <b>Net sales</b>  |         | <b>5,018,893</b> |
| <b>Cost of sales</b>  |         | <b>3,940,700</b> |
| Gross profit  |         | 1,078,193        |
| <b>Selling, general and administrative expenses</b>           |         | <b>892,068</b>   |
| <b>Operating income</b>                                       |         | <b>186,125</b>   |
| <b>Non-operating income</b>                                   |         |                  |
| Interest and dividend income                                  | 33,725  |                  |
| Equity in net income of affiliated companies                  | 13,440  |                  |
| Other   | 6,283   | 53,448           |
| <b>Non-operating expenses</b>                                 |         |                  |
| Interest expense  | 10,013  |                  |
| Loss on transfer of receivables                               | 11,671  |                  |
| Foreign exchange loss   | 22,938  |                  |
| Other   | 5,955   | 50,577           |
| <b>Ordinary income</b>  |         | <b>188,996</b>   |
| <b>Extraordinary income</b>                                   |         |                  |
| Gain on sales of property, plant and equipment                | 1,690   |                  |
| Gain on sale of investment securities                         | 439     |                  |
| Other   | 189     | 2,318            |
| <b>Extraordinary losses</b>                                   |         |                  |
| Loss on sales and retirement of property, plant and equipment | 9,353   |                  |
| Impairment loss   | 1,874   |                  |
| Provision for loss on production termination                  | 24,294  |                  |
| Other   | 8       | 35,529           |
| <b>Income before income taxes</b>                             |         | <b>155,785</b>   |
| <b>Income taxes</b>   |         |                  |
| Current   | 45,917  |                  |
| Deferred  | (5,217) | 40,700           |
| <b>Net income</b>   |         | <b>115,085</b>   |
| Net income attributable to non-controlling interests          |         | 1,006            |
| <b>Net income attributable to owners of the parent</b>        |         | <b>114,079</b>   |

(In Japanese yen rounded to millions)

## Consolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2025)

|  | 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                           |
| <b>Balance at April 1, 2024</b>                                | <b>283,957</b>                | <b>263,007</b>  | <b>875,629</b>    | <b>(1,873)</b> | <b>1,420,720</b> | <b>77,407</b>   | <b>135</b>                        |
| <b>Changes during the period:</b>                              |                               |                 |                   |                |                  |   |                                   |
| Dividends paid   |                               |                 | (37,812)          |                | (37,812)         |   |                                   |
| Net income attributable to owners of the parent                |                               |                 | 114,079           |                | 114,079          |   |                                   |
| Purchase of treasury stock                                     |                               |                 |                   | (2)            | (2)              |   |                                   |
| Sale of treasury stock   |                               | 52              |                   | 299            | 351              |   |                                   |
| Reversal for land revaluation                                  |                               |                 | (262)             |                | (262)            |   |                                   |
| Changes in items other than capital and retained earnings, net |                               |                 |                   |                |                  | (35,032)  | 169                               |
| <b>Total changes during the period</b>                         | <b>-</b>                      | <b>52</b>       | <b>76,005</b>     | <b>297</b>     | <b>76,354</b>    | <b>(35,032)</b>   | <b>169</b>                        |
| <b>Balance at March 31, 2025</b>                               | <b>283,957</b>                | <b>263,059</b>  | <b>951,634</b>    | <b>(1,576)</b> | <b>1,497,074</b> | <b>42,375</b>   | <b>304</b>                        |

|  | 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          |
| <b>Balance at April 1, 2024</b>                                | <b>145,099</b>                                | <b>55,394</b>                           | <b>38,830</b>                                   | <b>316,865</b>  | <b>471</b>               | <b>19,322</b>             | <b>1,757,378</b> |
| <b>Changes during the period:</b>                              |   |   |   |                 |                          |                           |                  |
| Dividends paid   |   |   |   |                 |                          |                           | (37,812)         |
| Net income attributable to owners of the parent                |   |   |   |                 |                          |                           | 114,079          |
| Purchase of treasury stock                                     |   |   |   |                 |                          |                           | (2)              |
| Sale of treasury stock   |   |   |   |                 |                          |                           | 351              |
| Reversal for land revaluation                                  |   |   |   |                 |                          |                           | (262)            |
| Changes in items other than capital and retained earnings, net | (1,640)                                       | 12,942                                  | 1,904   | (21,657)        | (73)                     | (1,973)                   | (23,703)         |
| <b>Total changes during the period</b>                         | <b>(1,640)</b>                                | <b>12,942</b>                           | <b>1,904</b>                                    | <b>(21,657)</b> | <b>(73)</b>              | <b>(1,973)</b>            | <b>52,651</b>    |
| <b>Balance at March 31, 2025</b>                               | <b>143,459</b>                                | <b>68,336</b>                           | <b>40,734</b>                                   | <b>295,208</b>  | <b>398</b>               | <b>17,349</b>             | <b>1,810,029</b> |

(In Japanese yen rounded to millions)

## Notes to the Consolidated Financial Statements

### Assumptions as Going Concern

No items to disclose.

### Significant Accounting Policies for Preparation of Consolidated Financial Statements

#### 1. Scope of consolidation

- |   |  |
|---|--|
| (1) Number of consolidated subsidiaries | 71   |
| (2) Primary consolidated subsidiaries   | Mazda Motor of America, Inc., Mazda Canada, Inc.,<br>Mazda Motor Manufacturing de Mexico S.A. de C.V.,<br>Mazda Motor Europe GmbH, Mazda Motor Logistics Europe N.V.,<br>Mazda Motors (Deutschland) GmbH, Mazda Motors UK Ltd.,<br>Mazda Australia Pty. Ltd., Mazda Motor (China) Co., Ltd.,<br>Mazda Sales (Thailand) Co., Ltd.,<br>Mazda Powertrain Manufacturing (Thailand) Co., Ltd.,<br>Kanto Mazda Co., Ltd., Tokai Mazda Sales Co., Ltd.,<br>Kansai Mazda Co., Ltd., Kyusyu Mazda Co., Ltd.,<br>Mazda Parts Co., Ltd., Kurashiki Kako Co., Ltd.,<br>Mazda Logistics Co., Ltd., Mazda Chuhan Co., Ltd., etc. |
| (3) Changes in scope of consolidation   | (Newly added)<br>(Due to new establishment)<br>1 Mazda Business Partner Co., Ltd.  |

#### 2. Application of equity method

- |  |  |
|--|--|
| (1) Number of equity method-applied affiliates   | 20   |
| (2) Primary equity method-applied affiliates   | AutoAlliance (Thailand) Co., Ltd.,<br>Changan Mazda Automobile Co., Ltd.,<br>Changan Mazda Engine Co., Ltd.,<br>Mazda Toyota Manufacturing, U.S.A., Inc.,<br>Toyo Advanced Technologies Co., Ltd.,<br>Mazda Credit, Inc., etc.                     |
| (3) Primary affiliates not accounted for using equity method and reason for not applying the equity method | Hiroshima Toyo Carp Co., Ltd. and others<br>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. Fiscal year end dates of consolidated subsidiaries

The 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 fiscal year-ends for their statutory financial statements that are different from the consolidated balance sheet date, most of which are December 31.

In the preparation of the consolidated financial statements, for 7 companies including Mazda Motor Manufacturing de Mexico S.A. de C.V., provisional settlement of accounts that are prepared for consolidation are used to supplement the companies' statutory financial statements. For the other 14 companies, in the preparation of the consolidated financial statements, financial statements of these companies with different balance sheet dates are used.

However, adjustments necessary in consolidation are made for material transactions that occur between the balance sheet dates of these subsidiaries and the consolidated balance sheet date.

#### 4. Accounting policies

##### (1) Valuation standards and methods for significant assets

###### a) Securities

Held-to-maturity debt securities

Amortized cost method (straight-line method)

Available-for-sale securities

Other than shares without market value:

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

Shares without market value:

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

###### b) Derivative instruments

Mainly a fair value method

###### c) Inventories

Inventories 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 on the consolidated balance sheet is determined by the lower of cost or net realizable value.)

##### (2) Depreciation and amortization methods for significant non-current assets

###### a) Property, plant and equipment(excluding leased assets)

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

###### b) Intangible assets(excluding leased assets)

Straight-line method

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

###### c) Leased assets

For finance leases which do not transfer ownership, depreciation or amortization expense is recognized on a straight-line basis over the lease period.

For leases with a guaranteed minimum residual value, the contracted residual value is considered to be the residual value for financial accounting purposes. For other leases, the residual value is zero.

The consolidated foreign subsidiaries that apply the International Financial Reporting Standards (“IFRS”) or Generally Accepted Accounting principles in the U.S. (“US GAAP”) have adopted IFRS 16 “Leases” or Accounting Standards Update (“ASU”) 2016-02 “Leases.” In accordance with these accounting standards, the lessee recognizes in principle all of the lease assets and lease liabilities on the balance sheets. For leased assets, depreciation or amortization expense is recognized on a straight-line basis over the lease period.

##### (3) Standards for significant allowances

###### a) Allowance for doubtful receivables

Allowance for doubtful receivables provides for losses from bad debts. The amount estimated to be uncollectible is recorded. For receivables at 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

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

###### c) Provision for loss on production termination

Provision for loss on production termination provides for the estimated amount of compensation to suppliers and other related expenses, expected to be incurred as of the end of the fiscal year, due to the earlier-than-planned termination of production for certain products.

###### d) Provision related to environmental regulations

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

(4) Basis for recognition of significant revenues and expenses

The main business of the Group is the manufacturing and sale of automobiles and their components, as well as maintenance services. For product sales, the revenue is recognized when control over the products 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 the 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 the revenue is recognized over the period the service is provided.

Revenue is measured based on the consideration specified in the contract with the customer and excludes 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 Group provides dealers with sales incentives calculated based on sales promotion programs, which generally represent discount from the Group to dealers. This sales incentive is deducted from the revenue recognized when the applicable product is delivered to the dealers.

The consideration for the product is usually collected from customers within 30 days from the time when revenue is recognized, and the consideration for the service is collected from customers within 30 days from the time when the service is 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 obligations, the method of attributing expected benefit to the accounting period is based mainly on 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 year immediately following the year in which such gains or losses arise.

The recognition of past service costs 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 in effect on the balance sheet date; 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 exchange rates in effect on the balance sheet dates 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 exchange 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.

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.

(8) Amortization of goodwill

Goodwill is amortized on a straight-line basis over a given period (primarily 5 years), taking into account the period during which each investment is expected to generate benefit

(9) Other accounting treatments

a) Non-deductible consumption taxes associated with asset purchases

Non-deductible consumption taxes associated with asset purchases are recorded as an expenses 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 the Accounting Standard for Current Income Taxes**

We have applied the Accounting Standard for Current Income Taxes (hereinafter referred to as the “Revised Accounting Standard 2022”), etc. from the beginning of the fiscal year ended March 31, 2025.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (hereinafter referred to as the “Revised Implementation Guidance 2022”). This has no effect on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the previous fiscal year have been modified retrospectively. This has no effect on the consolidated financial statements.

### **- Application of Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules**

We have applied the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” from the beginning of the fiscal year ended March 31, 2025. The impact of this change in accounting policies on the consolidated financial statements is immaterial.

## **Revenue Recognition**

### **1. Breakdown of revenue**

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

(Millions of yen)

|                                       | Reportable Segments |               |         |             |           |
|---------------------------------------|---------------------|---------------|---------|-------------|-----------|
|                                       | Japan               | North America | Europe  | Other areas | Total     |
| Timing of revenue recognition:        |                     |               |         |             |           |
| Revenue recognized at a point in time | 936,426             | 2,756,101     | 729,782 | 573,895     | 4,996,204 |
| Revenue recognized over time          | 1,460               | 19,213        | 1,657   | 359         | 22,689    |
| Total                                 | 937,886             | 2,775,314     | 731,439 | 574,254     | 5,018,893 |

### **2. Basic information for understanding revenue**

Basic information for understanding revenue from contracts with customers is provided in “4. Accounting Policies, (4) Basis for Recognition of Significant Revenues and Expenses” under “Significant Accounting Policies for Preparation of Consolidated Financial Statements.”

### **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, 2025 were as follows.

Receivables from contracts with customers (Balance as of April 1, 2024)

|                     |                     |
|---------------------|---------------------|
| Trade notes         | 3,451 million yen   |
| Accounts receivable | 159,975 million yen |

Receivables from contracts with customers (Balance as of March 31, 2025)

|                     |                     |
|---------------------|---------------------|
| Trade notes         | 3,028 million yen   |
| Accounts receivable | 145,811 million yen |

Contract liabilities (Balance as of April 1, 2024)

|                           |                     |
|---------------------------|---------------------|
| Other current liabilities | 108,057 million yen |
|---------------------------|---------------------|

Contract liabilities (Balance as of March 31, 2025)

|                           |                     |
|---------------------------|---------------------|
| Other current liabilities | 119,572 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 year ended March 31, 2025 the amount included in the contract liabilities balance at the beginning of the year was ¥41,311 million.

(2) Transaction price allocated to remaining performance obligations

The total transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations and its breakdown by period in which revenue is expected to be recognized as of March 31, 2025 were as follows.

|               |                    |
|---------------|--------------------|
| Within 1 year | 31,094 million yen |
| Over 1 year   | 60,021 million yen |
| Total         | 91,115 million yen |

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

### **Changes in Presentation**

Previously, the entire amount of provision related to environmental regulations was presented as non-current liabilities. However, due to the increased significance of the amount expected to be incurred within one year during the current fiscal year, we have reclassified the expected amount to current liabilities from this fiscal year.

### **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.

1. Recoverability of deferred tax assets

(1) Amounts reported in the consolidated financial statements were as follows:

|                     |                    |
|---------------------|--------------------|
| Deferred tax assets | 61,093 million yen |
|---------------------|--------------------|

(2) Other information that assists readers of consolidated financial statements in understanding the nature of the estimates

Deferred tax assets are recognized for deductible temporary differences to the extent that they are expected to reduce the amount of future tax payments, based on the estimated future taxable income.

For these estimates, if it is determined that there is no recoverability due to a deterioration in business conditions, the amount of deferred tax assets may be reduced by a valuation allowance, and tax expense may be incurred in the consolidated financial statements of next fiscal year.

The recoverability of deferred tax assets was assessed based on the assumptions that the impact of additional tariffs imposed by the U.S. government will continue for a certain period in the next fiscal year. In the event of significant changes to the assumptions, such as prolonged impact of additional tariffs, the amount of deferred tax assets may be reduced.

2. Reserve for warranty expenses

(1) Amounts reported in the consolidated financial statements were as follows:

|                               |                     |
|-------------------------------|---------------------|
| Reserve for warranty expenses | 179,854 million yen |
|-------------------------------|---------------------|

(2) Other information that assists readers of consolidated financial statements in understanding the nature of the estimates

For after-sales service expenses of products, the Group estimates future repair costs to be incurred in accordance with the coverage of the warranty booklet ("general warranty") and with the related laws and regulations such as recalls and service campaigns ("recall-related repair costs"), and records them in "Reserve for warranty expenses." The estimation also reflects the expected reimbursement amounts to be recovered from the supplier. Of the above, the reserve for general warranty is estimated by calculating the repair cost per vehicle for each major market based on historical data, and multiplying it by the number of vehicles covered under the warranty. The reserve for recall-related repair costs is estimated for each recall and service campaign. It is estimated by calculating the repair cost per vehicle, which includes parts costs and labor costs, and multiplying it by the estimated number of vehicles subject to each recall or service campaign. With regard to the expected reimbursement amounts to be recovered from the supplier, based upon the analysis of the causes of defects, the expected reimbursement rate is determined by considering technical responsibility, the suppliers' payment ability, and the status of negotiations with suppliers. It is then incorporated into the calculation of the reserve. The assumptions used in the estimates of the recall-related repair costs per vehicle, the number of vehicles covered under the warranty, and the expected reimbursement rate involve management's judgment and future uncertainty.

Therefore, if there is a significant change in these assumptions, additional recognition or reversal of reserve for warranty expenses may be required.

## **Consolidated Balance Sheet**

|   |                       |
|---|-----------------------|
| 1. Inventories  |                       |
| Merchandise and finished products   | 461,346 million yen   |
| Work-in-process   | 169,254 million yen   |
| Raw materials and supplies  | 28,557 million yen    |
| 2. Accumulated depreciation on property, plant and equipment  | 1,419,602 million yen |
| 3. Assets pledged as collateral and liabilities secured by the collateral   |                       |
| (1) Assets pledged as collateral (carrying amounts as of the end of the period)   |                       |
| Buildings and structures  | 88,742 million yen    |
| Machinery, equipment and vehicles   | 212,608 million yen   |
| Tools, furniture and fixtures   | 55,527 million yen    |
| Land  | 226,589 million yen   |
| Inventories   | 181,063 million yen   |
| Other   | 209,869 million yen   |
| Total   | 974,398 million yen   |
| (2) Liabilities secured by the collateral   |                       |
| Short-term loans payable  | 21,969 million yen    |
| Long-term loans payable (including those due within one year)   | 2,477 million yen     |
| Total   | 24,446 million yen    |
| 4. Contingent liabilities for guarantee and similar agreements  |                       |
| Guarantees of loans and similar agreements  |                       |
| Automobile dealers (in Europe)  | 19,323 million yen    |
| Others  | 22 million yen        |
| Total   | 19,345 million yen    |
| 5. In accordance with the Partial Revision of the Act on Revaluation of Land (Act No. 19, enacted on March 31, 2001) ("Act"), land owned by the Company for business use 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 adjustment for the timing of assessment, were made to the official notice prices.

Date of revaluation: March 31, 2001

Amounts of decrease in the aggregate fair value of the revalued land as of March 31, 2025 from that at the time of revaluation, as stipulated in Article 10 of the Act:

53,675 million yen

## **Consolidated Statement of Operations**

Provision for loss on product termination

Due to a decline in sales resulting from a rapid slowdown in demand, future tightening of regulations, and after reviewing product plans, we have made a decision to terminate production of some products for certain regions earlier than originally planned.

Provision for loss on production termination provides for the estimated amount of compensation to suppliers and other related expenses as certain parts used in these products are difficult to convert to other products.

## **Consolidated Statement of Changes in Net Assets**

### 1. Type and total number of issued shares as of March 31, 2025

Common stock

631,803,979 shares

### 2. Matters concerning dividends from surplus

#### (1) Amount of dividends paid:

| Resolution   | Class of shares | Amount<br>(Millions of yen) | Amount per share<br>(Yen) | Record date        | Effective date   |
|--|-----------------|-----------------------------|---------------------------|--------------------|------------------|
| Ordinary General Meeting of Shareholders held on June 25, 2024 | Common stock    | 22,053                      | 35.00                     | March 31, 2024     | June 26, 2024    |
| Board of Directors held on November 7, 2024                    | Common stock    | 15,759                      | 25.00                     | September 30, 2024 | December 2, 2024 |

Note: The dividend amount of 35 yen per share, which was approved at the Ordinary General Meeting of Shareholders held on June 25, 2024, includes a special dividend of 5 yen.

#### (2) Dividends with a record date within the year ended March 31, 2025, but an effective date that falls within the year ending March 31, 2026:

The following will be proposed at the ordinary general meeting of shareholders to be held on June 25, 2025.

| Resolution   | Class of shares | Source of dividends | Amount<br>(Millions of yen) | Amount per share<br>(Yen) | Record date    | Effective date |
|--|-----------------|---------------------|-----------------------------|---------------------------|----------------|----------------|
| Ordinary General Meeting of Shareholders held on June 25, 2025 | Common stock    | Retained earnings   | 18,911                      | 30.00                     | March 31, 2025 | June 26, 2025  |

### 3. Type and number of shares underlying the stock acquisition rights as of March 31, 2025

Common stock

454,700 shares

## **Financial Instruments**

### 1. Qualitative information on financial instruments

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

The Mazda Group is working to reduce counterparty credit risks related to trade notes, accounts receivable, and loans receivable in accordance with internal control rules and procedures. Credit risks related to securities are minimal, as these securities consist mainly of certificates of deposits of highly creditworthy financial institutions. Investment securities consist mainly of stocks, and 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 is, in principle, hedged mainly through foreign exchange forward contracts, to reduce foreign exchange risk. Cash financed through loans payable and the issuance of bonds is used as operating funds (mainly 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

As of March 31, 2025 (the consolidated balance sheet date of the current period), the carrying values on the consolidated balance sheet, the fair values, and the differences between these amounts, respectively, of financial instruments were as follows.

(Millions of yen)

|                                     | Carrying values | Fair value | Difference |
|-------------------------------------|-----------------|------------|------------|
| (1) Securities                      | 206,000         | 206,000    | -          |
| (2) Investment securities           | 120,617         | 120,617    | -          |
| (3) Long-term loans receivable (*2) | 18,471          | 18,677     | 206        |
| (4) Bonds                           | 125,000         | 122,997    | (2,003)    |
| (5) Long-term loans payable         | 529,467         | 519,536    | (9,931)    |
| (6) Lease obligations               | 36,232          | 35,673     | (559)      |
| (7) Derivative instruments (*3)     | 56              | 56         | -          |

- (\*1) “Cash and deposits,” “Trade notes and accounts receivable,” “Trade notes and accounts payable,” “Other accounts payable,” and “Short-term loans payable” are excluded from the above table since they are settled in cash within a short period of time, and therefore their carrying amounts approximate fair values.
- (\*2) Long-term loans receivable are presented net of an allowance for doubtful receivables (carrying amount on the consolidated balance sheet: ¥15 million), which are recognized on the basis of each individual loans receivable. The amount presented includes long-term loans receivable due within one year (carrying amount on the consolidated balance sheet: ¥18,140 million), which are presented on the consolidated balance sheets as part of “Other” in current assets.
- (\*3) Receivables and payables resulting from derivative transactions are offset against each other and presented on a net basis; when a net liability results, the net amount is shown in ( ).
- (\*4) Non-listed equity securities (carrying amount on the consolidated balance sheet: ¥1,419 million), Investment securities of affiliated companies (carrying amount on the consolidated balance sheet: ¥148,295 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.”
- (\*5) Investments in partnerships and other similar entities, where the net amount of the equity interest is recorded on the consolidated balance sheet, are not included. The amount of these investments on the consolidated balance sheet is ¥732 million.

### 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 fair value, and carrying amounts are used as the fair values of these securities.

#### (2) Investment securities

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

#### (3) Long-term loans receivable

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

#### (4) Bonds

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

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

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

#### (7) Derivative instruments

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

**Information on Amounts Per Share of Common Stock**

|  |              |
|--|--------------|
| Net assets per share of common stock           | 2,843.31 yen |
| Net income per share of common stock (Basic)   | 181.00 yen   |
| Net income per share of common stock (Diluted) | 180.87 yen   |

**Significant Subsequent Events**

Not items to disclose.

# Unconsolidated Balance Sheet

(As of March 31, 2025)

| ASSETS  |                  | LIABILITIES   |                  |
|---|------------------|---|------------------|
| Account title   | Amount           | Account title   | Amount           |
|   | Mil.yen          |   | Mil.yen          |
| <b>Current Assets</b>                                       | <b>1,525,931</b> | <b>Current Liabilities</b>                                  | <b>941,000</b>   |
| Cash and deposits   | 649,048          | Accounts payable - Trade                                    | 313,376          |
| Accounts receivable - Trade                                 | 338,029          | Long-term loans payable due within one year                 | 111,000          |
| Securities  | 206,000          | Lease obligations   | 1,801            |
| Finished products   | 63,383           | Accounts payable - Other                                    | 17,560           |
| Work in process   | 86,193           | Accrued expenses  | 118,558          |
| Raw materials and supplies                                  | 8,179            | Income taxes payable  | 4,334            |
| Prepaid expenses  | 6,371            | Deposits received   | 179,968          |
| Accounts receivable - Other                                 | 50,299           | Reserve for warranty expenses                               | 150,354          |
| Short-term loans receivable                                 | 35,410           | Provision for loss on production termination                | 20,319           |
| Other   | 83,241           | Provision related to environmental regulations              | 16,948           |
| Allowance for doubtful receivables                          | (222)            | Other   | 6,782            |
| <b>Non-current Assets</b>                                   | <b>1,421,166</b> | <b>Non-current Liabilities</b>                              | <b>739,631</b>   |
| <b>Property, plant and equipment</b>                        | <b>768,362</b>   | Bonds   | 125,000          |
| Buildings   | 97,335           | Long-term loans payable                                     | 417,000          |
| Structures  | 15,437           | Lease obligations   | 4,018            |
| Machinery and equipment                                     | 261,295          | Deferred tax liability related to land revaluation          | 66,246           |
| Vehicles  | 6,369            | Provision related to environmental regulations              | 41,184           |
| Tools, furniture and fixtures                               | 26,847           | Reserve for retirement benefits                             | 62,582           |
| Land  | 298,654          | Reserve for loss on business of subsidiaries and affiliates | 8,649            |
| Leased assets   | 5,003            | Long-term guarantee deposited                               | 5,936            |
| Construction in progress                                    | 57,422           | Asset retirement obligations                                | 3,358            |
| <b>Intangible assets</b>                                    | <b>62,130</b>    | Other   | 5,658            |
| Software  | 62,129           | <b>Total Liabilities</b>                                    | <b>1,680,631</b> |
| Leased assets   | 1                |   |                  |
| <b>Investments and other assets</b>                         | <b>590,674</b>   | <b>NET ASSETS</b>   |                  |
| Investment securities                                       | 115,581          |   | Mil.yen          |
| Stocks of subsidiaries and affiliates                       | 248,821          | <b>Capital and Retained Earnings</b>                        | <b>1,081,650</b> |
| Investments in capital of subsidiaries and affiliates       | 40,766           | <b>Common stock</b>   | <b>283,957</b>   |
| Long-term loans receivable from subsidiaries and affiliates | 617              | <b>Capital surplus</b>                                      | <b>267,628</b>   |
| Long-term prepaid expenses                                  | 62,440           | Capital reserve   | 193,847          |
| Prepaid pension cost  | 49,973           | Other capital surplus                                       | 73,781           |
| Defferd tax asset   | 33,891           | <b>Retained earnings</b>                                    | <b>531,636</b>   |
| Other   | 38,585           | Other retained earnings                                     | 531,636          |
|   |                  | Unappropriated retained earnings                            | 531,636          |
|   |                  | <b>Treasury stock</b>                                       | <b>(1,571)</b>   |
|   |                  | <b>Valuation and Translation Adjustments</b>                | <b>184,418</b>   |
|   |                  | Net unrealized gain/(loss) on available-for-sale securities | 40,959           |
|   |                  | Land revaluation  | 143,459          |
|   |                  | <b>Stock Acquisition Rights</b>                             | <b>398</b>       |
|   |                  | <b>Total Net Assets</b>                                     | <b>1,266,466</b> |
| <b>Total Assets</b>   | <b>2,947,097</b> | <b>Total Liabilities and Net Assets</b>                     | <b>2,947,097</b> |

(In Japanese yen rounded to millions)

## Unconsolidated Statement of Operations

(For the Year Ended March 31, 2025)

| Account title   | Amount   |                  |
|---|----------|------------------|
|   |          | Mil.yen          |
| <b>Net sales</b>  |          | <b>3,549,454</b> |
| <b>Cost of sales</b>  |          | <b>3,039,088</b> |
| Gross profit  |          | 510,366          |
| <b>Selling, general and administrative expenses</b>                             |          | <b>477,928</b>   |
| <b>Operating income</b>   |          | <b>32,438</b>    |
| <b>Non-operating income</b>   |          |                  |
| Interest income   | 17,938   |                  |
| Interest income of securities   | 461      |                  |
| Dividends income  | 37,256   |                  |
| Rental income   | 4,221    |                  |
| Other   | 2,139    | 62,015           |
| <b>Non-operating expenses</b>   |          |                  |
| Interest expense  | 8,376    |                  |
| Interest paid on bonds  | 652      |                  |
| Foreign exchange loss   | 15,927   |                  |
| Other   | 3,055    | 28,010           |
| <b>Ordinary income</b>  |          | <b>66,443</b>    |
| <b>Extraordinary income</b>   |          |                  |
| Gain on sales of property, plant and equipment                                  | 1,133    |                  |
| Gain on reversal of reserve for loss on business of subsidiaries and affiliates | 12,048   |                  |
| Reversal of provision for environmental measures                                | 189      | 13,370           |
| <b>Extraordinary losses</b>   |          |                  |
| Loss on sales of property, plant and equipment                                  | 33       |                  |
| Loss on retirement of property, plant and equipment                             | 8,289    |                  |
| Impairment loss   | 438      |                  |
| Provision for loss on production termination                                    | 24,294   |                  |
| Other   | 7        | 33,061           |
| <b>Income before income taxes</b>   |          | <b>46,752</b>    |
| <b>Income taxes</b>   |          |                  |
| Current   | 9,820    |                  |
| Deferred  | (23,200) | (13,380)         |
| <b>Net income</b>   |          | <b>60,132</b>    |

(In Japanese yen rounded to millions)



## Unconsolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2025)

|  | 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                             |
| <b>Balance at April 1, 2024</b>                                | <b>283,957</b>                | <b>193,847</b>  | <b>73,729</b>         | <b>509,578</b>                   | <b>(1,868)</b> | <b>1,059,243</b>                    |
| <b>Changes during the period:</b>                              |                               |                 |                       |                                  |                |                                     |
| Dividends paid   |                               |                 |                       | (37,812)                         |                | (37,812)                            |
| Net income   |                               |                 |                       | 60,132                           |                | 60,132                              |
| Purchase of treasury stock                                     |                               |                 |                       |                                  | (2)            | (2)                                 |
| Sale of treasury stock   |                               |                 | 52                    |                                  | 299            | 351                                 |
| Reversal for Land revaluation                                  |                               |                 |                       | (262)                            |                | (262)                               |
| Changes in items other than capital and retained earnings, net |                               |                 |                       |                                  |                |                                     |
| <b>Total changes during the period</b>                         | <b>-</b>                      | <b>-</b>        | <b>52</b>             | <b>22,058</b>                    | <b>297</b>     | <b>22,407</b>                       |
| <b>Balance at March 31, 2025</b>                               | <b>283,957</b>                | <b>193,847</b>  | <b>73,781</b>         | <b>531,636</b>                   | <b>(1,571)</b> | <b>1,081,650</b>                    |

|  | 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          |
| <b>Balance at April 1, 2024</b>                                | <b>76,083</b>   | <b>24</b>                         | <b>145,099</b>   | <b>221,206</b>                              | <b>471</b>               | <b>1,280,920</b> |
| <b>Changes during the period:</b>                              |   |                                   |                  |   |                          |                  |
| Dividends paid   |   |                                   |                  |   |                          | (37,812)         |
| Net income   |   |                                   |                  |   |                          | 60,132           |
| Purchase of treasury stock                                     |   |                                   |                  |   |                          | (2)              |
| Sale of treasury stock   |   |                                   |                  |   |                          | 351              |
| Reversal for Land revaluation                                  |   |                                   |                  |   |                          | (262)            |
| Changes in items other than capital and retained earnings, net | (35,124)  | (24)                              | (1,640)          | (36,788)                                    | (73)                     | (36,861)         |
| <b>Total changes during the period</b>                         | <b>(35,124)</b>   | <b>(24)</b>                       | <b>(1,640)</b>   | <b>(36,788)</b>                             | <b>(73)</b>              | <b>(14,454)</b>  |
| <b>Balance at March 31, 2025</b>                               | <b>40,959</b>   | <b>-</b>                          | <b>143,459</b>   | <b>184,418</b>                              | <b>398</b>               | <b>1,266,466</b> |

(In Japanese yen rounded to millions)

## Notes to the Unconsolidated Financial Statements

### **Assumptions as Going Concern**

No items to disclose.

### **Important Accounting Policies**

#### 1. Valuation standards and methods for assets

##### (1) Securities:

Held-to-maturity debt securities

Amortized cost method (straight-line method)

Stocks of subsidiaries and affiliates:

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

Available-for-sale securities:

Other than shares without market value:

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

Shares without market value:

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

##### (2) Derivative instruments:

Mainly a fair value method

##### (3) Inventories:

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

#### 2. Depreciation and amortization methods for non-current assets

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

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

##### (2) Intangible assets (excluding leased assets)

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

##### (3) Leased assets

For finance leases which do not transfer ownership, depreciation or amortization expense is recognized on a straight-line basis over the lease period.

For leases with a guaranteed minimum residual value, the contracted residual value is considered to be the residual value for financial accounting purposes. For other leases, the residual value is zero.

#### 3. Standards for allowances

##### (1) Allowance for doubtful receivables

Allowance for doubtful receivables provides for losses from bad debts. The amount estimated to be uncollectible is recorded. For receivables at 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.

##### (2) Reserve for warranty expenses

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

##### (3) Provision for loss on production termination

Provision for loss on production termination provides for the estimated amount of compensation to suppliers and other related expenses, expected to be incurred as of the end of the fiscal year, due to the earlier-than-planned termination of production for certain products.

##### (4) Provision related to environmental regulations

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

(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 expected benefit to the accounting period is based on a benefit formula basis.

b) Method of amortization of actuarial gains or losses and past 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 (13 years). The amortization of net gains or losses starts from the year immediately following the year in which such gains or losses arise.

The recognition of past service costs 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).

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

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

4. Basis for recognition of significant revenues and expenses

Our main business is the manufacture and sale of automobiles, parts, Connected Services and so on. For product sales, the revenue is recognized when control over the products is transferred to the customer and the performance obligation is satisfied. This transfer generally takes place when the product is delivered to the customer at a location agreed with the customer.

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

Revenue is measured based on the consideration specified in the contract with the customer and excludes the amount collected for a third party. The total 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 a discount from the Group to dealers. This sales incentive is deducted from the revenue recognized when the applicable product is delivered to the dealers.

The consideration for the product is usually collected from customers within 30 days from the time when revenue is recognized, and the consideration for the service is collected from customers within 30 days from the time when the service is provided, and there are no significant payment terms.

5. Other accounting treatments

(1) Accounting for hedging activities

Full-deferral 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 method for retirement benefits

In the unconsolidated financial statements, the accounting treatment for actuarial differences and unrecognized past service costs for retirement benefits differ from the accounting treatment for these in the consolidated financial statements.

(3) 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 current fiscal year.

### **Changes in Accounting Policies**

#### **-Application of the Accounting Standard for Current Income Taxes**

We have applied the Accounting Standard for Current Income Taxes (hereinafter referred to as the “Revised Accounting Standard 2022”), etc. from the beginning of the fiscal year ended March 31, 2025.

The amendment to categories in which current income taxes should be recorded follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022. This change in accounting standard has no effect on the unconsolidated financial statements.

#### **-Application of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules**

We have applied the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules from the beginning of the fiscal year ended March 31, 2025. The effect on the unconsolidated financial statements is immaterial.

### **Revenue Recognition**

Notes on basic information for understanding revenue from contracts with customers are omitted as the details are identical to the content provided in “4. Basis for recognition of revenues and expenses” under “Important Accounting Policies.”

### **Changes in Presentation**

Previously, the entire amount of provision related to environmental regulations was presented as non-current liabilities. However, due to the increased significance of the amount expected to be incurred within one year during the current fiscal year, we have reclassified the expected amount to current liabilities from this fiscal year.

### **Significant Accounting Estimates**

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

#### **1. Recoverability of deferred tax assets**

##### **(1) Amounts reported in the unconsolidated financial statements were as follows:**

|                     |                    |
|---------------------|--------------------|
| Deferred tax assets | 33,891 million yen |
|---------------------|--------------------|

##### **(2) Other information that assists readers of unconsolidated financial statements in understanding the nature of the estimates**

This information is identical to the content provided in “Deferred tax assets” under the Notes to the Consolidated Financial Statements “Significant Accounting Estimates.”

#### **2. Reserve for warranty expenses**

##### **(1) Amounts reported in the unconsolidated financial statements were as follows:**

|                               |                     |
|-------------------------------|---------------------|
| Reserve for warranty expenses | 150,354 million yen |
|-------------------------------|---------------------|

##### **(2) Other information that assists readers of unconsolidated financial statements in understanding the nature of the estimates**

This information is identical to the content provided in “Reserve for warranty expenses” under the Notes to the Consolidated Financial Statements “Significant Accounting Estimates.”

### **Unconsolidated Balance Sheet**

|  |                     |
|--|---------------------|
| 1. Accumulated depreciation on property, plant and equipment   | 943,137 million yen |
| 2. Short-term receivables from subsidiaries and affiliates   | 365,292 million yen |
| 3. Long-term receivables from subsidiaries and affiliates  | 635 million yen     |
| 4. Short-term payables to subsidiaries and affiliates  | 264,491 million yen |
| 5. Long-term payables to subsidiaries and affiliates   | 2,943 million yen   |
| 6. Assets pledged as collateral and liabilities secured by the collateral  |                     |
| (1) Assets pledged as collateral (carrying amounts at end of the period)   |                     |
| Buildings  | 57,539 million yen  |
| Structures   | 6,235 million yen   |
| Machinery and equipment  | 160,616 million yen |
| Tools, furniture and fixtures  | 14,322 million yen  |
| Land   | 163,127 million yen |
| Total  | 401,839 million yen |
| (2) Collateralized loans   |                     |
| Long-term loans payable (including those due within one year)  | 2,000 million yen   |
| 7. Contingent Liabilities for guarantee and similar agreements   |                     |
| Guarantee of loans and similar agreement   |                     |
| Kanto Mazda Co., Ltd.  | 2,120 million yen   |
| Minami Kyushu Mazda Co., Ltd   | 1,900 million yen   |
| Tohoku Mazda Co., Ltd.   | 400 million yen     |
| Others   | 22 million yen      |
| Total  | 4,442 million yen   |
| 8. In accordance with the Partial Revision of the Act on Revaluation of Land (Act No.19, enacted on March 31, 2001) ("Act"), land owned by the Company for business use 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 adjustment for the timing of assessment, were made to the official notice prices.

Date of revaluation: March 31, 2001

Amounts of decrease in the aggregate fair value of the revalued land as of March 31, 2025 from that at the time of revaluation, as stipulated in Article 10 of the Act:

53,675 million yen

### **Unconsolidated Statement of Operations**

|   |                       |
|---|-----------------------|
| 1. Amount of transactions with subsidiaries and affiliates  |                       |
| Sales   | 3,051,614 million yen |
| Purchase  | 792,731 million yen   |
| Selling, general and administrative expenses  | 85,190 million yen    |
| Non-operating transactions  | 46,640 million yen    |
| 2. Provision for loss on production termination   |                       |
| Due to a decline in sales resulting from a rapid slowdown in demand, future tightening of regulations, and after reviewing product plans, we have made a decision to terminate production of some products for certain regions earlier than originally planned. |                       |
| Provision for loss on production termination provides for the estimated amount of compensation to suppliers and other related expenses as certain parts used in these products are difficult to convert to other products.                                      |                       |

## **Unconsolidated Statement of Changes in Net Assets**

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

Common stock

1,447,244 shares

### **Tax Effect Accounting**

#### 1. The significant components of deferred tax assets and deferred tax liabilities:

##### Deferred taxes assets:

|   |                       |
|---|-----------------------|
| Valuation loss on investment securities                     | 47,510 million yen    |
| Reserve for warranty expenses                               | 46,795 million yen    |
| Accrued expenses, etc.                                      | 24,785 million yen    |
| Reserve for retirement benefits                             | 19,580 million yen    |
| Provision related to environmental regulations              | 18,120 million yen    |
| Inventories, etc.   | 11,315 million yen    |
| Accrued employees' bonuses                                  | 6,873 million yen     |
| Reserve for loss on business of subsidiaries and affiliates | 2,712 million yen     |
| Others  | 15,998 million yen    |
| Subtotal  | 193,688 million yen   |
| Valuation allowance   | (125,427) million yen |
| Total deferred tax assets                                   | 68,261 million yen    |

##### Deferred tax liabilities:

|   |                      |
|---|----------------------|
| Net unrealized gain on available-for-sales securities               | (18,709) million yen |
| Prepaid pension cost  | (15,613) million yen |
| Asset retirement cost corresponding to asset retirement obligations | (48) million yen     |
| Total deferred tax liabilities                                      | (34,370) million yen |
| Net deferred tax assets   | 33,891 million yen   |

##### Deferred tax liabilities related to land revaluation:

|  |                      |
|--|----------------------|
| Deferred tax assets related to land revaluation        | 482 million yen      |
| Less valuation allowance                               | (482) million yen    |
| Deferred tax liabilities related to land revaluation   | (66,246) million yen |
| Net deferred tax liability related to land revaluation | (66,246) million yen |

#### 2. Adjustment of deferred tax assets and deferred tax liabilities due to changes in income tax rates

On March 31, 2025, the "Act on Partial Amendment of the Income Tax Act, etc." (Act No. 13 of 2025) was enacted into law. As a result of the amendment, the effective tax rate used to calculate deferred tax assets and deferred tax liabilities has been changed from 30.5% to 31.4% for the temporary differences expected to be reversed in fiscal years starting on or after April 1, 2026.

Due to this change in the effective tax rate, deferred income tax expense recognized for the year ended March 31, 2025, net deferred tax assets, and net unrealized gain/(loss) on available-for-sale securities as of March 31, 2025 decreased by 217 million yen, 320 million yen, and 537 million yen, respectively. Also, the balance of deferred tax liabilities related to land revaluation increased by 1,902 million yen, and the balance of land revaluation decreased by the same amount.

## **Related Party Transactions**

Subsidiaries, affiliate etc.

(Millions of yen)

| Type       | Name of related parties                  | % of voting rights held | Relationship  | Contents of transaction   | Transaction amount | Account title              | Year-end balance |
|------------|--|-------------------------|---|---|--------------------|----------------------------|------------------|
| Subsidiary | Mazda Motor of America, Inc.             | Direct: 100%            | -Sale of Mazda - brand products<br>-Dispatch of directors | Sales of Automobiles *1   | 1,388,511          | Accounts receivable -Trade | 120,702          |
|            |  |                         |   | Lending and borrowing of funds through Inter-company cash management *2 | 67,564             | Deposits Received          | 124,204          |
| Subsidiary | Mazda Motor Logistics Europe N.V.        | Direct: 100%            | -Sale of Mazda - brand products<br>-Dispatch of directors | Sales of Automobiles *1   | 474,606            | Accounts receivable -Trade | 62,724           |
| Affiliates | Mazda Toyota Manufacturing, U.S.A., Inc. | Direct: 50%             | -Dispatch of directors                                    | Lending of Funds *3   | 208,816            | Loans receivable           | 39,812           |
|            |  |                         |   | Collection of loans receivable  | 229,482            |                            |                  |

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

\*1 Conditions of transaction are determined on 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 by taking into account market interest rates. The transaction amount is stated at the average balance during the period.

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

## **Information on Amounts Per Share of Common Stock**

|  |              |
|--|--------------|
| Net Assets per share of common stock           | 2,008.49 yen |
| Net income per share of common stock (Basic)   | 95.41 yen    |
| Net income per share of common stock (Diluted) | 95.34 yen    |

## **Significant Subsequent Event**

No items to disclose.

**Independent Auditor's Report**

May 9, 2025

To the Board of Directors of Mazda Motor Corporation:

KPMG AZSA LLC  
Hiroshima Office, Japan

Hiroshi Tawara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Koji Yoshida  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kazumi Kanehara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Mazda Motor Corporation. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

#### **Notes to the Reader of Independent Auditor's Report:**

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

**Independent Auditor's Report**

May 9, 2025

To the Board of Directors of Mazda Motor Corporation:

KPMG AZSA LLC  
Hiroshima Office, Japan

Hiroshi Tawara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Koji Yoshida  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kazumi Kanehara  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

**Opinion**

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of Mazda Motor Corporation. ("the Company") as at March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

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

**Basis for Opinion**

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

**Other Information**

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

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the

other information and we do not express any form of assurance conclusion thereon.

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

#### **Notes to the Reader of Independent Auditor's Report:**

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

## **Audit Report**

The Audit & Supervisory Committee conducted audits on the directors' execution of their duties during the 159th fiscal year beginning April 1, 2024, and ending March 31, 2025. The methods and results of the audits are described below.

### **1. Methods and content of audits**

With regard to the content of resolution by the Board of Directors in relation to matters prescribed in Article 399-13, Paragraph 1, Item (i)(b) and (c) of the Companies Act and the system (internal control system) developed based on the resolution, the Audit & Supervisory Committee members received regular reports from directors, executive officers and employees on the 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 (Business Accounting Council), etc. Furthermore, the Audit & Supervisory Committee members requested explanations as necessary and exchanged opinions and information.

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

### **2. Audit results**

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

- (i) The business report and its 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.

As stated in the Business Report, the Company disclosed that it had identified irregularities in applications for type designation on June 3, 2024. Since then, the Audit & Supervisory Committee has confirmed that the Company has been implementing appropriate measures and is working in earnest to prevent a recurrence of such irregularities.

(2) Results of the audit of financial statements and their detailed statements

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

(3) Results of the audit of consolidated financial statements

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

May 9, 2025

Audit & Supervisory Committee, Mazda Motor Corporation

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

Akira Kitamura, Audit & Supervisory Committee Member

Hiroko Shibasaki, Audit & Supervisory Committee Member

Masato Sugimori, Audit & Supervisory Committee Member

Hiroshi Inoue, Audit & Supervisory Committee Member

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