

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 7261
June 2, 2026
(Electronic provision of information starts on: May 26, 2026)

To Our Shareholders with Voting Rights

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

NOTICE OF THE 160th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 160th Ordinary General Meeting of Shareholders of Mazda Motor Corporation on June 24, 2026. 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 23, 2026.

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 24, 2026 at 10:00 a.m.
(Reception opens at 9:00 a.m.)
- 2. Place:** Mazda Head Office Auditorium
3-1 Shinchi, Fuchu-cho, Aki-gun, Hiroshima, Japan

3. Agenda of the Meeting:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements, and Results of Audits by the Accounting Auditor and the Audit & Supervisory Committee Members of the Consolidated Financial Statements for the 160th Fiscal Year (from April 1, 2025 to March 31, 2026)
 2. Unconsolidated Financial Statements for the 160th Fiscal Year (from April 1, 2025 to March 31, 2026)

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)

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.

Looking back on the fiscal year ended March 31, 2026, our focus on the “joy of driving” resonated widely, mainly in the North American market, allowing us to establish a solid income base. Meanwhile, U.S. tariffs and other dramatic changes in our external environment significantly impacted our business.

Nevertheless, we mitigated the impact within a short period by making concerted efforts in accordance with our crisis resolution policy of protecting local employment and supply chains, promoting a drastic reduction of variable and fixed costs, the optimization of models and destinations, and a review of our pricing strategy. This led to our return to profitability in the second half of the fiscal year, allowing us to post a profit for the year.

The automotive industry is facing a highly uncertain landscape laden with technological innovations, such as electrification and softwarization, as well as geopolitical risks. Under these circumstances, my utmost priority in managing our business is a conversion to a business structure that is capable of generating stable profit and less likely to be affected by the external environment. At the core of this undertaking is the completion of the cost structure reform on a level of approximately 200 billion yen during Phase 2 (2025-2027) of our 2030 Management Policy. We will lower our break-even point through the reduction of structural and fixed costs, thereby increasing our management flexibility. As for electrification measures, we will thoroughly optimize our investments in battery EV (BEV) as an “intentional follower” in line with our “Multi-Solution Strategy,” which is based on careful market trend assessments. By combining electrification, hybrid systems, and internal combustion engines, Mazda will appropriately address the differences in the progression of electrification across different countries and regions.

Further, huge investments are required in the age of electrification and softwarization, so we are promoting the Lean Asset Strategy aimed at acquiring the necessary assets efficiently through collaboration with our partners and making concentrated investments in areas that make the Mazda brand unique. Outcomes of the strategy include the electric and electronic architecture adopted by the new CX-5 and BEVs, such as the Mazda EZ-6/Mazda6e developed jointly with Changan Automobile which won high praise and was awarded the 2026 World Car Design of the Year.

At the same time, we are making steady progress in strengthening our domestic production infrastructure. With the construction of the Iwakuni Plant, which is to serve as our electrification-related production base, proceeding as planned, we will further improve our production flexibility and competitiveness.

Based on our belief in increasing capital efficiency and corporate value by enhancing the “reasons for continuing to be chosen” by customers, Mazda will achieve sustainable growth despite the uncertainties and thus meet shareholder expectations.

We look forward to your continued support.

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: 18,923,601,420 yen
3. Date on which distribution of surplus funds will take effect: June 25, 2026

【Reference】 Trends in Dividends

	157th Fiscal Year (April 2022 to March 2023)	158th Fiscal Year (April 2023 to March 2024)	159th Fiscal Year (April 2024 to March 2025)	160th Fiscal Year (April 2025 to March 2026)
Annual dividend per share (JPY)	45	60	55	55
Dividend payout ratio (consolidated)	19.8%	18.2%	30.4%	98.9%

Note: The annual dividend per share for the 160th fiscal year is predicted on the approval and adoption of the proposal as proposed.

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

The terms of ten (10) current directors (excluding directors who are Audit & Supervisory Committee members) will expire at the conclusion of this general meeting of shareholders. Accordingly, we propose the election of 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	<input type="checkbox"/> Reelection	Kiyotaka Shobuda	<input type="checkbox"/> Male	Representative Director and Chairperson of the Board	100% (16/16)
2	<input type="checkbox"/> Reelection	Masahiro Moro	<input type="checkbox"/> Male	Representative Director, President and CEO	100% (16/16)
3	<input type="checkbox"/> Reelection	Jeffrey H. Guyton	<input type="checkbox"/> Male	Representative Director, Executive Vice President and Corporate Leadership Executive Officer, CFO	100% (16/16)
4	<input type="checkbox"/> Reelection	Takeshi Mukai	<input type="checkbox"/> Male	Director, Executive Vice President and Corporate Leadership Executive Officer	100% (16/16)
5	<input type="checkbox"/> Reelection	Yasuhiro Aoyama	<input type="checkbox"/> Male	Director, Corporate Leadership Executive Officer, CCO	100% (16/16)
6	<input type="checkbox"/> Reelection	Takeji Kojima	<input type="checkbox"/> Male	Director, Corporate Leadership Executive Officer, CSO	100% (16/16)
7	<input type="checkbox"/> Reelection	Ryuichi Umeshita	<input type="checkbox"/> Male	Director, Corporate Leadership Executive Officer, CTO	92% (12/13)
8	<input type="checkbox"/> Reelection	Kiyoshi Sato	<input type="checkbox"/> Male	<input type="checkbox"/> Independent <input type="checkbox"/> Outside	Director 94% (15/16)
9	<input type="checkbox"/> Reelection	Michiko Ogawa	<input type="checkbox"/> Female	<input type="checkbox"/> Independent <input type="checkbox"/> Outside	Director 100% (16/16)
10	<input type="checkbox"/> Reelection	Miki Oikawa	<input type="checkbox"/> Female	<input type="checkbox"/> Independent <input type="checkbox"/> Outside	Director 92% (12/13)

Candidate No. 1 Kiyotaka Shobuda Reelection

Date of Birth	April 11, 1959 (67 years old)
Number of Company shares held	37,200 shares
(Potential number of additional Company shares that may be held)	(48,100 shares)
Number of BOD meetings attended	100% (16/16)



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

March 1982	Joined the Company
April 2006	Deputy General Manager, Hofu Plant
Nov. 2008	Executive Officer; President, Auto Alliance (Thailand) Co., Ltd.
April 2010	Executive Officer and General Manager, Production Engineering Div.
June 2013	Managing Executive Officer; In charge of Global Production and Global Business Logistics; General Manager, Production Engineering Div.
April 2016	Senior Managing Executive Officer; Oversight of Quality, Brand Enhancement, Production and Business Logistics
June 2016	Director and Senior Managing Executive Officer; Oversight of Quality, Brand Enhancement, Production and Business Logistics
April 2017	Director and Senior Managing Executive Officer; Oversight of Quality, Brand Enhancement, Purchasing, Production and Business Logistics
June 2021	Representative Director and 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 (65 years old)
Number of Company shares held	47,800 shares
(Potential number of additional Company shares that may be held)	(40,900 shares)
Number of BOD meetings attended	100% (16/16)

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

- March 1983 Joined the Company
- August 2002 General Manager, Global Marketing Div.
- March 2004 Vice President, Mazda Motor Europe GmbH
- Nov. 2008 Executive Officer; Assistant to the Officer overseeing Global Sales; In charge of Global Marketing
- June 2013 Managing Executive Officer; Global Sales Coordination; In charge of Global Marketing, Customer Service and Sales Innovation
- Jan. 2016 Managing Executive Officer; Oversight of Marketing Strategy; President and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
- April 2016 Senior Managing Executive Officer; Oversight of Marketing Strategy; Assistant to the Officer overseeing Brand Enhancement; President and CEO, Mazda Motor of America, Inc. (Mazda North American Operations)
- April 2019 Senior Managing Executive Officer; Oversight of Operations in North America; 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 (59 years old)
Number of Company shares held	97,322 shares
Number of BOD meetings attended	100% (16/16)



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
- April 2026 Representative Director, Executive Vice President and Corporate Leadership Executive Officer, CFO; Assistant to President; Oversight of Corporate Planning & Development, Operations in the Americas and Europe

(to the present)

Reasons for nomination as a candidate for director:

Mr. Guyton has extensive experience primarily in the area of finance. Having served as President and CEO of Mazda Motor of America, Inc. (Mazda North American Operations) and Mazda Motor Europe GmbH and currently serving as representative director and executive vice president, he also has wide-ranging knowledge of management as well as superior character and insight. Since his appointment as director, he has primarily 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 Takeshi Mukai Reelection

Date of Birth	March 14, 1962 (64 years old)
Number of Company shares held	32,700 shares
(Potential number of additional Company shares that may be held)	(29,800 shares)
Number of BOD meetings attended	100% (16/16)



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

March 1986	Joined the Company
April 2006	General Manager, Body Production Engineering Dept.
Sep. 2010	Vice President, Auto Alliance (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
April 2026	Director, Executive Vice President and Corporate Leadership Executive Officer; Assistant to President; Oversight of Monozukuri and Quality

(to the present)

Reasons for nomination as a candidate for director:

Mr. Mukai has extensive experience primarily in production, quality and business logistics, both in Japan and abroad, and currently serving as director and executive vice president, he also has wide-ranging knowledge of management as well as superior character and insight. Since his appointment as director, he has primarily 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. **5 Yasuhiro Aoyama** Reelection



Date of Birth	November 2, 1965 (60 years old)
Number of Company shares held	35,000 shares
(Potential number of additional Company shares that may be held)	(31,100 shares)
Number of BOD meetings attended	100% (16/16)

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

March 1988	Joined the Company
Oct. 2007	General Manager, Product Planning & Business Strategy Div.
Oct. 2011	General Manager, Global Marketing Div.
April 2014	Executive Officer; General Manager, Global Sales & Marketing Div.
Jan. 2016	Executive Officer; Global Sales Coordination; In charge of Global Marketing and Customer Service
April 2017	Managing Executive Officer; Global Sales Coordination; In charge of Brand Enhancement, Global Marketing and Customer Service
April 2019	Senior Managing Executive Officer; In charge of Operations in Europe; Assistant to the Officer overseeing Brand Enhancement; President and CEO, Mazda Motor Europe GmbH
June 2021	Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales and Customer Service
June 2022	Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales, Customer Service and New Business (MaaS)
April 2023	Director and Senior Managing Executive Officer; Oversight of Global Marketing, Sales, Customer Service, New Business (MaaS) and Product Strategy
June 2023	Director and Senior Managing Executive Officer; Oversight of Global Sales and Product Strategy; Assistant to the Officer overseeing Cost Innovation
April 2024	Director, Senior Managing Executive Officer and CCEO; Oversight of Product Strategy
April 2025	Director and Senior Managing Executive Officer; Oversight of Cost Reduction
April 2026	Director, Corporate Leadership Executive Officer, CCO; Oversight of Cost Innovation; Assistant to the Officer overseeing Monozukuri

(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 primarily overseen operations in global marketing, sales, customer service, new business (MaaS), product strategy and cost innovation and contributed to driving forward the Company's business. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. **6** **Takeji Kojima** Reelection



Date of Birth	August 24, 1965 (60 years old)
Number of Company shares held	27,063 shares
(Potential number of additional Company shares that may be held)	(21,300 shares)
Number of BOD meetings attended	100% (16/16)

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
April 2026	Director, Corporate Leadership Executive Officer, CSO; Oversight of Strategies (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 primarily 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** Reelection

Date of Birth	April 3, 1965 (61 years old)
Number of company shares held	33,600shares
(Potential number of additional Company shares that may be held)	(14,500 shares)
Number of BOD meetings attended	92% (12/13)



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
June 2025	Director, Senior Managing Executive Officer and CTO; Oversight of R&D; Assistant to the Officer overseeing Monozukuri Innovation
April 2026	Director, Corporate Leadership Executive Officer, CTO; Oversight of R&D; Assistant to the Officer overseeing Monozukuri

(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, both in Japan and abroad. 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. Since his appointment as director, he has overseen R&D operations and contributed to driving forward the Company's business. Based on his knowledge and past performance, he can be expected to contribute to further strengthening the Board's decision-making and supervisory functions. Thus, we propose his election as director.

Candidate No. 8 Kiyoshi Sato

Reelection

Independent

Outside

Date of Birth	April 2, 1956 (70 years old)
Number of Company shares held	2,300 shares
Number of BOD meetings attended	94% (15/16)



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

April 1979	Joined Tokyo Electron Ltd.
Dec. 2001	Deputy General Manager of Clean Track Business Unit
June 2003	Representative Director, President and CEO
April 2009	Director and Vice Chairperson of the Board
June 2011	Director Director and Chairperson, Tokyo Electron America, Inc. 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.) (to the present)
July 2017	Advisor, Tokyo Electron Ltd. (to June 2019)
June 2019	Outside Director, Inabata & Co., Ltd. (to June 2023)
June 2019	Outside Director, Mazda Motor Corporation (to the present)

Important office concurrently held:

Outside Director, Shibaura Machine Co., Ltd.

Term of office as Outside Director: 7 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 (63 years old)
Number of Company shares held	6,300 shares
Number of BOD meetings attended	100% (16/16)



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

April 1986	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)	
April 2015	Executive Officer, In charge of Technics Brand; Managing Officer, Appliances Company	
Nov. 2015	Executive Officer; Director, Home Entertainment Business Division	
Jan. 2018	Executive Officer; Vice president, Appliances Company; In charge of Technology; Director, Corporate Engineering Division, In charge of Technics Brand	
Feb. 2018	Director, Persol AVC Technology Co., Ltd. (to June 2021)	
June 2018	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, Director in charge of Technics Brand, Panasonic Holdings Corporation	
April 2025	Executive Officer, in charge of Government and External Relations, and Solution Partners General Manager, Technics Business Promotion, Panasonic Holdings Corporation	
April 2026	Executive Officer, in charge of Government and External Relations, and Corporate Citizenship Activities, Panasonic Holdings Corporation Chief Sound Meister and Brand Ambassador, Technics Business Promotion, Panasonic Corporation	(to the present)

Important office concurrently held:

Executive Officer, Panasonic Holdings Corporation
Chairperson, Japan Audio Society
Outside Director, The Royal Hotel, Limited (scheduled to assume office in June 2026)

Term of office as Outside Director: 7 years (as of the close of this Meeting)

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

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

Candidate No. 10 Miki Oikawa

Reelection

Independent

Outside

Date of Birth	January 11, 1969 (57 years old)
Number of Company shares held	700 shares
Number of BOD meetings attended	92% (12/13)



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. Representative Director and President, POLA INC.	
Jan. 2022	Senior Corporate Officer in charge of Group Diversity, POLA ORBIS HOLDINGS INC. (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)
June 2025	Outside Director, Sumitomo Mitsui DS Asset Management Company, Limited	(to the present)
June 2025	Outside Director, Mazda Motor Corporation	(to the present)

Important office concurrently held:

Chairperson, General incorporated association Toget-HER
Outside Director, Sumitomo Mitsui DS Asset Management Company, Limited

Term of office as Outside Director: 1 year (as of the close of this Meeting)
















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 of 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. The Attendance of Mr. Umeshita and Ms. Oikawa at Board meetings as shown follow their assumption of their post on June 25, 2025.
 5. 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/>.
 6. 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, 2026, were minimal, comprising less than 2% of the Company’s consolidated sales. Furthermore, there are no business transactions between the Company and either the Japan Audio Society or the Royal Hotel, Limited.
Ms. Oikawa currently serves as a chairperson at General Incorporated Association Toget-HER. There are no business transactions between the Company and Toget-HER. Furthermore, there are no business transactions between the Company and Sumitomo Mitsui DS Asset Management Company, Limited.
 7. The Company has concluded liability limitation agreements with Mr. Sato, Ms. Ogawa and Ms. Oikawa 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 their appointments as outside directors, the Company intends to continue these liability limitation agreements.
 8. The Company has entered into a liability insurance agreement for officers, etc. with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act, whereby legal damages and litigation costs incurred due to a claim for damages against any insured person under the agreement will be covered by the insurance agreement. A candidate whose appointment as a director is approved will be included in the insured in this liability insurance agreement for officers, etc. The Company also plans to renew this agreement with the same content at the time of the next renewal.
 9. The Name in family register of Miki Oikawa is Miki Takenaga.

【Reference】

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

	Directors										Directors who are Audit & Supervisory Committee Members				
Name and attribute															
	Kiyotaka Shobuda 67 Male	Masahiro Moro 65 Male	Jeffrey H. Guyton 59 Male	Takeshi Mukai 64 Male	Yasuhiro Aoyama 60 Male	Takeji Kojima 60 Male	Ryuichi Umeshita 61 Male	Kiyoshi Sato 70 Male Independent Outside	Michiko Ogawa 63 Female Independent Outside	Miki Oikawa 57 Female Independent Outside	Hironori Tanaka 62 Male	Akira Kitamura 75 Male Independent Outside	Hiroko Shibasaki 72 Female Independent Outside	Masato Sugimori 69 Male Independent Outside	Hiroshi Inoue 69 Male Independent Outside
Attributes	Representative Director and Chairperson of the Board	Representative Director, President and CEO	Representative Director, Executive Vice President and Corporate Leadership Executive Officer, CFO	Director, Executive Vice President and Corporate Leadership Executive Officer	Director, Corporate Leadership Executive Officer, CCO	Director, Corporate Leadership Executive Officer, CSO	Director, Corporate Leadership Executive Officer, 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, 2025 to March 31, 2026)

1. Business activities of the Mazda Group

(1) Progress and results of business activities

Business environment during the fiscal year ended March 31, 2026

The business environment surrounding the Mazda Group during the fiscal year ended March 31, 2026, remained highly uncertain due to factors such as developments in U.S. tariff and trade policies, heightened geopolitical risks, sharp fluctuations in raw material prices and foreign exchange rates, as well as a global reassessment of the timeline for electrification. In particular, U.S. tariff policy had a significant impact on our business, given its high export ratio, creating a very challenging situation that necessitated a review of our profit structure.

Under these circumstances, we continued to operate our business anchored on Brand Value Management and, in accordance with the policy of “thoroughly refining the areas we can control and protecting regional employment and supply chains¹,” worked in collaboration with our partners to steadily carry out, step by step, the initiatives required across the entire company. Specifically, by maintaining a certain scale of production and global sales volumes, and by focusing on controllable areas such as variable and fixed cost reduction, revisions to pricing strategies, and optimization of product mix by market, we have sought to build a stronger and more resilient management structure capable of withstanding rapid changes in the external environment.

Business Overview

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

In terms of products, we announced a new “Mazda CX-5” in July 2025 as a full model change after about eight years, and sales began in the second half of the fiscal year in Europe and North America. Since its launch in 2012, the CX-5 has reached cumulative global sales of five million units, and has become a core model, accounting for roughly one quarter of our total worldwide sales. While the “KODO – Soul of Motion” design philosophy and the “Jinba Ittai” driving experience of maneuvering a vehicle at will were carried over to the new CX-5 and further evolved, the Human-Machine Interface² has been fully revamped. Equipped with a large display, speech recognition features, and an evolved advanced driver assistance system, the CX-5 offers convenience suitable for the times ahead.

In markets where electrification is progressing rapidly, we have been sequentially introducing new electric vehicles developed and manufactured by our local joint-venture, Changan Mazda Automobile Co., Ltd., in cooperation with our partner Chongqing Changan Automobile Co., Ltd. In September of last year, we launched the second-generation electric crossover SUV, the Mazda EZ-60, in the Chinese market. In Europe, we also began full-scale sales last autumn of the Mazda6e, which was developed based on the Mazda EZ-6, the first model in our new electric vehicle lineup. The Mazda EZ-6 / Mazda6e was honored with the 2026 World Car Design of the Year³ award at the 2026 World Car of the Year ceremony organized by the World Car Awards in April 2026.

*1. The series of processes until the product reaches the consumer including procurement, manufacturing, inventory management, delivery, sales, and consumption.

*2. General term for human-machine communication methods, as well as the devices and software associated with them.

*3. One of the special awards given at the 2026 World Car of the Year Awards hosted by the World Car Awards.

< MAZDA CX-5 >



< MAZDA 6e (European specification model) >



For other existing models such as the Mazda2, Mazda CX-3, Mazda CX-60, and Mazda CX-80, we also introduced updated models throughout the fiscal year to enhance Mazda's ongoing product appeal by improving safety, convenience, and comfort.

Additionally, at the Japan Mobility Show 2025 held in October 2025, we unveiled two vision models that embody our exhibition theme, "The Joy of Driving Fuels a Sustainable Tomorrow." The Mazda Vision X-Coupe is powered by a plug-in hybrid system integrating a two-rotor rotary turbo engine with a motor and battery. By combining carbon-neutral fuel derived from microalgae with Mazda's proprietary CO₂ capture technology, "Mazda Mobile Carbon Capture," the vehicle contributes to reducing atmospheric CO₂ the more it is driven. The Mazda Vision X-Compact is a model designed to deepen the bond between people and cars through the fusion of a human sensory digital model and empathetic AI. Under the shared mission of achieving carbon neutrality, Mazda believes that the joy of driving can be a force for positive change for society and the planet. We remain committed to fulfilling the desire of those who love cars and wish to continue driving as long as possible.

< MAZDA VISION X-COUPÉ >



< MAZDA VISION X-COMPACT >



Sales volume by market

Global sales volume 1,223 thousand units (down 6.1% year on year)

Global sales volume for the fiscal year decreased by 6.1% year on year to 1,223 thousand units, reflecting, among other factors, a decline in the U.S. market due to the curtailment of production of the Mexico-made Mazda CX-30, which bears a heavy tariff burden.

Japan 144 thousand units (down 5.3% year on year)

While sales of CX-5, CX-60, and Mazda Roadster remained strong, total sales decreased by 5.3% year on year to 144 thousand units, primarily due to intensified competition with other manufacturers amid shrinking demand.

North America 582 thousand units (down 5.7% year on year)

Although sales of CX-5 and Mazda CX-50 increased, sales in the U.S. decreased by 9.2% year on year to 395 thousand units, due in part to declined sales of the Mexico-made CX-30, which bears a heavy tariff burden. In North America as a whole, unit sales decreased by 5.7% year-on-year to 582 thousand units, with the decline partially offset by increased sales of Mazda 3, CX-30 and CX-5 in Canada.

Europe 164 thousand units (down 6.0% year on year)

Unit sales decreased by 6.0% year on year to 164 thousand units, due to the discontinuation of production of the internal combustion engine model of Mazda2 and declined sales of CX-5 ahead of the launch of a new model, among other factors. Sales have shown a recovery trend following the introduction of Mazda6e and the new CX-5.

China 71 thousand units (down 4.0% year on year)

Although sales of the new electric vehicles EZ-6 and EZ-60 remained steady, unit sales decreased by 4.0% year-on-year to 71 thousand units, due in part to the impact of shrinking demand for internal combustion engine vehicles.

Other markets 262 thousand units (down 8.2% year on year)

In Australia, one of Mazda's major markets, unit sales decreased by 8.9% year on year to 89 thousand units, as sales of the large platform vehicles increased but were more than offset by declining sales of models such as Mazda2 and CX-3 amid an increasingly competitive market environment.

In Other markets overall, although Vietnam recorded its highest-ever sales, unit sales decreased by 8.2% year on year to 262 thousand units, due to lower sales in regions such as the Middle East.

Financial Performance

Financial performance on a consolidated basis for the fiscal year ended March 31, 2026, was as follows.

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	(vs. Prior year)	
			Amount	Rate of change
	billion yen	billion yen	billion yen	%
Net sales	5,018.9	4,918.2	(100.7)	(2.0)
Operating income	186.1	51.6	(134.5)	(72.3)
Ordinary income	189.0	131.8	(57.2)	(30.2)
Net income attributable to owners of the parent	114.1	35.1	(79.0)	(69.2)

Changes in operating income were as follows.

	Fiscal year ended March 31, 2026
	billion yen
Tariff Impact	(154.9)
Volume & mix	(31.8)
Exchange rate	+ 10.6
Raw materials, logistics costs and others	(37.7)
Cost improvement	+ 36.9
Fixed costs and others	+ 42.4
Total	(134.5)

Net cash provided by operating activities in this consolidated fiscal year was 200 million yen, mainly reflecting income before income taxes of 59.4 billion yen, offset by an increase in trade notes and accounts receivable and income taxes paid. (For the previous fiscal year, net cash provided by operating activities was ¥ 305.6 billion yen.)

Net cash used in investing activities was 900 million yen, mainly reflecting capital expenditure for the purchase of property, plant and equipment and the net change in time deposit. (For the previous fiscal year net cash used in investing activities was 200.0 billion yen.)

As a result, consolidated free cash flow (net of cash flow from operating and investing activities) was negative 600 million yen. (For the previous fiscal year, consolidated free cash flow was positive 105.7 billion yen.)

Net cash provided by financing activities was 105.0 billion yen as the result of financing through long-term borrowings offset by dividend payments and repayment of long-term borrowings. (For the previous fiscal year, net cash provided by financing activities was 90.1 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	351,822	3,839,239	4,191,061
Knockdown parts (Overseas)	—	11,811	11,811
Parts	46,569	364,697	411,266
Other	217,646	86,388	304,034
Total	616,037	4,302,135	4,918,172

(2) Capital investment

For further growth in the future, we focused investment on electrification, next-generation products, IT and reinforcing our global production and sales systems. As a result of efficient investment in these areas, capital investment amounted to 120.0 billion yen on a consolidated basis. (This figure was 148.4 billion yen in the previous fiscal year.)

(3) Financing

In the fiscal year ended March 31, 2026, the Company took out long-term loans totaling 260.0 billion yen.

(4) Issues to be addressed

1. Management policy for 2030

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, looking out to 2030.

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 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 will also be necessary, we will also promote activities to reduce CO₂ emissions in stages in cooperation with transport companies and business partners. In Japan, we will make efforts to restructure our supply chain and expand the use of carbon neutral fuels.

ii) Initiatives in electrification in each phase

During the period of transition to EVs, we believe a multi-solution approach whereby we provide a range of products such as battery EVs (BEVs), plug-in hybrids, and hybrids to suit power generation conditions in each region will be effective. On the other hand, in view of electrification policies and the tightening of regulations in various countries, we intend to promote electrification with partner companies to advance electrification 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 a mild hybrid system, which achieve excellent environmental and driving performance, we will improve our profitability and step up the development of technologies for BEVs.
- Phase 2 (2025-2027): Transition to electrification
In efforts to reduce CO₂ through improvements in fuel efficiency during the period of transition to electrification, we will further refine the multi-electrification technologies we have developed to date and introduce new hybrid systems. In addition to introducing BEVs in the Chinese market where electrification is advanced, we will begin to introduce BEVs globally. Additionally, in consideration of the potential widespread use of renewable fuels, we will enhance to the utmost the performance of internal combustion engines through the application of technologies to further improve thermal efficiency.

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

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

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 chain¹ 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.

2. 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 Strategy² in March 2025 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), 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 through collaboration.
- 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.
- 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 value³ by generating returns in excess of capital costs.

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

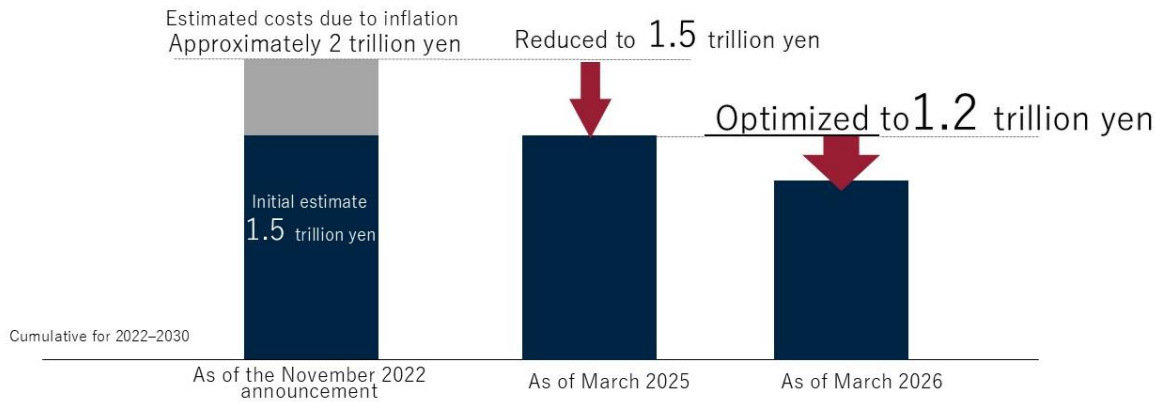
*2. Click here to view the Mazda Multi-Solution Briefing 2025 where our Lean Asset Strategy was presented.
<https://www.mazda.com/en/investors/policy/mid-term/>

3. Progress in the 2030 Management Policy

The business environment surrounding us reached an unprecedented level of uncertainty marked by constant, unforeseeable external changes. Our “intentional follower” approach on battery EVs, the multi-solution strategy, and the lean asset strategy proved effective amid this situation, contributing to steady progress on our key initiatives. During Phase 2, which began this fiscal year, we will improve our brand value by accelerating the selection and concentration of business and resources.

Key Progress During the Fiscal Year

- In order to address the negative impact of U.S. tariffs, which we had estimated at the beginning of the fiscal year to be more than 230 billion yen, we made concerted and focused efforts in areas within our control, including reductions of structural and fixed costs, review of the pricing strategy, and optimization of the product mix by market.
- As a “co-creative project” that enables both value creation and cost reduction, we sought the involvement of Nippon Steel Corporation from the initial development phases of the new Mazda CX-5. Together we reviewed our supply and value chains in their entirety, including design, production, and procurement, and thus developed an optimal body structure within a short period. This has contributed to the reduction of costs and CO₂ emissions associated with transportation, decrease in inventories across the supply chain, mitigation of geopolitical risks, and reduction of the companies’ indirect costs of production.
- In terms of sales, we achieved a level comparable to the previous fiscal year in the North American market by limiting the export of the CX-30 and the Mazda 3 from the Mexico plant to the United States, while steadily growing the sales of the CX-50 produced at the Alabama plant and the more profitable CX-5 and large products made in Japan, and by increasing the sales primarily of the CX-30 in Canada and Mexico. Further, we are continuing to strengthen our sales network, transforming more than 350 of the approximately 550 dealers in the United States into new-generation dealers designed to provide an environment where customers can experience our vision and philosophy. At the same time, we are striving to enhance our brand attraction by conducting customer service training and reinforcing our collaboration with the dealerships.
- In the Japanese market, we announced the domestic business structural reform policy in June 2025 to strengthen our business foundation and achieve regrowth. Having specified “investment in growth to nurture brand,” “designation of priority regions (metropolitan strategy),” and “thorough frontline support to improve in-store experience” as the three pillars for business structural reform, we will become a brand that numerous customers continue to choose through our four key initiatives⁴ and thereby establish a business foundation that will allow us to achieve a domestic sales volume of 200,000 units at an early date. Additionally, Mazda was rated No. 1 for the second consecutive year in the Mass Market Domestic brands segment of the J.D. Power 2025 Japan Sales Satisfaction Index Study.
- In terms of technology, we will build up our electrification technologies in stages with a long-term perspective under our multi-solution strategy. As regards production, we will avoid relying on large-scale investments in dedicated lines to meet electrification needs by using the flexible production system, which allows for variable-mix, variable-volume production. At the time of the announcement in 2022, we estimated that electrification-related investments will total 1.5 trillion yen by 2030. At one point, there was a possibility that the amount might increase to 2 trillion yen due to inflation. However, we now expect to be able to limit the amount to 1.2 trillion yen through the selection and concentration of business resources, such as the optimization of battery-related investments.



- As we re-evaluate the market launch timeline for battery EVs, we will concentrate the allocation of our resources in areas that create brand value, such as the enhancement of hybrid products and large products. In 2027, we plan to release the new CX-5 powered by the SKYACTIV-Z, designed for ideal combustion, in combination with Mazda’s own hybrid system.
- Mazda signed an agreement in September 2025 with Yamaguchi Prefecture and Iwakuni City regarding the construction of the Iwakuni Plant, which will serve as the foundation supporting the global roll-out of electrified products. Construction began in November 2025. The Iwakuni Plant will produce modules and packs of automotive cylindrical lithium-ion battery cells procured from Panasonic Energy Co., Ltd. The Plant also aims to contribute to local employment and economic development, providing a safe and secure place of work.
- By May 2025, all employees participated in our organizational cultural reform program the Blueprint, which was introduced in 2023. As we transitioned this fiscal year into the phase of promoting and establishing a host of program activities, follow-up Blueprint sessions aimed at encouraging changes mainly in management’s thinking and behaviors, as well as the Blueprint President Sessions in which the president engages in direct discussions with employees, were introduced. Further, with the establishment in September 2025 of a dedicated organization tasked with promoting the utilization of generative AI on a Companywide basis, we will continue to accelerate the doubling of productivity and creation of value through both Blueprint organizational culture reforms and digital transformation-driven structural reforms.

*3. Please refer to the “Message from the CEO” and “Message from the CFO” in our Integrated Report 2025 for an overall picture of our initiatives to enhance corporate value.

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

*4. Please see the website below for an overview of the four key initiatives:

<https://newsroom.mazda.com/en/publicity/release/2025/202506/250619a.html>

Note: The business forecasts and other forward-looking statements contained in the Business Report 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 Business Report may differ from actual.

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

Item		157th Term (April 2022 to March 2023)	158th Term (April 2023 to March 2024)	159th Term (April 2024 to March 2025)	160th Term (April 2025 to March 2026)
Net sales	(millions of yen)	3,826,752	4,827,662	5,018,893	4,918,172
Operating income	(millions of yen)	141,969	250,503	186,125	51,579
Ordinary income	(millions of yen)	185,936	320,120	188,996	131,835
Net income attributable to owners of the parent	(millions of yen)	142,814	207,696	114,079	35,086
Net income per share	(yen)	226.71	329.65	181.00	55.64
Total assets	(millions of yen)	3,259,251	3,791,768	4,090,081	4,479,493
Net assets	(millions of yen)	1,456,801	1,757,378	1,810,029	1,924,950
Net assets per share	(yen)	2,285.21	2,757.74	2,843.31	3,020.96
Equity ratio		44.2%	45.8%	43.8%	42.5%

(ii) The Company

Item		157th Term (April 2022 to March 2023)	158th Term (April 2023 to March 2024)	159th Term (April 2024 to March 2025)	160th Term (April 2025 to March 2026)
Net sales	(millions of yen)	3,000,360	3,636,113	3,549,454	3,135,020
Operating income (loss)	(millions of yen)	48,828	132,302	32,438	(174,828)
Ordinary income (loss)	(millions of yen)	102,591	226,555	66,443	(89,299)
Net income (loss)	(millions of yen)	89,771	137,731	60,132	(103,408)
Net income (loss) per share	(yen)	142.50	218.60	95.41	(163.97)
Total assets	(millions of yen)	2,467,387	2,718,102	2,947,097	3,055,947
Net assets	(millions of yen)	1,118,720	1,280,920	1,266,466	1,144,757
Net assets per share	(yen)	1,775.08	2,032.19	2,008.49	1,814.27
Equity ratio		45.3%	47.1%	43.0%	37.4%

(6) Principal parent companies and subsidiaries (as of March 31, 2026)**(i) Principal parent companies**

Not applicable

(ii) Principal subsidiaries

Company Name	Location	Capital	Ownership (%)	Principal Business
Mazda Motor of America, Inc.	U.S.A.	USD 240,000 thousand	100.0	Sales of vehicles and parts
Mazda Canada Inc.	Canada	CAD 111,000 thousand	100.0	Sales of vehicles and parts
Mazda Motor de Mexico S. de R.L. de C.V.	Mexico	MXN 53,719 thousand	*100.0	Sales of vehicles and parts
Mazda Motor Manufacturing de Mexico S.A.de C.V.	Mexico	MXN 6,555,001 thousand	100.0	Manufacturing and sales of vehicles
Mazda Motor Europe GmbH	Germany	EUR 26 thousand	*100.0	Supervision of the overall European market
Mazda Motor Logistics Europe N.V.	Belgium	EUR 71,950 thousand	100.0	Sales of vehicles and parts
Mazda Motors (Deutschland) GmbH	Germany	EUR 17,895 thousand	*100.0	Sales of vehicles and parts
Mazda Motors UK Ltd.	U.K.	GBP 4,000 thousand	*100.0	Sales of vehicles and parts
Mazda Australia Pty Ltd.	Australia	AUD 31,000 thousand	100.0	Sales of vehicles and parts
Mazda Motor (China) Co., Ltd.	China	CNY 85,410 thousand	100.0	Supervision of the overall China market
Mazda Sales (Thailand) Co., Ltd.	Thailand	THB 575,000 thousand	96.1	Sales of vehicles and parts
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.	Thailand	THB 8,166,973 thousand	100.0	Manufacturing and sales of vehicle parts
Kanto Mazda Co., Ltd.	Itabashi-ku, Tokyo	¥3,022 million	100.0	Sales of vehicles and parts
Tokai Mazda Sales Co., Ltd.	Mizuho-ku, Nagoya-shi	¥2,110 million	100.0	Sales of vehicles and parts
Kansai Mazda Co., Ltd.	Naniwa-ku, Osaka-shi	¥950 million	100.0	Sales of vehicles and parts
Kyushu Mazda Co., Ltd.	Hakata-ku, Fukuoka-shi	¥826 million	100.0	Sales of vehicles and parts
Mazda Parts Co., Ltd.	Higashi-ku, Hiroshima-shi	¥1,018 million	100.0	Sales of vehicle parts
Kurashiki Kako Co., Ltd.	Kurashiki-shi, Okayama	¥310 million	75.0	Manufacturing and sales of vehicle parts
Mazda Logistics Co., Ltd.	Minami-ku, Hiroshima-shi	¥490 million	100.0	Transportation of vehicles and parts
Mazda Chuhan Co., Ltd.	Minami-ku, Hiroshima-shi	¥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

Company Name	Location	Capital	Ownership (%)	Principal Business
Auto Alliance (Thailand) Co., Ltd.	Thailand	THB 8,435,000 thousand	50.0	Manufacturing and sales of vehicles
Changan Mazda Automobile Co., Ltd.	China	CNY 2,735,587 thousand	*47.5	Manufacturing and sales of vehicles
Changan Mazda Engine Co., Ltd.	China	CNY 1,573,469 thousand	50.0	Manufacturing and sales of vehicle parts
Mazda Toyota Manufacturing, U.S.A., Inc.	U.S.A.	USD 40	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	Vehicle sales finance

Note: 1. Figures with an asterisk include indirect ownership

2. The Company has 21 equity-method companies.

2. Corporate Officers

(1) Directors (as of March 31, 2026)

Position	Name	Responsibilities in the Company and important offices concurrently held
Representative Director and Chairperson of the Board	Kiyotaka Shobuda	Chairperson, The Mazda Foundation Outside Director, The Chugoku Electric Power Company, Incorporated
Representative Director	Masahiro Moro	President and CEO Oversight of Communication and Sustainability
Representative Director	Jeffrey H. Guyton	Senior Managing Executive Officer and CFO Assistant to President; Oversight of Corporate Planning & Development, Operations in North America and Europe, and Cost Innovation
Director	Yasuhiro Aoyama	Senior Managing Executive Officer Oversight of Cost Reduction
Director	Takeshi Mukai	Senior Managing Executive Officer and CSCO Oversight of Monozukuri Innovation, Supply Chain Innovation and Carbon Neutrality Promotion
Director	Takeji Kojima	Senior Managing Executive Officer and CSO Assistant to the Officer overseeing Carbon Neutrality Promotion
*Director	Ryuichi Umeshita	Senior Managing Executive Officer and CTO Oversight of R&D; Assistant to the Officer overseeing Monozukuri Innovation
Director	Kiyoshi Sato	Outside Director, Shibaura Machine Co., Ltd.
Director	Michiko Ogawa	Executive Officer, Panasonic Holdings Corporation Chairperson, Japan Audio Society
*Director	Miki Oikawa	Chairperson, General incorporated association TogetHER Outside Director, Sumitomo Mitsui DS Asset Management Company, Limited
*Director, Audit & Supervisory Committee Member (Full-time)	Hironori Tanaka	
Director, Audit & Supervisory Committee Member	Akira Kitamura	Outside Director, Ark Real Estate Co., Ltd. Outside Audit & Supervisory Board Member, Toyo Aluminium K.K.
Director, Audit & Supervisory Committee Member	Hiroko Shibasaki	Outside Director, Kraftia Corporation
Director, Audit & Supervisory Committee Member	Masato Sugimori	
Director, Audit & Supervisory Committee Member	Hiroshi Inoue	Attorney-at-law Outside Director, Audit and Supervisory Committee Member, Mitsui Kinzoku Company, Limited. Outside Director, Audit and Supervisory Committee Member, Custody Bank of Japan, Ltd.

Notes: 1. Directors: Mr. Kiyoshi Sato, Ms. Michiko Ogawa, Ms. Miki Oikawa, 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, Ms. Oikawa, Mr. Kitamura, Ms. Shibasaki, Mr. Sugimori and Mr. Inoue to the Tokyo Stock Exchange.

2. Mr. Hironori Tanaka has been elected as a full-time Audit & Supervisory Committee member. As Mr. Tanaka 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. Akira Kitamura and Mr. Masato Sugimori, have considerable knowledge of finance and accounting as described below.
- (1) Mr. Kitamura served as Representative Director & Senior Managing Executive Officer of Sumitomo Mitsui Banking Corporation, as well as Chairperson of the Board & CEO (Representative Director) of Kansai Urban Banking Corporation (currently Kansai Mirai Bank, Ltd.).
- (2) Mr. Sugimori served as Senior Managing Executive Officer, Assistant CFO, Risk Management of Sumitomo Corporation, as well as Director, Executive Vice President, General Manager, Corporate Unit of Jupiter Telecommunications Co., Ltd. (currently JCOM Co., Ltd.).
4. Asterisks indicate officers who were newly elected to assume positions as directors or directors who are Audit & Supervisory Committee members at the 159th Ordinary General Meeting of Shareholders held on June 25, 2025.
5. Although there are business transactions with the Panasonic Holdings Corporation, transactions during the fiscal year ended March 31, 2026, comprised an insignificant amount of less than 2% of the Company's consolidated net sales.

Although there are business transactions with the Mitsui Kinzoku Company, Limited, transactions during the fiscal year ended March 31, 2026, 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, General incorporated association Toget-HER, Sumitomo Mitsui DS Asset Management Company, Limited, Ark Real Estate Co., Ltd., Toyo Aluminium K.K., Kraftia Corporation and Custody Bank of Japan, Ltd.

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
Ichiro Hirose	June 25, 2025	Expiry of term of office	Director, Senior Managing Executive Officer Assistant to President
Nobuhiko Watabe	June 25, 2025	Expiry of term of office	Director and Audit Supervisory & Committee Member (Full-time)

7. Position and Responsibilities of directors changed on April 1, 2026, as follows:

Position	Name	Responsibilities in the Company and important offices concurrently held
Representative Director	Jeffrey H. Guyton	Executive Vice President and Corporate Leadership Executive Officer, CFO Assistant to President; Oversight of Corporate Planning & Development, Operations in the Americas and Europe
Director	Takeshi Mukai	Executive Vice President and Corporate Leadership Executive Officer Assistant to President; Oversight of Monozukuri and Quality
Director	Yasuhiro Aoyama	Corporate Leadership Executive Officer, CCO Oversight of Cost Innovation; Assistant to the Officer overseeing Monozukuri
Director	Takeji Kojima	Corporate Leadership Executive Officer, CSO Oversight of Strategies
Director	Ryuichi Umeshita	Corporate Leadership Executive Officer, CTO Oversight of R&D; Assistant to the Officer overseeing Monozukuri

(2) 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.

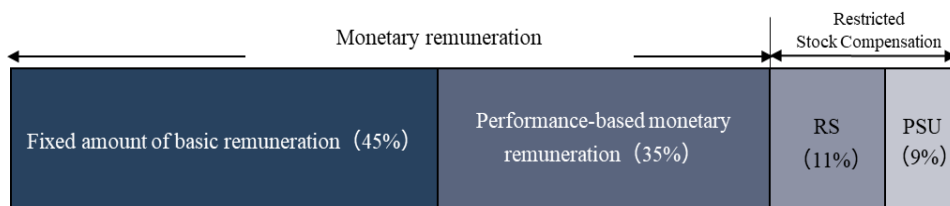
For RS, a standard amount will be set based on the director’s position and responsibilities, and the number of shares equivalent to the standard amount will be granted.

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 Chairperson, 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, 2026

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)	1,180 (40)	536 (40)	288 (-)	117 (-)	67 (-)	171 (-)	11 (3)
Directors who are Audit & Supervisory Committee Members (of which, outside directors)	106 (67)	106 (67)	- (-)	- (-)	- (-)	- (-)	6 (4)
Total (of which, outside directors)	1,286 (107)	642 (107)	288 (-)	117 (-)	67 (-)	171 (-)	17 (7)

Notes: 1. The above includes one (1) director (excluding directors who are Audit & Supervisory Committee members) and one (1) director who are Audit & Supervisory Committee members who retired at the conclusion of the 159th Ordinary General Meeting of Shareholders held on June 25, 2025. None of the above 17 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 are 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, 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
Fiscal year ending March 31, 2025	Consolidated net income	150.0 billion yen	114.1 billion yen
	Consolidated net sales	5,350.0 billion yen	5,018.9 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. 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 as PSU will be determined based on the achievement of targets for each of the performance indicators below.

Indicator (FY March 2026)		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.
	Customer focus enhancement	3% or more improvement from the previous year in the average rate of positive response to questions related to customer focus enhancement 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).

As of the time of preparation of this Business Report, the actual results for these performance indicators have not yet been finalized. Accordingly, the amount of the PSU stated above has been calculated on the assumption that all of these targets have been achieved.

- 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 “2. (2) (i) Policies on determining details of individual remuneration for directors (excluding directors who are Audit & Supervisory Committee members)”. The amount of the above restricted stock remuneration (RS and PSU) is the amount recorded as an expense in the fiscal year ended March 2026.
- As for other remuneration, one (1) foreign director is paid housing allowance, tax equalization payments, and other fringe benefits. The other remuneration includes a difference of 2 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.
- 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.

Amounts stated in this Business Report have been rounded to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2026)

ASSETS		LIABILITIES	
Account title	Amount	Account title	Amount
	Mil.yen		Mil.yen
Current Assets	2,449,350	Current Liabilities	1,613,616
Cash and deposits	1,083,696	Trade notes and accounts payable	528,679
Trade notes and accounts receivable	183,829	Short-term loans payable	31,059
Securities	209,500	Bonds due within one year	20,000
Inventories	696,071	Long-term loans payable due within one year	55,386
Other	276,857	Lease obligations	8,434
Allowance for doubtful receivables	(603)	Income taxes payable	41,990
Non-current Assets	2,030,143	Other accounts payable	68,667
Property, plant and equipment	1,234,119	Accrued expenses	499,102
Buildings and structures (net)	217,270	Reserve for warranty expenses	179,209
Machinery, equipment and vehicles (net)	416,831	Provision for loss on production termination	2,246
Tools, furniture and fixtures (net)	69,631	Provision related to environmental regulations	17,577
Land	425,619	Other	161,267
Leased assets (net)	32,624	Non-current Liabilities	940,927
Construction in progress	72,144	Bonds	105,000
Intangible assets	74,070	Long-term loans payable	622,300
Software	71,867	Lease obligations	27,350
Other	2,203	Deferred tax liability related to land revaluation	66,246
Investments and other assets	721,954	Provision for loss on production termination	1,020
Investment securities	316,060	Provision related to environmental regulations	23,311
Asset for retirement benefits	150,798	Liability for retirement benefits	58,613
Deferred tax assets	89,454	Other	37,087
Other	165,888	Total Liabilities	2,554,543
Allowance for doubtful receivables	(246)		
		NET ASSETS	
			Mil.yen
		Capital and Retained Earnings	1,497,884
		Common stock	283,957
		Capital surplus	262,954
		Retained earnings	952,082
		Treasury stock	(1,109)
		Accumulated Other Comprehensive Income/(Loss)	407,675
		Net unrealized gain/(loss) on available-for-sale securities	59,786
		Deferred gains/(losses) on hedges	379
		Land revaluation	143,459
		Foreign currency translation adjustment	137,450
		Accumulated adjustments for retirement benefits	66,601
		Stock Acquisition Rights	340
		Non-controlling Interests	19,051
		Total Net Assets	1,924,950
Total Assets	4,479,493	Total Liabilities and Net Assets	4,479,493

(In Japanese yen rounded to millions)

Consolidated Statement of Operations

(For the Year Ended March 31, 2026)

Account title	Amount	
		Mil.yen
Net sales		4,918,172
Cost of sales		4,031,773
Gross profit		886,399
Selling, general and administrative expenses		834,820
Operating income		51,579
Non-operating income		
Interest and dividend income	32,037	
Equity in net income of affiliated companies	16,885	
Foreign exchange gain	47,379	
Other	7,013	103,314
Non-operating expenses		
Interest expense	10,954	
Loss on transfer of receivables	6,480	
Other	5,624	23,058
Ordinary income		131,835
Extraordinary income		
Gain on sales of property, plant and equipment	413	
Gain on sale of investment securities	235	
Other	60	708
Extraordinary losses		
Loss on sales and retirement of property, plant and equipment	9,584	
Impairment loss	3,560	
Loss on valuation of credit assets	33,424	
Compensation payments	15,476	
Extra retirement expenses	9,360	
Other	1,755	73,159
Income before income taxes		59,384
Income taxes		
Current	65,415	
Deferred	(41,970)	23,445
Net income		35,939
Net income attributable to non-controlling interests		853
Net income attributable to owners of the parent		35,086

(In Japanese yen rounded to millions)

May 26, 2026

To Shareholders

**Other Items Subject to Measures for Electronic Provision for
the 160th Ordinary General Meeting of Shareholders
(Items Excluded from Paper-Based Documents)**

Mazda Motor Corporation

Table of Contents

Business Report

Business activities of the Mazda Group

Principal business

Principal offices and plants

Employees

Major creditors

Status of shares

Stock acquisition rights

Corporate Officers

Summary of liability limitation agreement

Summary of directors' and officers' liability insurance

Matters concerning Outside Corporate Officers

Accounting Auditor

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

Consolidated Financial Statements

Consolidated Statement of Changes in Net Assets

Notes to the Consolidated Financial Statements

Financial Statements

Unconsolidated Balance Sheet

Unconsolidated Statement of Operations

Unconsolidated Statement of Changes in Net Assets

Notes to the Unconsolidated Financial Statements

Business activities of the Mazda Group

(1) Principal business (as of March 31, 2026)

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

Segment	Main Products
Vehicles	Passenger vehicles: Mazda EZ-6/Mazda6e, Mazda3, Mazda2, Mazda2 Hybrid, CX-90, CX-80, CX-70, CX-60, Mazda EZ-60/CX-6e, CX-50, CX-5, CX-30, CX-3, MX-30, MX-5, Carol, Flair, Flair Wagon, Flair Crossover, Scrum Wagon Trucks: Titan, BT-50, Bongo Brawny Van, Bongo Van, Bongo Truck, Familia Van, Scrum Van, Scrum Truck
Knockdown Parts (Overseas)	Parts for overseas assembly operations
Parts	Various after-sales service parts for domestic and overseas markets
Other	Vehicle maintenance, used car sales, etc.

(2) Principal offices and plants (as of March 31, 2026)

(i) The Company

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

(ii) Subsidiaries and Affiliates

Please refer to “1. (6) (ii) Principal subsidiaries” and “1. (6) (iii) Principal affiliates” in the BUSINESS REPORT.

(3) Employees (as of March 31, 2026)

(i) The Mazda Group

Number of employees	Change from previous year
47,144	-1,639

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

(ii) The Company

Number of employees	Change from previous year	Average age	Average years of employment
22,857	-534	42.5 years old	17.7 years

Notes: 1. The number of employees above excludes employees on loan from other companies.
 2. The number of employees above does not include 409 temporary employees, etc.

(4) Major creditors (as of March 31, 2026)

Creditor	Balance of Borrowings (million yen)
Sumitomo Mitsui Banking Corporation	139,724
Development Bank of Japan Inc.	105,500
Sumitomo Mitsui Trust & Banking Co., Ltd.	68,160
Mizuho Bank, Ltd.	59,470
Hiroshima Bank, Ltd.	38,965
MUFG Bank, Ltd.	37,970
Yamaguchi Bank, Ltd.	36,000
Momiji Bank, Ltd.	22,240
The Nishi-Nippon City Bank, Ltd.	17,300
The Chugoku Bank, Ltd.	15,911

Status of shares (as of March 31, 2026)**(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:** 184,594 (decreased by 180 from previous year)**(4) Major shareholders:**

Name	No. of shares held (thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	111,430	17.7
Custody Bank of Japan, Ltd. (Trust Account)	36,171	5.7
Toyota Motor Corporation	31,928	5.1
The Nomura Trust and Banking Co., Ltd.	20,651	3.3
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	13,552	2.1
STATE STREET BANK AND TRUST COMPANY 505325	10,778	1.7
JP MORGAN CHASE BANK 385781	8,691	1.4
STATE STREET BANK AND TRUST COMPANY 505001	8,409	1.3
STATE STREET BANK AND TRUST COMPANY 505103	7,720	1.2
MAN INTERNATIONAL ICVC – MAN JAPAN COREALPHA FUND	7,623	1.2

Note: Calculation of the shareholding ratio excludes treasury stock (1,017,265 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)	170,900	7
Directors who are Audit & Supervisory Committee Members	2,200	1

Notes: 1. The shares granted to directors (excluding directors who are Audit and Supervisory Committee members and outside directors) consisted of 138,000 shares granted as restricted stock remuneration (RS) and 32,900 shares granted as performance-based restricted stock remuneration (PSU). The details thereof are as described in "2. (2) Remuneration for Directors." in the BUSINESS REPORT.

2. Directors who are Audit & Supervisory Committee members and outside directors are not eligible for stock remuneration. The shares granted during the current fiscal year to one director who is an Audit and Supervisory Committee Member were PSUs granted as remuneration for duties performed during his tenure as an executive officer of the Company.

Stock acquisition rights

Stock acquisition rights held by directors (as of March 31, 2026)

Title (Resolution date)	Number of stock acquisition rights (Number of persons)		Type and number of shares underlying stock acquisition rights	Amount to be paid for stock acquisition rights	Value of assets to be contributed upon exercise of stock acquisition rights	Period of time
	Directors (excluding directors who are Audit & Supervisory Committee members)	Directors who are Audit & Supervisory Committee members				
Stock acquisition rights fiscal year 2016 (July 29, 2016)	87 (4)	-	Common stock 8,700 shares	1,327 yen per share	1 yen per share	From August 23, 2016 to August 22, 2046
Stock acquisition rights fiscal year 2017 (July 27, 2017)	88 (4)	-	Common stock 8,800 shares	1,336 yen per share	1 yen per share	From August 22, 2017 to August 21, 2047
Stock acquisition rights fiscal year 2018 (July 26, 2018)	140 (5)	-	Common stock 14,000 shares	1,027 yen per share	1 yen per share	From August 21, 2018 to August 20, 2048
Stock acquisition rights fiscal year 2019 (August 1, 2019)	149 (4)	29 (1)	Common stock 17,800 shares	650 yen per share	1 yen per share	From August 21, 2019 to August 20, 2049
Stock acquisition rights fiscal year 2020 (July 31, 2020)	301 (4)	59 (1)	Common stock 36,000 shares	415 yen per share	1 yen per share	From August 19, 2020 to August 18, 2050
Stock acquisition rights fiscal year 2021 (July 30, 2021)	579 (5)	23 (1)	Common stock 60,200 shares	968 yen per share	1 yen per share	From August 18, 2021 to August 17, 2051
Stock acquisition rights fiscal year 2022 (July 29, 2022)	237 (5)	30 (1)	Common stock 26,700 shares	1,099 yen per share	1 yen per share	From August 23, 2022 to August 22, 2052
Stock acquisition rights fiscal year 2023 (July 21, 2023)	276 (5)	30 (1)	Common stock 30,600 shares	1,032 yen per share	1 yen per share	From August 10, 2023 to August 9, 2053

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

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

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

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.

Corporate Officers

(1) Summary of liability limitation agreement

Based on the provisions of Article 427, Paragraph 1 of the Companies Act, and the Articles of Incorporation, the Company has entered into liability limitation agreements with all outside directors. Under these agreements, the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act is limited to the maximum liability amount prescribed in Article 425, Paragraph 1 of the same Act.

(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) 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 16 meetings of the Board of Directors	We expect him to improve the supervisory function of the Board of Directors by offering advice and recommendations particularly from an international viewpoint as well as a broad management viewpoint. In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.
Director	Michiko Ogawa	Attended 16 out of 16 meetings of the Board of Directors	We expect her to improve the supervisory function of the Board of Directors by offering advice and recommendations particularly from a brand marketing perspective as well as a professional viewpoint as an engineer. In the current fiscal year, she has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.
Director	Miki Oikawa	Attended 12 out of 13 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 the perspective of diversity and broad management viewpoints. 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.

Category	Name	Attendance Record	Outline of main activities and duties performed in relation to the anticipated role
Director, Audit & Supervisory Committee Member	Akira Kitamura	Attended 16 out of 16 meetings of the Board of Directors Attended 22 out of 22 meetings of the Audit & Supervisory Committee	<p>We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the viewpoint of corporate management and from his expert understanding of finance and accounting in particular.</p> <p>In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.</p> <p>At Audit & Supervisory Committee meetings he has also contributed to strengthening the supervisory function by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively upon receiving reports from the directors who are full-time Audit & Supervisory Committee members on the status and results of auditing. He has also heard from directors and executive officers about the performance of their duties.</p>
Director, Audit & Supervisory Committee Member	Hiroko Shibasaki	Attended 16 out of 16 meetings of the Board of Directors Attended 22 out of 22 meetings of the Audit & Supervisory Committee	<p>We expect her to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from her viewpoint of customer satisfaction and from her expert knowledge of sales in particular.</p> <p>In the current fiscal year, she has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the Board of Directors.</p> <p>At Audit & Supervisory Committee meetings she has also contributed to strengthening the supervisory function by expressing her opinions mainly from the viewpoints described above and exchanging opinions actively upon receiving reports from the directors who are full-time Audit & Supervisory Committee members on the status and results of auditing. She has also heard from directors and executive officers about the performance of their duties.</p>

Category	Name	Attendance Record	Outline of main activities and duties performed in relation to the anticipated role
Director, Audit & Supervisory Committee Member	Masato Sugimori	<p>Attended 16 out of 16 meetings of the Board of Directors</p> <p>Attended 22 out of 22 meetings of the Audit & Supervisory Committee</p>	<p>We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from his viewpoints of risk management and expert understanding of finance and accounting in particular.</p> <p>In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the Board of Directors.</p> <p>At Audit & Supervisory Committee meetings he has also contributed to strengthening the supervisory function and improving the governance and internal control of the Mazda Group by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively on issues and risks of medium-and long-term business strategies and the status and results of auditing.</p>
Director, Audit & Supervisory Committee Member	Hiroshi Inoue	<p>Attended 16 out of 16 meetings of the Board of Directors</p> <p>Attended 22 out of 22 meetings of the Audit & Supervisory Committee</p>	<p>We expect him to strengthen the audit and supervisory functions of the Company's management by offering advice and recommendations from the viewpoint of compliance and from his standpoint as a legal professional in particular.</p> <p>In the current fiscal year, he has been contributing to further strengthening the supervisory function of the Board of Directors and further improving the transparency of management in the execution of business by actively expressing opinions during deliberation on important matters concerning management mainly from the viewpoints stated above as well as by participating in the decision-making of the board of directors.</p> <p>At Audit & Supervisory Committee meetings he has also contributed to further strengthening the supervisory function and improving the governance and internal control of the Mazda Group by expressing his opinions mainly from the viewpoints described above and exchanging opinions actively on issues and risks of key business strategies and the status and results of auditing.</p>

- Notes:1. The attendance record of Ms. Oikawa covers the period after she assumed her post as Director, Audit & Supervisory Committee Member on June 25, 2025.
2. In addition to the above, outside directors, after gaining a sound understanding of management by taking sufficient time to ask directors questions 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.

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, 2026

	Compensation (million yen)
(i) Amount of compensation to the Accounting Auditor	224
(ii) Total compensation to be paid or payable to the Accounting Auditor by the Company and its Consolidated Subsidiaries	296

- Notes: 1. The Audit & Supervisory Committee has determined that the Accounting Auditor's audit plan is an effective and efficient plan which takes into account risks of the Mazda Group and that the status of performance of duties by the Accounting Auditor and the basis for calculation of the estimated remuneration for the Accounting Auditor are appropriate, and has consented to the amount of remuneration, etc. to be paid to the Accounting Auditor.
2. The audit contract between the Company and the Accounting Auditor does not separate compensation for the audit prescribed by the Companies Act from compensation for the audit prescribed by the Financial Instruments and Exchange Act; hence these two forms of compensation cannot be separated. Therefore, the above amount of (i) represents the total amount of compensation.
3. The Company entrusts the Accounting Auditor with the advisory and support services related to sustainability disclosure standards, 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 de Mexico S. de R.L. de C.V., 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 engage 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 and the appropriate meetings as necessary receive 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.
- 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 is 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 Act on Proper Transactions with Small and Medium-sized Entrusted Business Operators (formerly 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 and also conduct simulated targeted email (phishing) training on an ongoing basis. 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 measures to prevent the recurrence of improper cases related to type designation (certification) applications announced on June 3, 2024, the Company is working to further strengthen internal controls for certification-related operations and is reporting the details of these measures to the Board of Directors.

(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.
- Information sharing and 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.

(4) Initiatives to ensure 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 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.

Amounts stated in this Business Report have been rounded to the nearest unit. With respect to the number of shares, any fractions less than the stated unit have been rounded down.

Consolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2026)

	Capital and Retained Earnings					Accumulated Other Comprehensive Income/(Loss)	
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2025	283,957	263,059	951,634	(1,576)	1,497,074	42,375	304
Changes during the period:							
Dividends paid			(34,680)		(34,680)		
Net income attributable to owners of the parent			35,086		35,086		
Sale of treasury stock		(105)		467	362		
Change of scope of equity method			42		42		
Changes in items other than capital and retained earnings, net						17,411	75
Total changes during the period	-	(105)	448	467	810	17,411	75
Balance at March 31, 2026	283,957	262,954	952,082	(1,109)	1,497,884	59,786	379

	Accumulated Other Comprehensive Income/(Loss)				Stock Acquisition Rights	Non-controlling Interests	Total Net Assets
	Land revaluation	Foreign currency translation adjustment	Accumulated adjustments for retirement benefits	Total			
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2025	143,459	68,336	40,734	295,208	398	17,349	1,810,029
Changes during the period:							
Dividends paid							(34,680)
Net income attributable to owners of the parent							35,086
Sale of treasury stock							362
Change of scope of equity method							42
Changes in items other than capital and retained earnings, net	-	69,114	25,867	112,467	(58)	1,702	114,111
Total changes during the period	-	69,114	25,867	112,467	(58)	1,702	114,921
Balance at March 31, 2026	143,459	137,450	66,601	407,675	340	19,051	1,924,950

(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.,
Mazda Motor de Mexico S. de R.L. de C.V.,
Mazda Motor Manufacturing de Mexico S.A. de C.V.,
Mazda Motor Europe GmbH, Mazda Motor Logistics Europe N.V.,
Mazda Motors (Deutschland) GmbH, Mazda Motors UK Ltd.,
Mazda Australia Pty. Ltd., Mazda Motor (China) Co., Ltd.,
Mazda Sales (Thailand) Co., Ltd.,
Mazda Powertrain Manufacturing (Thailand) Co., Ltd.,
Kanto Mazda Co., Ltd., Tokai Mazda Sales Co., Ltd.,
Kansai Mazda Co., Ltd., Kyusyu Mazda Co., Ltd.,
Mazda Parts Co., Ltd., Kurashiki Kako Co., Ltd.,
Mazda Logistics Co., Ltd., Mazda Chuhan Co., Ltd., etc. |

2. Application of equity method

- | | |
|--|--|
| (1) Number of equity method-applied affiliates | 21 |
| (2) Primary equity method-applied affiliates | AutoAlliance (Thailand) Co., Ltd.,
Changan Mazda Automobile Co., Ltd.,
Changan Mazda Engine Co., Ltd.,
Mazda Toyota Manufacturing, U.S.A., Inc.,
Toyo Advanced Technologies Co., Ltd.,
Mazda Credit, Inc., etc. |
| (3) Changes in scope of equity method-applied affiliates | (Newly added)
(Due to acquisition of additional shares)
1 Hofu Niyaku Co.,Ltd. |
| (4) Primary affiliates not accounted for using equity method and reason for not applying the equity method | Hiroshima Toyo Carp Co., Ltd. and others
These affiliates not accounted for by the equity method are all immaterial in terms of net income and retained earnings and do not have material impacts on overall consolidated financial statements. |

3. 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.

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	898,410	2,539,681	856,665	596,400	4,891,156
Revenue recognized over time	1,763	22,065	2,892	296	27,016
Total	900,173	2,561,746	859,557	596,696	4,918,172

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, 2026 were as follows.

Receivables from contracts with customers (Balance as of April 1, 2025)

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

Receivables from contracts with customers (Balance as of March 31, 2026)

Trade notes	2,771 million yen
Accounts receivable	181,058 million yen

Contract liabilities (Balance as of April 1, 2025)

Other current liabilities	119,572 million yen
---------------------------	---------------------

Contract liabilities (Balance as of March 31, 2026)

Other current liabilities	134,888 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, 2026 the amount included in the contract liabilities balance at the beginning of the year was ¥54,761 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, 2026 were as follows.

Within 1 year	27,836 million yen
Over 1 year	75,457 million yen
Total	<u>103,293 million yen</u>

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

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	89,454 million yen
---------------------	--------------------

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

Deferred tax assets are recognized, based on the company classification set forth in the Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26), for tax loss carryforwards and deductible temporary differences to the extent that it is considered probable that they will reduce future tax

payments, based on estimates of future taxable income.

Estimates of future taxable income used in assessing the recoverability of deferred tax assets are based on business plans. These business plans include significant assumptions involving management judgment, such as projected consolidated wholesale volumes, the outcome of initiatives to improve selling prices, the impact of rising raw material prices, and expected transfer pricing between the Company and its overseas subsidiaries in and after the year ending March 31, 2027. If changes in market conditions, developments in the situation in the Middle East, or other factors result in significant revisions to these assumptions and a decrease in the estimated amount of taxable income, the amount of deferred tax assets may be reduced, and additional income taxes may be recognized.

2. Reserve for warranty expenses

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

Reserve for warranty expenses	179,209 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 reasonably 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 an amount attributable to the Group as “Reserve for warranty expenses.” The estimation also reflects the expected reimbursement amounts to be recovered from the supplier.

Of the above, general warranty costs are estimated and recorded by calculating the repair cost per vehicle for each major market based on historical data and multiplying it by the number of vehicles subject to warranty coverage. With respect to recalls and similar actions, the repair cost per vehicle, including parts costs and labor costs, is calculated as incurred and multiplied by the estimated number of vehicles subject to warranty coverage. The estimated future cost attributable to the Group is based on is determined based on an analysis of the causes of defects, taking into account factors such as the allocation of technical responsibility, the financial capacity of suppliers, and the status of negotiations with suppliers.

The assumptions used in estimating the repair cost per vehicle, the number of vehicles subject to warranty coverage, and the amount attributable to the Group in relation to recalls and similar actions involve management judgment and are subject to future uncertainty. Accordingly, if significant changes arise in these assumptions, additional recognition of, or reversal of, the reserve for warranty expenses may be required.

Changes in Accounting Estimate

Change in Amortization Method for Advance Payments to Parts Suppliers

The Company makes advance payments for a portion of parts costs to its suppliers, a part of which is payable in installments. With respect to such installment payments, the introduction of a system has enabled more precise calculations; accordingly, the Company reviewed its amortization method and, effective from the year ended March 31, 2026, changed from amortization over the payment period to amortization over the lifecycle period.

As a result, operating income, ordinary income, and income before income taxes for the year ended March 31, 2026 increased by ¥8,800 million.

Consolidated Balance Sheet

1. Inventories	
Merchandise and finished products	501,837 million yen
Work-in-process	164,769 million yen
Raw materials and supplies	29,465 million yen
2. Accumulated depreciation on property, plant and equipment	1,500,555 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	94,148 million yen
Machinery, equipment and vehicles	219,514 million yen
Tools, furniture and fixtures	47,082 million yen
Land	227,046 million yen
Inventories	202,940 million yen
Other	316,985 million yen
Total	<u>1,107,715 million yen</u>
(2) Liabilities secured by the collateral	
Short-term loans payable	21,519 million yen
Long-term loans payable (including those due within one year)	2,075 million yen
Total	<u>23,594 million yen</u>
4. Contingent liabilities for guarantee and similar agreements	
Guarantees of loans and similar agreements	
Automobile dealers (in Europe)	21,119 million yen
Total	<u>21,119 million yen</u>
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, 2026 from that at the time of revaluation, as stipulated in Article 10 of the Act:	44,285 million yen

Consolidated Statement of Operations

Loss on valuation of credit assets

With respect to environmental credits held to comply with environmental regulations in the United States, as future usability is no longer expected due to the removal or relaxation of the relevant regulatory schemes, the carrying amount has been written down and the resulting loss has been recognized as a loss on valuation of credit assets.

Compensation payments

This consists of compensation payable to suppliers resulting from revisions to overseas procurement plans for electrification-related parts.

Consolidated Statement of Changes in Net Assets

1. Type and total number of issued shares as of March 31, 2026

Common stock

631,803,979 shares

2. Matters concerning dividends from surplus

(1) Amount of dividends paid:

Resolution	Class of shares	Amount (Millions of yen)	Amount per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2025	Common stock	18,911	30.00	March 31, 2025	June 26, 2025
Board of Directors held on November 7, 2025	Common stock	15,770	25.00	September 30, 2025	December 2, 2025

(2) Dividends with a record date within the year ended March 31, 2026, but an effective date that falls within the year ending March 31, 2027:

The following will be proposed at the ordinary general meeting of shareholders to be held on June 24, 2026.

Resolution	Class of shares	Source of dividends	Amount (Millions of yen)	Amount per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2026	Common stock	Retained earnings	18,924	30.00	March 31, 2026	June 25, 2026

3. Type and number of shares underlying the stock acquisition rights as of March 31, 2026

Common stock

383,900 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, 2026 (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	209,500	209,500	-
(2) Investment securities	146,118	146,118	-
(3) Bonds	125,000	119,199	(5,801)
(4) Long-term loans payable	677,686	642,893	(34,793)
(5) Lease obligations	35,784	35,367	(417)
(6) Derivative instruments (*2)	90	90	-

- (*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) Receivables and payables resulting from derivative transactions are offset against each other and presented on a net basis; when a net liability results, the net amount is shown in ().
- (*3) Non-listed equity securities (carrying amount on the consolidated balance sheet: ¥1,408 million), Investment securities of affiliated companies (carrying amount on the consolidated balance sheet: ¥166,125 million) and certain other instruments are excluded from “(2) Investment securities” because these instruments do not have market prices.
- (*4) 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 ¥2,409 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) Bonds

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

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

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

(6) Derivative instruments

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

Information on Amounts Per Share of Common Stock

Net assets per share of common stock	3,020.96 yen
Net income per share of common stock (Basic)	55.64 yen
Net income per share of common stock (Diluted)	55.60 yen

Significant Subsequent Events

Not items to disclose.

Unconsolidated Balance Sheet

(As of March 31, 2026)

ASSETS		LIABILITIES	
Account title	Amount	Account title	Amount
	Mil.yen		Mil.yen
Current Assets	1,505,460	Current Liabilities	1,020,250
Cash and deposits	563,901	Accounts payable - Trade	369,205
Accounts receivable - Trade	384,357	Bonds due within one year	20,000
Securities	209,500	Long-term loans payable due within one year	55,000
Finished products	64,985	Lease obligations	1,651
Work in process	88,963	Accounts payable - Other	20,464
Raw materials and supplies	9,460	Accrued expenses	125,913
Prepaid expenses	4,086	Income taxes payable	765
Accounts receivable - Other	57,834	Deposits received	256,713
Short-term loans receivable	46,622	Reserve for warranty expenses	143,707
Other	75,889	Provision for loss on production termination	2,246
Allowance for doubtful receivables	(137)	Provision related to environmental regulations	15,323
Non-current Assets	1,550,487	Other	9,263
Property, plant and equipment	793,489	Non-current Liabilities	890,940
Buildings	103,602	Bonds	105,000
Structures	16,086	Long-term loans payable	622,000
Machinery and equipment	265,903	Lease obligations	3,065
Vehicles	5,958	Deferred tax liability related to land revaluation	66,246
Tools, furniture and fixtures	29,838	Provision for loss on production termination	1,020
Land	301,083	Provision related to environmental regulations	18,261
Leased assets	4,047	Reserve for retirement benefits	58,890
Construction in progress	66,972	Long-term guarantee deposited	5,826
Intangible assets	65,128	Asset retirement obligations	3,142
Software	65,127	Other	7,490
Leased assets	1	Total Liabilities	1,911,190
Investments and other assets	691,870	NET ASSETS	
Investment securities	138,837		Mil.yen
Stocks of subsidiaries and affiliates	248,821	Capital and Retained Earnings	943,924
Investments in capital of subsidiaries and affiliates	37,235	Common stock	283,957
Long-term prepaid expenses	114,536	Capital surplus	267,523
Prepaid pension cost	56,077	Capital reserve	193,847
Defferd tax asset	79,532	Other capital surplus	73,676
Other	16,832	Retained earnings	393,548
		Other retained earnings	393,548
		Unappropriated retained earnings	393,548
		Treasury stock	(1,104)
		Valuation and Translation Adjustments	200,493
		Net unrealized gain/(loss) on available-for-sale securities	57,034
		Land revaluation	143,459
		Stock Acquisition Rights	340
		Total Net Assets	1,144,757
Total Assets	3,055,947	Total Liabilities and Net Assets	3,055,947

(In Japanese yen rounded to millions)

Unconsolidated Statement of Operations

(For the Year Ended March 31, 2026)

Account title	Amount	
		Mil.yen
Net sales		3,135,020
Cost of sales		2,892,195
Gross profit		242,825
Selling, general and administrative expenses		417,653
Operating loss		(174,828)
Non-operating income		
Interest income	14,986	
Interest income of securities	1,064	
Dividends income	34,816	
Rental income	4,141	
Foreign exchange gain	46,342	
Other	1,319	102,668
Non-operating expenses		
Interest expense	12,638	
Interest paid on bonds	1,533	
Other	2,968	17,139
Ordinary loss		(89,299)
Extraordinary income		
Gain on sales of property, plant and equipment	11	
Gain on reversal of reserve for loss on business of subsidiaries and affiliates	8,649	
Gain on sale of investment securities	235	
Reversal of provision for environmental measures	60	8,955
Extraordinary losses		
Loss on sales of property, plant and equipment	31	
Loss on retirement of property, plant and equipment	8,601	
Impairment loss	1,578	
Loss on valuation of credit assets	33,424	
Loss on valuation of investments in capital of subsidiaries and affiliates	3,531	
Compensation payments	15,476	
Extra retirement expenses	9,360	
Other	1,755	73,756
Loss before income taxes		(154,100)
Income taxes		
Current	2,297	
Deferred	(52,989)	(50,692)
Net loss		(103,408)

(In Japanese yen rounded to millions)

Unconsolidated Statement of Changes in Net Assets

(For the Year Ended March 31, 2026)

	Capital and Retained Earnings					
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total Capital and Retained earnings
		Capital reserve	Other capital surplus	Other retained earnings Unappropriated retained earnings		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2025	283,957	193,847	73,781	531,636	(1,571)	1,081,650
Changes during the period:						
Dividends paid				(34,680)		(34,680)
Net loss				(103,408)		(103,408)
Sale of treasury stock			(105)		467	362
Changes in items other than capital and retained earnings, net						
Total changes during the period	-	-	(105)	(138,088)	467	(137,726)
Balance at March 31, 2026	283,957	193,847	73,676	393,548	(1,104)	943,924

	Valuation and Translation Adjustments				Stock Acquisition Rights	Total Net Assets
	Net unrealized gain/(loss) on available-for-sale securities	Deferred gains/(losses) on hedges	Land revaluation	Total valuation and translation adjustments		
	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen	Mil.yen
Balance at April 1, 2025	40,959		143,459	184,418	398	1,266,466
Changes during the period:						
Dividends paid						(34,680)
Net loss						(103,408)
Sale of treasury stock						362
Changes in items other than capital and retained earnings, net	16,075		-	16,075	(58)	16,017
Total changes during the period	16,075		-	16,075	(58)	(121,709)
Balance at March 31, 2026	57,034	-	143,459	200,493	340	1,144,757

(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).

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 Company 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.

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.”

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 79,532 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 143,707 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.”

Changes in Accounting Estimates

Change in Amortization Method for Advance Payments to Parts Suppliers

The Company makes advance payments for a portion of parts costs to its suppliers, a part of which is payable in installments. With respect to such installment payments, the introduction of a system has enabled more precise calculations; accordingly, the Company reviewed its amortization method and, effective from year ended March 31, 2026, changed from amortization over the payment period to amortization over the lifecycle period.

As a result of this change, operating loss, ordinary loss, and loss before income taxes for the from the year ended March 31, 2026 decreased by ¥8,800 million.

Unconsolidated Balance Sheet

1. Accumulated depreciation on property, plant and equipment	955,566 million yen
2. Short-term receivables from subsidiaries and affiliates	398,756 million yen
3. Long-term receivables from subsidiaries and affiliates	19 million yen
4. Short-term payables to subsidiaries and affiliates	363,979 million yen
5. Long-term payables to subsidiaries and affiliates	2,917 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	61,891 million yen
Structures	6,611 million yen
Machinery and equipment	168,269 million yen
Tools, furniture and fixtures	18,570 million yen
Land	163,127 million yen
Total	<u>418,468 million yen</u>
(2) Collateralized loans	
Long-term loans payable (including those due within one year)	2,000 million yen
7. Contingent Liabilities for guarantee and similar agreements	
Guarantee of loans and similar agreement	
Kanto Mazda Co., Ltd.	1,820 million yen
Total	<u>1,820 million yen</u>
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, 2026 from that at the time of revaluation, as stipulated in Article 10 of the Act:

44,285 million yen

Unconsolidated Statement of Operations

1. Amount of transactions with subsidiaries and affiliates	
Sales	2,711,800 million yen
Purchase	755,639 million yen
Selling, general and administrative expenses	103,387 million yen
Non-operating transactions	44,116 million yen
2. Loss on valuation of credit assets	
With respect to environmental credits held to comply with environmental regulations in the United States, as future usability is no longer expected due to the removal or relaxation of the relevant regulatory schemes, the carrying amount has been written down and the resulting loss has been recognized as a loss on valuation of credit assets.	
3. Compensation payments	
This consists of compensation payable to suppliers resulting from revisions to overseas procurement plans for electrification-related parts.	

Unconsolidated Statement of Changes in Net Assets

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

Common stock

1,017,265 shares

Tax Effect Accounting

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

Deferred taxes assets:

Tax loss carryforwards	54,933 million yen
Valuation loss on investment securities	48,625 million yen
Reserve for warranty expenses	45,067 million yen
Accrued expenses, etc.	37,569 million yen
Reserve for retirement benefits	18,468 million yen
Inventories, etc.	12,519 million yen
Provision related to environmental regulations	10,532 million yen
Accrued employees' bonuses	6,650 million yen
Others	22,166 million yen
Subtotal	<u>256,529 million yen</u>
Valuation allowance for tax loss carryforwards	(40,099) million yen
Valuation allowance for the total of future deductible temporary differences	(93,219) million yen
Valuation allowance	<u>(133,318) million yen</u>
Total deferred tax assets	123,211 million yen

Deferred tax liabilities:

Net unrealized gain on available-for-sales securities	(26,057) million yen
Prepaid pension cost	(17,586) million yen
Asset retirement cost corresponding to asset retirement obligations	(36) million yen
Total deferred tax liabilities	<u>(43,679) million yen</u>
Net deferred tax assets	<u>79,532 million yen</u>

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	<u>(66,246) million yen</u>
Net deferred tax liability related to land revaluation	<u>(66,246) million yen</u>

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 -Dispatch of directors	Sales of Automobiles *1	964,865	Accounts receivable -Trade	157,771
				Lending and borrowing of funds through Inter-company cash management *2	109,168	Deposits Received	169,412
Subsidiary	Mazda Motor Logistics Europe N.V.	Direct: 100%	-Sale of Mazda - brand products -Dispatch of directors	Sales of Automobiles *1	614,753	Accounts receivable -Trade	53,105
Affiliates	Mazda Toyota Manufacturing, U.S.A., Inc.	Direct: 50%	-Dispatch of directors	Lending of Funds *3	364,220	Loans receivable	31,021
				Collection of loans receivable	373,089		

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

1,814.27 yen

Net income per share of common stock (Basic)

(163.97) yen

Significant Subsequent Event

No items to disclose.

Independent Auditor's Report

May11, 2026

To the Board of Directors of Mazda Motor Corporation:

KPMG AZSA LLC
Hiroshima Office, Japan

Koji Yoshida
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato
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, 2026 and for the year from April 1, 2025 to March 31, 2026 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 audits of the consolidated financial statements of public interest entities 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.

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:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Independent Auditor's Report

May 11, 2026

To the Board of Directors of Mazda Motor Corporation:

KPMG AZSA LLC
Hiroshima Office, Japan

Koji Yoshida
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Yosuke Sato
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, 2026 and for the year from April 1, 2025 to March 31, 2026 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 audits of the financial statements of public interest entities 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.

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 an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader. The supplementary schedules are not disclosed.

Audit Report

The Audit & Supervisory Committee conducted audits on the directors' execution of their duties during the 160th fiscal year beginning April 1, 2025, and ending March 31, 2026. 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 from 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.
- (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 11, 2026

Audit & Supervisory Committee, Mazda Motor Corporation

Hironori Tanaka, 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, Ms. 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.