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To Whom It May Concern:

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**Notice Regarding the Transfer of the Retirement Benefit Obligation of
The Substitutional Portion Which Relates to Past Employee Services to the Government**

Mazda Motor Corporation hereby releases the following announcement. In connection with the enactment of the Defined Benefit Corporate Pension Law, as of July 31, 2005, Mazda Welfare Pension Fund (which Mazda Motor Corporation and certain consolidated domestic subsidiaries are members of) obtained approval from the Minister of Health, Labor and Welfare for separation of the retirement benefit obligation of the substitutional portion which relates to past employee services and for transfer of the retirement benefit obligation of the substitutional portion and the related plan assets to the government.

As a result, in accordance with the transitional measurement of accounting standard for employees' retirement benefits as stipulated in the Accounting Committee Report No. 13, Article 44-2 (the Japanese Institute of Certified Public Accountants), as of the date of the approval (July 31, 2005), Mazda Motor Corporation and certain consolidated domestic subsidiaries recognized the effect of transferring the substitutional portion to the government.

The effect of the transfer on the statement of income for the year ending March 31, 2006 is currently estimated to increase extraordinary profits by approximately 59.0 billion yen on the consolidated basis and by approximately 56.0 billion yen on the unconsolidated basis. These amounts are subject to change and will be determined based on actuarial valuation as of the final settlement with the government.

Also, the effect of the transfer on the statement of income for the year ending March 31, 2006 was reflected in the forecast for the year ending March 31, 2006 that was released on April 28, 2005, both on the consolidated basis and on the unconsolidated basis.