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Mazda Motor Corporation

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Notice Regarding the Disposal of Treasury Stock for Restricted Stock Remuneration

Mazda Motor Corporation today announced that its Board of Directors has approved the disposal of the Company's treasury stock as restricted stock remuneration ("Disposal of Treasury Stock" or "Disposal") as described below:

1. Outline of disposal of treasury stock

(1) Payment date	August 8, 2024
(2) Type and number of shares to be disposed of	194,900 shares of the Company's common stock
(3) Disposal value	1,423.5 yen per share
(4) Total value of shares to be disposed of	277,440,150 yen
(5) Planned share allottees and number of shares	7 directors (excluding directors who are Audit & Supervisory Committee members and outside directors) 83,600 shares 20 executive officers and fellows 111,300 shares
(6) Other	Regarding the Disposal of Treasury Stock, an extraordinary report in accordance with the Financial Instruments and Exchange Act has been submitted.

2. Purpose and reasons of the disposal

At the 158th Ordinary General Meeting of Shareholders held on June 25, 2024, a proposal was approved for the Company to introduce a stock remuneration plan (the "Plan"), under which the Company will provide remuneration to the Company's directors ("Eligible Directors", which excludes directors who are Audit & Supervisory Committee members and outside directors) for the allotment of 1) common stock of the Company that is subject to certain conditions such as a transfer restriction period and reasonable grounds for the Company's acquisition of that stock without payment ("Restricted Stock"), and 2) a number of common stock of the Company based on the achievement of performance indicators set by the Board of Directors each fiscal year, which will be set as the performance evaluation period ("Performance Share Units," which is also subject to certain conditions such as a transfer restriction period and reasonable grounds for the Company's acquisition of these units without payment). The purpose of introducing the Plan is to have directors

further share with shareholders the benefits and risks of stock price fluctuations, and to enhance their desire to contribute to the medium- to long-term improvement of corporate value. The total amount of monetary compensation claims to be paid to the Eligible Directors based on the Plan in each fiscal year will be within the range of the amount of remuneration, etc. (1.5 billion yen per year) approved at the Company's 157th Ordinary General Meeting of Shareholders on June 27, 2023, and the total number of shares issued as stock remuneration to be allotted to the Eligible Directors will be within the range of 700,000 shares per year. Furthermore, transfer restriction period of Restricted Stock and Performance Share Units will be from the date of allotment of the shares to the date of the Eligible Director's retirement or resignation from any of the Company's positions of director, executive officer, fellow, employee, or other equivalent positions ("Eligible Position").

Today, the Company's Board of Directors resolved to grant monetary compensation claims totaling 277,440,150 yen to seven Eligible Directors and 20 executive officers and fellows (collectively, "Eligible Persons"). These claims will be granted to the Eligible Directors as stock remuneration for the period from the month following the month in which the Company's 158th Ordinary General Meeting of Shareholders was held to the last day of the month in which the Company's 159th Ordinary General Meeting of Shareholders is held, and will be granted to the executive officers and fellows ("Executive Officers, etc.") for the Company's 159th fiscal year (from April 1, 2024 to March 31, 2025). The Eligible Persons will make in-kind contribution of all the monetary compensation claims to the Company, and in turn, the Company will allot 194,900 shares of the Company's common stock to them as Restricted Stock.

The monetary compensation claims will be paid on the condition that each Eligible Person enters into a Restricted Stock Allotment Agreement ("Allotment Agreement") with the Company, which includes the following details:

3. Outline of allotment agreement

(1) Transfer restriction period

During the period from August 8, 2024 until the date on which the Eligible Person resigns or retires from any of the Eligible Positions ("Transfer Restriction Period"; provided, however, in the case of resignation or retirement for a reason other than reasons deemed justifiable by the Board of Directors of the Company, if the date of resignation or retirement is on or before June 30, 2025, the period will be until July 1, 2025), the Eligible Person may not transfer, create a pledge or security interest, or provide as a gift during life or as a bequeathment, or otherwise engage in any act to dispose of the restricted shares that have been allotted to him/her ("Allotted Shares") to a third party ("Transfer Restrictions").

(2) Acquisition of restricted stock without payment

Upon expiration of the Transfer Restriction Period, the Company will acquire without payment the Allotted Shares unless there is a reason deemed justifiable by the Company's Board of Directors.

In addition, upon the expiration of the Transfer Restriction Period ("Restriction Period Expiration"), the Company will automatically acquire without payment any Allotted Shares for which Transfer Restrictions have not been lifted in accordance with

provisions of (3) Lifting of Transfer Restrictions below.

(3) Lifting of transfer restrictions

The Company will lift the Transfer Restrictions on all of the Shares held by Eligible Persons upon the expiration of the Transfer Restriction Period on the condition that the Eligible Person has continuously held any of the Eligible Positions during the period from the start date of the Transfer Restriction Period until the date of the first Ordinary General Meeting of Shareholders of the Company held thereafter (or until the last day of that business year for Executive Officers, etc.)

However, if the Eligible Person resigns or retires from any of the Eligible Positions for a reason deemed justifiable by the Board of Directors of the Company during the period from the start date of the Transfer Restriction Period until the day prior to the date of the first Ordinary General Meeting of Shareholders of the Company held thereafter (for Executive Officers, etc., during the period from the start date of the Transfer Restriction Period until the last day of that business year), the Company will lift the Transfer Restrictions immediately after such resignation or retirement. The number of shares for which the Transfer Restrictions will be lifted is calculated by dividing the number of months from July 2024 (or from April 2024 for Executive Officers, etc.) until the month that includes the date the Eligible Person resigns or retires from any of the Eligible Positions by 12, and then multiplying the result by the number of shares held by the Eligible Person at the time of his/her resignation or retirement (however, any resulting shares of less than one (1) unit will be rounded up to the nearest unit).

(4) Provisions regarding management of the shares

The Eligible Person will open an account with SMBC Nikko Securities Inc., in which the Shares will be listed or recorded in a manner specified by the Company, and the Eligible Person will store and maintain the Allotted Shares in this account during the Transfer Restriction Period.

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

During the Transfer Restriction Period, if any of the proposals involving a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or a share transfer plan under which the Company will become a wholly owned subsidiary, or any other organizational restructure is approved at a General Meeting of Shareholders of the Company (or at a meeting of the Board of Directors in cases where approval at a General Meeting of Shareholders is not required), the Company will, by resolution of the Company's Board of Directors, lift the Transfer Restrictions as of the time immediately prior to the business day preceding the effective date of such organizational restructuring. The number of shares for which the Transfer Restrictions will be lifted is calculated by dividing the number of months from July 2024 (or from April 2024 for Executive Officers, etc.) until the month of the approval stated above (including the date of such approval) by 12 (if the result of the calculation is greater than 1, the result will be counted as 1), and then multiplying the result by the number of Shares held by the Eligible Person on the approval date of such organizational restructuring.

In the case described above, the Company will automatically acquire without

payment as of the business day preceding the effective date of such organizational restructuring all of the Shares for which Transfer Restrictions have not been lifted on that day.

(5) Malus clause

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

4. Calculation basis for the amount to be paid and its details

To avoid arbitrary pricing, value of disposal of the treasury stock has been set at 1,423.5 yen which is the closing price of the Company's common stock on the Tokyo Stock Exchange on July 23, 2024, the business day immediately preceding the date of our Board of Directors' resolution. As this is the market price immediately prior to the date of the resolution of the Company's Board of Directors, the Company believes that it is reasonable and not a particularly favorable price.