## MAZDA ACCELERATES TOWARD AN ELECTRIFIED FUTURE WITH STRATEGIC INNOVATIONS

New strategies and manufacturing innovations will allow the company to flexibly address the electrification era

HIROSHIMA (March 18, 2025) – Mazda Motor Corporation today unveiled its strategy to enhance its electrified future, reinforcing its commitment to deliver great-to-drive cars for customers worldwide.

At a Mazda Multi-Solution Briefing Session held in Tokyo, President and CEO Masahiro Moro, and members of his leadership team, announced three key components that will enable the company to flexibly address the electrification era through its 2030 management policies:

**Lean Asset Strategy:** Mazda will improve its competitiveness by optimizing investments in batteries and other areas, reducing the expected 2 trillion-yen investment to around 1.5 trillion-yen through collaboration and partnerships. By utilizing existing assets and forming strong partnerships, Mazda aims to maintain quality and maximize expertise while reducing costs in areas such as electric/electronic architecture, hybrid system, and battery and thermal management. This has already been successfully demonstrated through Mazda's partnership with technology partners like Toyota, Denso and BluE Nexus.

**Mazda Multi-Solution Strategy:** Mazda will continue to provide customers with the right powertrain sources, ensuring great driving experiences for years ahead. This strategy will ensure that Mazda's vehicles are equipped with the most suitable powertrain options, whether internal combustion engines, hybrids, or battery EVs, tailored to different driving environments and customer needs.

**Mazda Monozukuri Innovation 2.0:** Driven by the rapid progression of intelligence technologies and increasingly complex products, Mazda will evolve its model-based development to improve flexibility, efficiency, and speed. By combining internal combustion engines and electrification technologies, including battery EVs, Mazda aims to achieve significant operational efficiencies by 2030. This approach will expand the use of model-based development across the entire supply chain, ensuring more efficient development and production.

Commenting on the overall strategic direction Mazda is taking, Moro said, "as the automotive industry is going through a once-in-a-century seismic shift, Mazda keeps on evolving by updating our 'joy of driving' for the next generation of vehicles. All of us at Mazda are committed to striking the right balance of efficient business management and development of sustainable technology to deliver unique value regardless of business scale."

These strategies are supported by three key innovations:

**New In-House Hybrid and SKYACTIV-Z:** The new SKYACTIV-Z engine will form the core of Mazda's lineup for small products in the electrification era, meeting emissions regulations such as Euro 7 in Europe and LEV4 and Tier 4 in North America, while achieving high fuel economy and driving performance. Combined with Mazda's in-house hybrid system, it will debut in the next-generation Mazda CX-5 in 2027. SKYACTIV-Z will also reduce the number of engine units and control software, enhancing development and production efficiency.

**Battery EV:** Mazda's in-house developed platform for battery EVs will be highly flexible - on both hardware and software - allowing for various battery types and vehicle models. The company's own battery EV, set for 2027, will be launched during the second phase (2025-2027) of Mazda's commercialization roadmap towards 2030. This new model will be produced in Japan for global introduction, with battery cells developed in collaboration with Panasonic Energy Corporation. This platform is designed with future technologies in mind, ensuring Mazda remains at the forefront of innovation.

**Evolved Production Technology:** Mazda's existing mixed-flow production line, enhanced by Monozukuri Innovation 2.0, will also be used for battery EVs, reducing initial capital investment by 85% and preparation time by 80% compared to new plant construction. The introduction of production facilities using AGVs (Automatic Guided Vehicles), will improve flexibility in response to changes in vehicle type and production volume. Additionally, Mazda's innovative approach to software procurement and Factory OTA ("Over The Air") technology will significantly reduce inventory in the supply chain.

These innovations ensure Mazda's continued commitment to providing customers with great-to-drive cars in the future.

For additional information about this announcement, please visit the Mazda Newsroom.

## **About Mazda North American Operations**

Proudly founded in Hiroshima, Japan, Mazda has a history of sophisticated craftsmanship and innovation, and a purpose to enrich life-in-motion for those it serves. By putting humans at the center of everything it does, Mazda aspires to create uplifting experiences with our vehicles and for people. Mazda North American Operations is headquartered in Irvine, California, and oversees the sales, marketing, parts and customer service support of Mazda vehicles in the United States, Canada, Mexico and Colombia through approximately 795 dealers. Operations in Canada are managed by Mazda Canada Inc. in Richmond Hill, Ontario; operations in Mexico are managed by Mazda Motor de Mexico in Mexico City; and operations in Colombia are managed by Mazda de Colombia in Bogota, Colombia. For more information on Mazda vehicles, including photography and B-roll, please visit the online Mazda media center at news.mazdausa.com.

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