

Recommendation to Mazda Motor Corporation
(Tentative Translation)

June 27, 2008
Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) investigated Mazda Motor Corporation (hereinafter referred to as “Mazda”) and found that the company was in violation of Item 3, Paragraph 1, Article 4 (Prohibition of reducing the amount of subcontract proceeds) under the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (hereinafter referred to as the “Subcontract Act”). The JFTC today issued a recommendation pursuant to the provision of Paragraph 2, Article 7 of the Act.

1. Outline of the Party Concerned

| Name | Principal Office | Representative |
|-------------------------|---|--|
| Mazda Motor Corporation | 3-1, Shinchu, Fuchicho, Aki-gun, Hiroshima | Hisakazu Imaki, Representative Director |

2. Outline of the Recommendation

(1) Outline of the violation

Mazda entrusts subcontractors with manufacture of the parts used in automobiles and trucks sold in its business. From July 2005 to November 2006, for the subcontractors that agreed to revision of the unit prices, Mazda retrospectively applied the revised unit prices to the parts ordered before the date of revision agreement and subtracted the amount equivalent to the difference between the unit prices before revision and the revised unit prices from the payment to the subcontractors and thereby reduced the amount payable to the subcontractors though there was no reason attributable to the subcontractors (Reduced amount was 778,639,485 yen in total for 58 subcontractors).

When the Japan Fair Trade Commission started investigation in accordance with the provision under the Subcontract Act, Mazda resolved at its meetings of the Board of Directors held on March 7 and March 31, 2008 that the above reduction was in violation of the provision under the Subcontract Act and that Mazda would not reduce payment to subcontractors without any reason attributable to them, and that Mazda would take measures to prevent recurrence etc. Mazda notified the contents of the resolutions to its officers and employees and notified all measures it took to all of the subcontractors. Further, Mazda refunded the reduced amount to the subcontractors on March 10, 2008.

(2) Outline of the Recommendation

Mazda should take measures required to establish an internal system including training

courses on the Subcontract Act for its staff engaged in ordering so that payment in future for subcontractors will not be reduced without any reason attributable to them.