



## Inspiring People Through Cars Sustainable with the Earth and Society

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A handwritten signature in black ink that reads "M. Kogai". The signature is written in a cursive, slightly stylized font.

### Management strategy focused on brand value

The Mazda Group pushed forward on initiatives that further enhanced our brand value in the fiscal year ended March 2017. We did this by pursuing qualitative business growth under Structural Reform Stage 2 (see p. 125), our medium-term business plan which began that year, and despite a business environment still beset by economic instability and currency fluctuations. Our new-generation models (see p. 128) featuring

the innovative base technologies known as SKYACTIV TECHNOLOGY (see pp. 66-67) and Mazda's design theme, KODO – Soul of Motion (see p. 128), have been enjoying high acclaim around the world. The all-new CX-5 released in February 2017 represents the first full redesign of a new-generation model and continues to enjoy a growing fan base.

### Building strong bonds with stakeholders

In 2002, we introduced our “Zoom-Zoom” brand slogan and declared Mazda a brand that offers driving pleasure, a message that has resonated with our stakeholders. Indeed, since launching our new-generation models, more people are recognizing the value of driving pleasure, with strong bonds forming as a result. A major driver of this deepening connection with stakeholders has been “Sustainable Zoom-Zoom,” which we announced in 2007 to clarify our purpose within the automotive industry. This long-term vision

for technology development commits us to providing cars that offer a breakthrough combination of driving pleasure and environmental and safety performance engineered from the customer's point of view. A decade later, in August 2017, we announced “Sustainable Zoom-Zoom 2030” amid radical transformations taking place in our industry worldwide. This is Mazda's new initiative to use driving pleasure – the fundamental appeal of the automobile – to help solve issues facing the earth, society, and people for the long run.

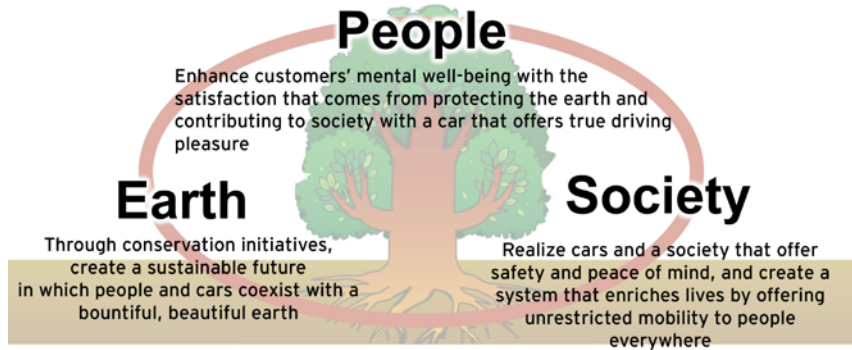
## “Sustainable Zoom-Zoom 2030”

“Sustainable Zoom-Zoom 2030” is about seeking ways to inspire people through the value found in cars, to enrich individual lives and society as a whole and to

help bring about a more beautiful earth.

This initiative is based on our corporate vision (see p. 3), which begins with the words “we love cars.”

**At Mazda, we see it as our mission to bring about a beautiful earth and to enrich people’s lives as well as society. We will continue to seek ways to inspire people through the value found in cars.**



### Earth

**Through conservation initiatives, create a sustainable future in which people and cars coexist with a bountiful, beautiful earth**

For the sake of our planet, it’s imperative that we cut emissions of the greenhouse gases that contribute to climate change and achieve a substantive reduction in CO<sub>2</sub> emissions. We also need to examine the worsening problem of air pollution in major cities around the world.

Specifically, our goal at Mazda is to reduce our corporate average “well-to-wheel” CO<sub>2</sub> emissions to 50 percent of 2010 levels by 2030, with a view to achieving a 90% cut by 2050 (see p. 65).

To reach the target, we have been perfecting the internal combustion engine and are now on a clear path to the mass production of our next-generation engine. This is an engine that combines the advantages of diesel and gasoline engines using a completely new method of combustion. We see it as a crossover between a diesel and a gasoline engine, and have named it SKYACTIV-X accordingly.

### Society

**Realize cars and a society that offer safety and peace of mind, and create a system that enriches lives by offering unrestricted mobility to people everywhere**

The changing structure of society is giving rise to new challenges. These include new causes of traffic accidents, such as driving under the effects of overwork and driving errors made by the growing number of elderly drivers, and the weakening of public transportation systems in depopulated areas. To address these issues and realize a society that offers safety and peace of mind, Mazda will create a system that enriches lives by offering unrestricted mobility to people everywhere.

Our aim is a motorized society free of traffic accidents. We will help achieve this by continuing to advance our safety fundamentals – such as driving position and pedal layout – and making them standard on all models, while continuing to update and make standard our advanced safety features. We also aim to make the Mazda Co-Pilot Concept (see p. 47), which uses autonomous driving technologies to allow drivers to enjoy any drive with peace of mind, standard by 2025.

## People

### Enhance customers' mental well-being with the satisfaction that comes from protecting the earth and contributing to society with a car that offers true driving pleasure

Many people today enjoy a more affluent lifestyle thanks to mechanization and automation, but stress levels have also increased because we tend to get less exercise and have less opportunity for direct social contact. As a remedy for such problems, we aim to offer an emotionally enriching experience to as many people as

possible. Besides the pure pleasure of driving, we hope to deliver an uplifting sense of satisfaction. To this end, we will pursue an enhanced Jinba-Ittai driving feel that will unlock people's potential and invigorate them in body and mind, and further hone our vehicle designs to nourish the spirit of all who see them.

### Brightening lives with world-leading cars

We will gradually introduce into our cars the technologies that will make "Sustainable Zoom-Zoom 2030" a reality. Through these initiatives, we see it as our mission to bring about a beautiful earth and to enrich people's lives as well as society. We will continue to seek ways to inspire people through the value found in cars.

Our aim in this process is to become a brand that inspires deep loyalty, so customers will choose to stay with Mazda for life – in other words, to make Mazda Premium a reality. While the word premium may call to mind expensive brands, for us Mazda Premium means making the best cars in the world, brightening people's lives through the power of driving pleasure, and creating an emotional connection with our customers.

Planned rollout of next-generation technologies

(year)	2017	2018	2019	2020	2021 onward
Earth	Combustion engines	SKYACTIV-G/D gasoline/diesel engines			
		Gasoline engine/Diesel engine 'SKYACTIV-G/D upgrade'		(next generation) Gasoline engine 'SKYACTIV-X'	
Earth	Electrification	Idling stop system 'i-stop'/Brake energy regeneration system 'i-ELOOP'			
		Mild hybrid		(next generation) Diesel engine 'SKYACTIV-D GEN 2'	
Society	Autonomous driving	Advanced safety technology 'i-ACTIVSENSE'			
				Autonomous driving technology 'MAZDA CO-PILOT CONCEPT'	
Society	Connectivity system	Connectivity system 'MAZDA CONNECT'			
				Connectivity system 'New MAZDA CONNECT' (next generation)	
People	Vehicle Architecture	Body and chassis 'SKYACTIV-BODY/CHASSIS'			
				'SKYACTIV-Vehicle Architecture' (next generation)	
People	Design	KODO design			
				KODO design (next generation)	

### Wholehearted commitment to growing as a trusted company

The auto industry is going through major changes, including stricter environmental and safety regulations, new competitors from other industries, and diversification of the mobility business. Corporations in general also face growing pressure to tackle social challenges, for example by contributing to the UN's Sustainable Development Goals (SDGs; see pp. 13, 21) and reducing greenhouse gas emissions under the COP21 agreement.

This was the context in which, Mazda signed an agreement to enter a business and capital alliance with Toyota Motor Corporation in August 2017. The deepening collaboration realized through this alliance will allow both Mazda and Toyota to rise against and overcome these pressing challenges and thereby achieve sustainable growth. By

spurring each other toward new innovations, we hope to energize the auto industry and contribute to the development of a sustainable society.

Mazda vehicles are sold in more than 130 countries and regions worldwide. Manufacturing in seven countries, we are raising efficiency at our overseas plants while maintaining production levels, and associated employment, at home in Japan.

We are also strengthening our organization to encourage co-creation and mutual learning across the group, while respecting the cultures and customs of each country and region. By sharing with global production sites not only our development and manufacturing solutions but also our environmental, health, and safety systems, we plan to contribute to communities in these areas.

Above all, we will continue to work wholeheartedly to grow as a company that is truly trusted by our global stakeholders, and inspire people through cars sustainable with the earth and society.

**Details of business alliance agreement**

- Establish a joint venture to produce vehicles in the U.S.
  - Jointly develop technologies for electric vehicles
  - Collaborate on next-generation technologies, including connected-car and advanced safety technology
  - Explore further opportunities to complement each other's product lineups
- See: <http://www2.mazda.com/en/publicity/release/2017/201708/170804c.pdf>