



## Top Message

# Continuing to Tackle Challenges Envisioning Cars Existing Sustainably with the Earth and Society

## Masamichi Kogai

Representative Director  
President and CEO  
Mazda Motor Corporation



What progress did Mazda make in the fiscal year ended March 31, 2016?

### **Achieved steady growth by implementing the major initiatives of the Structural Reform Plan**

Although FY March 2016 saw decelerating growth in China and other emerging economies, the Mazda Group was able to achieve steady growth in the final year of the Structural Reform Plan (see p.114) by implementing its major initiatives<sup>\*1</sup> designed to reinforce the financial base and enhance brand value by offering attractive, uniquely Mazda products and services.

Our new-generation models featuring the innovative base technologies known as SKYACTIV TECHNOLOGY (see pp. 58-59) and Mazda's design theme, KODO—Soul of Motion (see p. 118), have been enjoying high acclaim in Japan as well as overseas. The new Roadster/MX-5, released in May 2015, won the World Car of the Year and the World Car Design of the Year. We also commenced production of the new CX-9 crossover SUV in February 2016. This high-end model of the new-generation line-up has been tailored for the North American market, which is expected to account for 80% of global sales<sup>\*2</sup>. In FY March 2016, the ratio of SKYACTIV-equipped Mazda vehicles increased to 86%, helping us boost profitability, enhance the Mazda brand and promote the spread of vehicles with excellent safety and environmental performance.



What is the focus of the Structural Reform Stage 2 medium-term business plan?

### **Accelerate the enhancement of our brand value through qualitative business growth**

We steadily implemented the major initiatives of the Structural Reform Plan, almost entirely according to schedule. However, we recognize that there is still room for improvement in the efficiency and effectiveness of each area. The Structural Reform Stage 2, our medium-term business plan that begins from FY March 2017, is focused on strengthening these aspects, and seeks to accelerate the enhancement of our brand value through qualitative business growth. As the business environment is rapidly changing, we will carefully observe these external changes and respond in a speedy and appropriate manner.

Mazda sells vehicles in more than 130 countries and regions, and has production sites in seven countries around the world. The Company will strengthen efforts to establish a system that ensures globally optimized business execution throughout the entire value chain, thereby promoting qualitative growth. While we encourage our business partners in each country or region to conduct their own activities with due respect for local laws, customs and cultures, we will also share management policies across all Mazda Group companies and continue developing an environment that encourages mutual learning to help further improve our brand value.

<sup>\*1</sup> The Structural Reform Plan consists of the following four initiatives: 1. Business innovation by SKYACTIV TECHNOLOGY; 2. Accelerate further cost improvement through *Monotsukuri* Innovation; 3. Reinforce business in emerging countries and establish a global production footprint; and 4. Promote global alliances.

<sup>\*2</sup> Launched in May 2016.

## Structural Reform Stage 2

Structural reform will lead to qualitative growth and enhanced brand value



How will Mazda advance its corporate social responsibility initiatives?

### Identified the key areas of CSR Initiatives via materiality analysis, taking into account the changes inside and outside the Company

Mazda strives to improve the efficiency of overseas plants, while continuing to sustain production at around 850 thousand units at its sites in Hiroshima and Yamaguchi Prefectures in Japan, and maintaining the associated employment in the region. We believe that applying what Mazda has cultivated in Japan—including *Monotsukuri* (development and manufacturing) processes and techniques, environmental management systems, and safety and health management methods—to global production sites will also contribute to local communities. In recent years, Mazda has expanded its business overseas, notably in emerging markets. In countries into which we have made new inroads, we are promoting CSR initiatives in cooperation with local business partners, so that Mazda will be a community-based entity that local people can feel close to and familiar with.

I realize that FY March 2016 was marked with major shifts in social trends, as exemplified by the adoption of the Sustainable Development Goals (SDGs) by the United Nations and the international agreement concerning reduction targets for greenhouse gas emissions at COP21. We are enhancing our CSR initiatives in consideration of such changes in social trends and the business environment in which Mazda operates, while also taking into account our mid-term business plan. In July 2016, Mazda identified key areas of CSR initiatives via materiality analysis (see p.17). We are strengthening the system for managing and disclosing our progress in the key areas, in light of our CSR targets (see pp.17-19) and our mid-term environmental plan “Mazda Green Plan 2020” (see pp.49-52), for both of which the PDCA (plan-do-check-act) process has already been put in place.



What is the relationship between Mazda’s business and the earth and society, and what does Mazda do for both of these?

### Contributing to a sustainable society through environmental and safety technological innovation

I am aware that while brightening people’s lives through car ownership, Mazda’s business is related to, and has an impact on, the challenges confronting our society—including global warming, energy and resource shortages, and traffic accidents. To address these challenges, Mazda announced “Sustainable Zoom-Zoom,” its long-term vision for technology development (see p.2, p.5). The basic policy of the vision is to “provide all customers who purchase Mazda vehicles with driving pleasure as well as outstanding environmental and safety performance.” We undertake a variety of initiatives in keeping with this vision. Under Structural Reform Stage 2, we are committed to further strengthening our development efforts for environmental and safety technologies, promoting continuous advances in SKYACTIV-equipped vehicles and starting the development of next-generation products.



President Kogai, what message do you have for your stakeholders?

### We will continue contributing to society and protect the Mazda brand by acting with integrity and good faith

I believe that a brand is created by people, protected by people, and developed by people. I think that we can only realize a prosperous future for the Mazda brand if we create a corporate culture in which every employee in the Mazda Group values customers, local communities and all Mazda stakeholders, commits themselves to each task with integrity and conducts fair business practices in adherence to the basics. As business structures and the environment in which companies operate change, they face increasing social responsibilities and a growing list of challenges to be addressed. It is important to earnestly confront each of these challenges and do our best to resolve them. I will continue to intensify the efforts of all Mazda Group companies, so that Mazda will further grow into a company that earns the sincere trust of all its stakeholders around the world. Envisioning cars existing sustainably with the earth and society, we will continue to tackle all the challenges we face.