QUALITY
Mazda enriches the lives of its customers by providing products and services that reflect steady and uncompromising work.

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EMPLOYEE’S VOICE
Making Steady Improvement with the Aim of Achieving the Best Quality in the World

I am in charge of preventing the recurrence of product quality issues. Developing people is essential, because the actions of all of the people involved in manufacturing influence quality improvement. Therefore, in order to expand the issue beyond technical aspects and develop fundamental measures that delve into the ways of personnel, the organization (management), and culture, I try to visualize the difference between the ideal and the reality and share it with the relevant persons. Although it requires much effort to dig into each factor and formulate measures, I take lead to make steady improvement with the aim of achieving the best quality in the world, in order to bring smiles to customers’ faces, working with related departments such as product development and manufacturing.

Fumika Ochi
Quality Assurance Department, Quality Division
**COMMİTMENT TO QUALİTY**

**Quality Policy**

Under its Corporate Vision, Mazda further advances the efforts it has made and promotes united collaboration among all areas, continuing to enhance Mazda’s unique value.

**Mazda Quality Policy**

To enrich the lives of our customers by providing products and services that reflects steady and uncompromising work.

**Approach to Quality Improvement**

To deliver customers safety, trust and excitement through automotive lifestyles, Mazda makes Group-wide efforts to “establish quality for new products,” “achieve quality that exceeds customer expectations,” and “cultivate human resources capable of thinking and acting for the happiness of customers.”

**Mazda Quality Management System (M-QMS)**

To make faithful and unceasing efforts and achieve the industry's top-level quality in products, sales and after-sales services, Mazda has established the Mazda Quality Management System (M-QMS) based on ISO 9001,*1 and has applied it to the series of processes from product design and development to production, sales and after-sales service.

As the number of overseas production sites is increasing, Mazda promotes the establishment of systems that encourage local employees of new sites to make self-reliant efforts to improve quality. ISO 9001 was acquired in February 2015 at MMVO*2 in Mexico and in July 2015 at MPMT*3 in Thailand. Mazda encourages other overseas production sites and regional operation companies to acquire this certification, thereby promoting the quality improvement of Mazda vehicles, which are produced and sold worldwide.

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*1 International standard for product and after-sales service quality assurance
*2 Mazda de Mexico Vehicle Operation (vehicle plant that started operation in January 2014)
*3 Mazda Powertrain Manufacturing (Thailand) Co., Ltd. (powertrain plant that started operation in January 2015)
1. Establishing Quality for New Products

To satisfy the diverse needs of customers and offer greater trust, joy and excitement, Mazda is engaged in establishing a consistent quality level to be assured at all stages from planning/development to the delivery of products to customers.

Establishing Stable Quality

Not only to improve the performance and reliability of products but also to improve the quality of new technologies including the initiatives to address environment issues, Mazda is committed to “process assurance.” Process assurance is the approach of ensuring a consistent quality level at all stages from engineering (planning, product development) to manufacturing (purchasing, vehicle production, logistics, after-sales services). Based on the correct understanding of customer needs and expectations, the elements necessary to ensure each function/performance are identified. The Company has established a system to maintain and manage them in every stage from engineering to manufacturing.

Furthermore, to allow customers feel driving pleasure through its products, Mazda identifies the functions and performance that embody “driving pleasure” for each stage from before getting in the car to after starting driving, so as to eliminate fluctuations in quality.

Global Quality Assurance

To enable overseas production sites to deliver to customers product quality equivalent to that of vehicles produced in Japan, Mazda has established a global quality assurance framework in which various quality information and activity processes are shared among production sites and distributors both in Japan and overseas to improve the quality of operations at each site.

<Developing Human Resources>

To develop human resources who engage in production quality at overseas sites, Mazda has changed its attitude from “supporting” to “developing.” Mazda provides training in Japan and sends skilled Japanese staff members to overseas sites so as to facilitate hands-on understanding of the philosophy and initiatives of Mazda's monotsukuri, or development and manufacturing.

Enhancing Quality Assurance after Shipment

To ensure that the high quality at factory shipment is maintained until delivery to customers, a global guidelines for logistics processes (distribution centers, ports, etc.) covering from production sites to dealerships in Japan and overseas distributors have been established as a common logistics quality assurance standard.

In FY March 2016, to further improve the quality inspection capabilities at overseas ports, Mazda globally introduced a quality audit system, in which the internally certified auditors conduct audits on the quality status from a customer viewpoint. In view of the various situations of use by customers, efforts are being made to assure and improve quality.

TOPICS

Developing Leaders in Quality Field at Overseas Production Sites

Aiming to develop leaders at overseas production sites, Mazda hosts a training program at the Head Office to improve the skills for vehicle quality assessment. For this program, the weaknesses and potential of each participant are identified in advance. In addition to teaching the work processes and assessment procedures, it is designed to develop human resources capable of understanding the background and objectives of each process and taking action from a broad perspective. Leaders gathered from different sites are encouraged to learn from others and thereby raise their motivation for work.
“Daily Audit” Promoted Jointly by Quality Assurance and Production Related Divisions

CFME*, an engine production site in Nanjing, China, has conducted various activities to improve quality since its operation start in 2007. Starting in 2013, the Daily Audit activities have been promoted jointly by quality assurance and production related divisions. The aim of Daily Audit is to improve the quality of human behavior, thereby improve the quality of engineering and manufacturing. Under the initiative of the quality assurance related division, check sheets are prepared in cooperation with production related divisions, and based on the check sheets, each member checks the items on the sheets on an on-site and actual conditions/goods basis. For ever seemingly tiny matters, such as the way of placing parts and the frequency of changing gloves, steady efforts have been made for improvement. Today, many activities have been initiated spontaneously by members. As a result of the activities over two years, collaboration between quality assurance and production related divisions for solving problems has become part of CFME’s corporate culture. More than half of the issues addressed have been solved, while the quality and precision of engines have been substantially improved. All members will continue to make united efforts to further improve quality.

2. Achieving Quality that Exceeds Customer Expectations

To satisfy customer needs, Mazda makes constant efforts to gather market/quality-related information both in Japan and overseas, while sincerely listening to customer voices, and to take speedy actions to improve the quality of present and future products.

Speedy and Comprehensive Quality Improvement

Mazda makes Group-wide efforts to ensure stable and speedy quality improvement by comprehensive gathering and management of the voices of customers from around the world.[d]

As part of this initiative, all relevant departments at the Head Office, such as the customer services, product development, and manufacturing areas, share all pieces of quality information about products gathered from customers, dealerships in Japan and distributors overseas, and cooperate in monitoring the daily progress of improvement activities, so as to expedite stable quality improvement.

Responding to Customer’s Complaints and Expectations

It is an important element of quality improvement to respond to customers’ expectations and complaints, regarding such matters as what Mazda vehicles should be and in what points Mazda vehicles are less user-friendly. To faithfully respond to such customer expectations and complaints, Mazda proactively gathers voices of expectations and complaints annually from over 230,000 customers worldwide by employing the results of surveys by outside survey institutions and conducting its own market research. Based on the principle of early detection and early solution, all related divisions including product development, production, quality assurance and customer services make united efforts to improve or solve quality problems in response to the gathered customer voices. The customer voices are also reflected in the development of new model vehicles, with the aim of delivering to customers products that exceed their expectations.

Moreover, to facilitate comfortable use of products and new functions by customers, customer opinions are reflected in materials explaining products and new functions, through collaboration with the sales, customer services and quality assurance related divisions.

Examples of Surveys/Analyses

- Gathering customer voices through Mazda-unique market survey
- Market surveys conducted by third parties
- Questionnaire surveys Mazda has developed
- Analysis of customer voices on social media

* Changan Ford Mazda Engine Co., Ltd.
Mazda prioritizes quality above all, and the quality of safety features is its highest priority. Mazda has set strict safety standards for its vehicle manufacturing to make the customer feel safe using Mazda vehicles. The Company also promotes the swift collection of quality information and on-site investigations/quality improvement activities in cooperation with dealerships both in Japan and overseas.

When a recall case (product returned or sent in for free repairs) arises, Mazda, placing the highest priority on customer safety, works together with local dealerships*1 to determine the appropriateness of the recall and handling of the case in accordance with the laws and regulations of each subject country. Information on recalls in Japan is immediately disclosed on the Mazda Official Website*2. A search engine, that enables customers to find whether their vehicle has been recalled, has been added to the website to make it user-friendly for customers.

Recall Procedures (Overview)

- Registration with authorities in each jurisdiction, according to the laws and regulations of each country and region
- Disclosure to customers via direct mail, telephone, and other methods, and explanations at dealerships
- Disclosure of information on recalls on the Mazda Official Website (in Japan)

3. Cultivating Human Resources Capable of Thinking and Acting for the Happiness of Customers

To encourage every employee to think about what they should do to please customers and to act accordingly, Mazda places emphasis on cultivating a customer-oriented corporate culture/mind. Specifically, the entire Mazda Group is committed to promoting quality awareness-raising activities, QC (Quality Control) circle activities, quality control education, and QC (Quality Control) circle activities.

**<Major Activities>**

**Quality Awareness-Raising Activities**

Quality meetings with the consequent aim of enhancing brand value are held on a regular basis. The meetings encourages all employees to obtain new findings through discussions and to improve their quality awareness and quality of action. At the meetings in FY March 2016, under the theme of “to respond to customer expectations,” the best practices at some workplaces were shared. They tackled challenging issues, such as realization of ideal design for mass production of the new Roadster/MX-5 and introduction of digital owners manuals. Each employee was encouraged to review his/her own work attitude, and think about and discuss what they should value most in continuing to tackle challenges for their dreams and how they should change their behavior for the customers delight.

**Quality Control Education**

For the purpose of developing human resources capable of proactively finding/solving problems from a customer viewpoint and working for continuous improvement, quality control education is provided for employees of Mazda and its Group companies both in Japan and overseas. Group-wide quality education courses are offered by internal instructors for each job type or management level.

**Mazda QC (Quality Control) Circle Activities**

To improve quality at each workplace, QC circle activities are implemented not only inside Mazda but also at suppliers, dealerships and overseas production sites. The All Mazda QC Circle Competition is held every year at the Mazda Head Office, where achievements in quality improvement activities are presented. Inviting QC circles of overseas sites such as China, Thailand and Mexico, the competition is held on a global scale. During FY March 2016, the QC circle which was awarded as an excellent circle at the All Mazda QC Circle Competition participated in the All Japan QC Circle Grand Competition, and received the Best Impression Award, demonstrating its high reputation outside the Company.

**Test-Ride for Employees**

Mazda offers a training program for employees in all fields, designed to help them deepen their understanding of Mazda’s products and the concept of Mazda’s monotsukuri, or product development and manufacturing, and to become able to explain them in their own words to Mazda’s stakeholders. Through mainly test-rides, participants of this program are expected to develop their understanding of not only the characteristics of each product, but also the spirit and philosophy common in all Mazda products. The scope of this program, which targeted all employees at Head Office (Hiroshima) in FY March 2015, was expanded in FY March 2016 to other operation sites in Japan, including the sites in the Kanto (including Tokyo and Yokohama) area and Hofu Plant in Yamaguchi Prefecture. It is planned to be expanded to overseas sites, such as Mexico, in FY March 2017.
4. Results of Quality Improvement Initiatives

Mazda’s initiatives to improve quality have been highly praised worldwide.

FY March 2016 Results (April 2015 - March 2016)

<table>
<thead>
<tr>
<th>Country</th>
<th>Name of the Study</th>
<th>Vehicle Type and Rankings</th>
<th>Name of Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>“Recommended” acquired*3</td>
<td>Acquired for 6 models Mazda3 (CT Touring/Axela), Mazda6 (Atenza), CX-3, CX-5, MX-5i/roadster</td>
<td>Consumer Reports</td>
</tr>
<tr>
<td>China</td>
<td>2015 Initial Quality Study (IQS)</td>
<td>FAW-Mazda: Mass Market Brand 3rd</td>
<td>J.D. Power</td>
</tr>
<tr>
<td>China</td>
<td>2015 Initial Quality Study (IQS)**</td>
<td>Mazda6 (Atenza): 3rd</td>
<td>J.D. Power</td>
</tr>
</tbody>
</table>

* Details of the studies for other countries by J.D. Power and J.D. Power Asia Pacific are available at the J.D. Power global website [http://www.jdpower.com](http://www.jdpower.com).

**1 J.D. Power 2015 US Initial Quality Study® (IQS) is based on responses from more than 84,000 purchasers and lessees of new cars. The study was fielded between February and May 2015.

**2 J.D. Power 2015 US Automotive Performance Execution And Layout® (APEAL) is based on responses from more than 84,000 purchasers and lessees of new cars. The study was fielded between February and May 2015.

**3 “Recommended” is awarded to automobiles that are rated higher than a certain level in terms of performance, safety and reliability in an automotive evaluation by Consumer Reports.

**4 J.D Power Asia Pacific 2015 China Initial Quality Study® (IQS) is based on responses from more than 21,700 purchasers of new cars. The study was fielded between April and August 2015.

**5 J.D. Power Asia Pacific 2015 China Vehicle Dependability Study® (VDS) is based on responses from more than 17,300 owners of new model vehicles over at least three years. The study was fielded from May to September 2015.

**6 J.D Power Asia Pacific 2015 Thailand Initial Quality Study® (IQS) is based on responses from more than 4,800 purchasers of new cars. The study was fielded between April and September 2015.

Details are available at [www.jdpower.com](http://www.jdpower.com).

**TOPICS**

“100-1=0” To Provide 100% Quality for Vehicle Production

“100-1=0” expresses Mazda’s strong desire to provide 100% quality for every single vehicle for every individual customer, under the belief that “It will be meaningless if even only one out of 100 vehicles is found to be defective, because for an individual customer, his/her vehicle is not one out of 100 vehicles but the only one.”

Pursuing a kind of vehicle production that respects each vehicle as a certain customer’s “one-and-only” Mazda first aims to achieve “zero defect,” target and then realize value that exceeds customer expectations, such as design theme, KODO-Soul of Motion (see p. 118) and outstanding environmental and safety performance. These elements embody driving pleasure, which is the hallmark of the Mazda brand.

Establishing the brand value to be delivered to customers

Realizing the value that exceeds customer expectations KODO-Soul of Motion design, Jinba-Ittai*, fuel economy, etc.

Pursuing vehicle production that respects each vehicle as “one-and-only” for the customer (Achieving “zero defects”)

* Mazda’s unique driving philosophy, literally, “rider and horse, are one.” Mazda aims to create oneness between the car and the driver, just as a horse and rider communicate through feeling, thereby realizing the very best driving experience.