

# Improvement of Product, Sales, and Service Quality

## FY2019 Materiality Targets and Results

○: As planned    △: Delayed

| Details of Main Initiatives | Ideal Image                               | FY2019 Targets   | Indicators   | FY2019 Results   | Self-Evaluation |
|-----------------------------|---|--|--|--|-----------------|
| Improving product quality   | Top-level quality from customer viewpoint | Ratio of defects identified within three months in service of new vehicle sale                     | Ratio of defects identified within three months in service of new vehicle sale | Achieved reduction target  | ○               |
| Improving sales quality     |   | Sales Satisfaction Index (SSI)<br>Achieve top-three positioning in the key management countries    | Sales Satisfaction Index (SSI)   | Sales Satisfaction Index (SSI)<br>Achieved top-three positioning in three of the key management countries  | △               |
| Improving service quality   |   | Customer Satisfaction Index (CSI)<br>Achieve top-three positioning in the key management countries | Customer Satisfaction Index (CSI)  | Customer Satisfaction Index (CSI)<br>Achieved top-three positioning in two of the key management countries | △               |

### Quality Policy

MITSUBISHI MOTORS revised the following quality policy on April 1, 2019.

#### Quality Policy

**Quality is the fundamental requirement to support our business.**

1. Commit to excellence in Product, Sales, and Service Quality exceeding customer expectations
2. Focus on Quality of Management to continuously improve overall company performance.
3. Comply with laws and global regulations to gain trust on MMC quality.

On the basis of this policy, in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period, we are taking measures to improve quality in four categories: Product quality, perceived quality, sales quality, and service quality.

Product quality includes the initial quality that customers experience immediately after purchasing a new car, and durability that customers experience

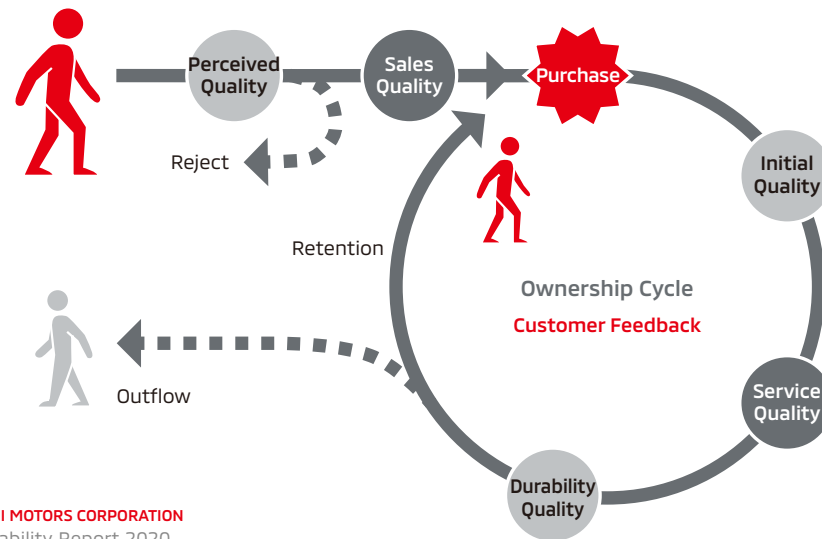
throughout the entire period of use and so we sincerely listen to the opinions of customers and correct any issues so that we can promptly make improvements.

In addition, we are working to improve perceived quality in terms of aspects such as the usability, comfort, and appearance that customers perceive when they observe, feel, and use our products.

With regard to sales quality and service quality

demonstrated at sales companies that have direct contact with customers, we listen closely to customers and make timely proposals and responses to customer requests to achieve high levels of customer satisfaction.

We strive to achieve the highest levels of quality from the customer's viewpoint so that we can achieve customer satisfaction during every point of contact with customers.



## Management Structure

We analyze quality information in order to realize “Top level quality from customer viewpoint” and we set specific objectives for which we investigate and implement policies toward realization while regularly following-up on the status of improvements.

Also, regarding information from customers about vehicle defects provided by sales companies, we have established systems for immediate policy consultation, establishment and enactment by regularly gathering and sharing information.

| Organization                              | Meeting Frequency | Chair   | Members  | Objective   |
|---|-------------------|---|--|---|
| <b>Quality Strategy Committee (QSC)</b>   | Quarterly         | Division general manager of TCS* <sup>1</sup><br>Division | Directors in charge of development and production, division general managers related to sales, service and product quality                         | Deliberation and decision of strategic topics in quality relating to sales, service and products  |
| <b>Quality Management Committee (QMC)</b> | Quarterly         | Top management of QMS* <sup>2</sup>                       | Division and plant general managers (excluding finance divisions), vice presidents and senior vice presidents of direct departments, and directors | Sharing of best practices related to enhancing companywide management quality, responding to external examinations, reporting on items requiring correction and lateral deployment                    |
| <b>Quality Management Meeting (QMM)</b>   | Monthly           | Division general manager of TCS<br>Division               | Division general managers and managers of division related to product quality  | Confirmation of progress toward product quality targets, consideration and deliberation concerning effectiveness of improvement measures, provision of a forum for resolution in the event of defects |

\*1 Total customer satisfaction

\*2 The CEO or an executive designated by the CEO

### Developing a Quality-Oriented Mindset

Since fiscal 2014, we have been holding Quality Forums in all domestic business locations in connection to activities that lead to increased quality in products, people and the Company as each employee individually reassesses and improves the quality of their work.

We also introduced Quality Forums in fiscal 2018 at two overseas business locations: Mitsubishi Motors (Thailand) Co., Ltd. (MMTh) and Mitsubishi Motors Kra-ma Yudha Indonesia (MMKI). We plan to expand this activity going forward.

### Number of Participants in Quality Forums

|        | Domestic forums | Overseas forums   |
|--------|-----------------|-------------------|
| FY2014 | 2,324           | —                 |
| FY2015 | 3,590           | —                 |
| FY2016 | Postponed       | —                 |
| FY2017 | 2,809           | —                 |
| FY2018 | 4,550           | 1,880             |
| FY2019 | 6,200           | 796* <sup>3</sup> |

\*3 Due to COVID-19, held only in Indonesia, with all subsequent events cancelled

### Assessing the Needs of Customers

By listening to the actual comments and opinions of customers, we are helping employees to consider customer needs.

We incorporate this approach into the new employee training curriculum for new graduates and mid-career hires. We also provide numerous opportunities to take on customer perspectives, including through training for promoted personnel and voluntary training courses.



Customer Voice Seminar in the Tamachi area

### Improvement of Customer Focus

At MITSUBISHI MOTORS, for employees that so desire, we are supporting the acquisition of Consumer Affairs Advisor qualification, which is a business qualification from the Prime Minister and Minister of Economy, Trade and Industry, with the objective of considering needs from the perspective of consumers and improving the quality of products and services.

As of April 1, 2020, 69 qualifications holders have enrolled, making MITSUBISHI MOTORS 9th in the list of companies with the largest number of qualification holders.\*<sup>4</sup>

\*4 According to research by Japan Industrial Association

### Consumer Affairs Advisor qualification holders

| Division                     | Number of qualification holders |
|------------------------------|---------------------------------|
| Corporate Affairs            | 6                               |
| Product Strategy/Development | 37                              |
| Procurement/Production       | 6                               |
| Sales                        | 7                               |
| Quality                      | 8                               |
| Other                        | 5                               |

## Improving Product Quality

Dealing responsibly not only with defects related to safety but also with regard to points raised and complaints about products is essential to improving customer satisfaction.

Regarding vehicles that have already been sold, we are taking measures to reduce initial quality issues with a focus on defect incidents that occurred within three months to twelve months after sale. We have accelerated the speed of resolution through collaboration between the quality and development and production divisions, helping to reduce customer complaints.

Furthermore, to improve the initial quality of its new vehicles, MITSUBISHI MOTORS holds cross-functional "oobeya (large room) activities," where employees from various divisions (including development, production, service, quality control and procurement) meet in one room from the point at which shipment starts to consider countermeasures to address any problems that may occur. This approach allows initial quality to be improved more quickly.

Also, addressing issues that are not defects but that can cause customer dissatisfaction helps to improve processes during the development stage so new vehicles can be improved.

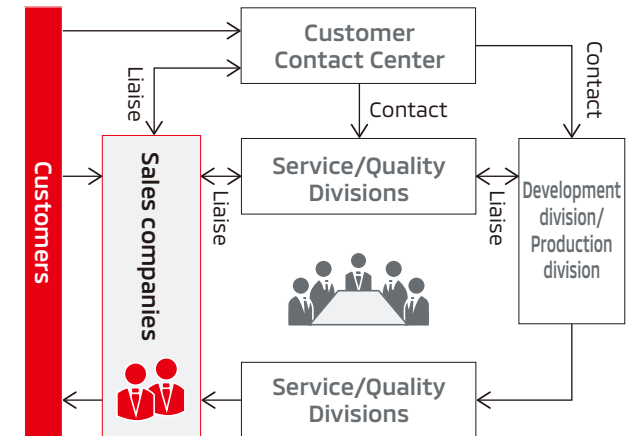
## Use of Customer Voice

One of the missions of the Group is to provide new experiences for our customers with attractive products and service excellence to achieve a high level of customer satisfaction. For that reason, we gather and analyze valuable customer comments and opinions received by our sales companies in Japan and overseas and by our Customer Contact Center. Our quality control, development, production, sales, and service divisions work together to actively improve quality.

### Improving Quality through Customer Voice

Sales companies hold specific interviews with customers on defects and related conditions. The quality sections have a system in place for sharing information received from sales companies with relevant divisions.

Also, by using a newly introduced system to analyze issues found in specific models, indications of defects from customers (quality information) and repair records, we can identify defect information and take countermeasures at an early stage to improve quality.



### Major Activities of the Customer Contact Center

The Customer Contact Center accepts inquiries every day including weekends and holidays. The various comments and information from customers are managed in a database. Of the points raised, matters regarding defects are addressed in order to resolve customer problems in collaboration with sales companies and are used for further quality enhancements. In addition, feedbacks as well as opinions about product functionality, or opinions about specifications, are shared with relevant divisions and used to improve product capabilities even further. Noteworthy comments and opinions including those that are particularly important are periodically reported to management.

### Customer Support for Recalls and Other Market Responses

We have systems in place to provide information to customers in a timely manner in the case of market responses such as recalls as a result of defects that involve safety. We send direct mail to users of the affected vehicles and provide information on obtaining free inspections and repairs to be performed at a sales company at an early time. We also post information on our website so that customers can check whether their vehicles are subject to a recall and the status of repair implementation.

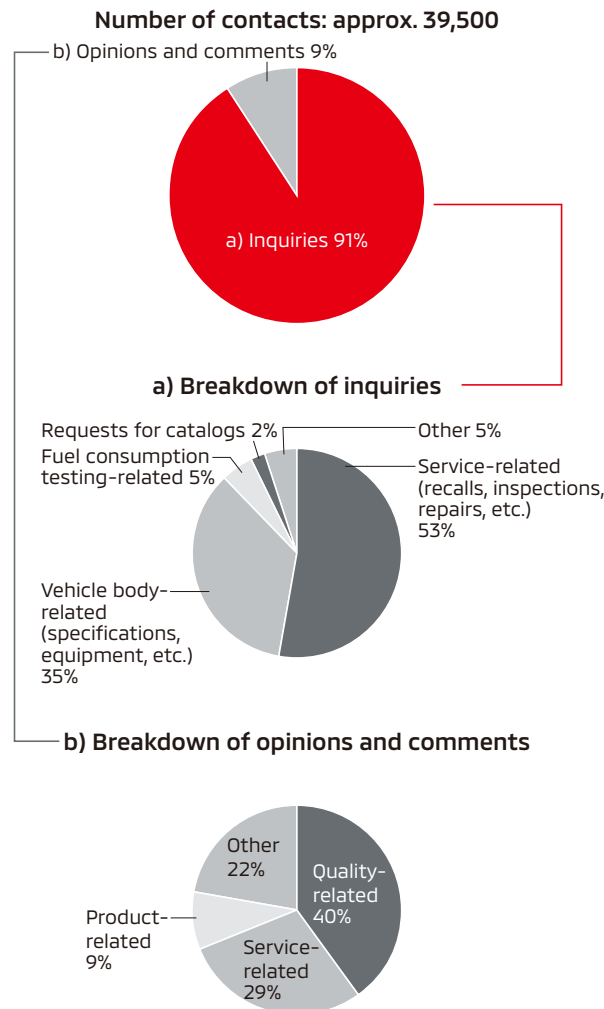
Refer to the site below for information on recalls.

**WEB** <http://www.mitsubishi-motors.co.jp/support/recall/>  
This site contains the Japanese market information (only in Japanese).

### Cases and Number of Vehicles Involved in Recalls, Improvement Measures, and Service Campaigns

|        | Domestic     |                         |
|--------|--------------|-------------------------|
|        | No. of cases | No. of units            |
| FY2016 | 26 cases     | Approx. 1,938,000 units |
| FY2017 | 27 cases     | Approx. 629,000 units   |
| FY2018 | 13 cases     | Approx. 298,000 units   |
| FY2019 | 15 cases     | Approx. 590,000 units   |

### Contacts Received at the Customer Contact Center in Fiscal 2019



### Improving Perceived Quality

We are taking measures from the development stage to improve quality with an emphasis on customer perceptions in order to achieve high levels of customer satisfaction not only at the time of purchase, but throughout the life of a vehicle after purchase.



### Improving Sales Quality

We aim for top-level quality from a customer viewpoint and act in concert with sales companies to improve the quality of sales and become a brand that customers support and identify with.

### Cooperation with Domestic Sales Companies

One of the measures that domestic sales companies are taking is the provision of proposals and a new sales pitch experience tailored to customer needs by promoting sales pitch styles using IT. For example,

sales companies introduced tablet PCs to provide visual and easy to understand product explanations and have customers that come to the sales outlets use the tablets to respond to questionnaires regarding the quality of service in order to make timely improvement. Further improvements in customer satisfaction are being made through the timely sharing with nationwide sales companies of best practices that have resulted in higher customer satisfaction.

### Cooperation with Overseas Sales Companies

Cooperation with sales companies in each country and region is essential for achieving high customer satisfaction overseas. MITSUBISHI MOTORS provides product information to sales companies on a daily basis and strives to gather comments and opinions from local customers. Also, we visit individual countries to plan further improvements by gathering market information and product requests directly through interviews.

In FY2019, we held regional meetings in the ASEAN region, as well as in Europe, the Middle East and other regions, and sales companies from around the world gathered at the Global Distributors Meeting. Those meetings served to develop a sense of unity among the sales companies and to share sales strategies, the latest product information, best practices for raising customer satisfaction, and so on.



Global Distributors Meeting

### Appropriate Product and Service Information Disclosure

In compliance with the laws and regulations of each country and region, we strive to provide product and service information and labeling displays.

#### Improving Service Quality

At the service sites of sales companies (dealers), which have direct contact with customers, it is crucial to provide customer-oriented "service quality" starting at the time of vehicle purchase.

MITSUBISHI MOTORS collaborates with domestic and overseas sales companies to improve day-to-day onsite response capabilities (communication and technical skills) so that we can live up to customer expectations and receive customer satisfaction.

### Succeeding Service Skills in Japan

Succeeding and improving service skills and knowledge of service staff are essential to customer satisfaction. MITSUBISHI MOTORS has its own servicing skill certification, and encourages service staff at sales companies to acquire this certification. In addition, we hold the biennial national Service Skills Contest where service staff from domestic sales companies can improve their service skills by competing against one another.

At a national contest held in December 2019, 48 winners of the regional competitions tested their skills against one another. The winning engineer and service advisor of the contest are scheduled to represent

Japan in the Global Service Skills Contest described below.

Our seven Technical Centers across Japan organize technical meet-ups and seminars and support sales companies to solve difficult repairs and swiftly meet customer requests through visiting sales companies by technical staffs of technical centers.

#### TOPICS

### Succeeding Service Skills Overseas

With the intent of succeeding service skills, MITSUBISHI MOTORS dispatches outstanding engineers from Japan to emerging countries to conduct "caravan activities" where they provide technical guidance. In fiscal 2019, we worked to improve technical capabilities on a global scale by training local service staff in the field by dispatching a total of six people: two each to Indonesia and Malaysia and one each to Laos and Myanmar.

February 2019, 36 service personnel who won national and regional contests from 23 countries and regions including China, Thailand, Indonesia, Australia, and Taiwan gathered to compete on the accuracy and speed of their work.



Caravan activities



Global Service Skills Contest