

## Improvement of Product, Sales, and Service Quality

### Medium- to Long-Term Vision for Material Issues

	Risks	Opportunities	Direction of Responses
Long Term	<ul style="list-style-type: none"> <li>Quality problems that originate in product or service quality</li> </ul>	<ul style="list-style-type: none"> <li>Enhance loyalty and win new customers by providing high-quality products and services</li> </ul>	<ul style="list-style-type: none"> <li>Quality Policy*<sup>1</sup></li> </ul> <p>*1 Please see 58 page for the details on the "Quality Policy"</p>

	External Environment	Stakeholders' Needs and Expectations	Medium-Term Targets
Medium Term	<ul style="list-style-type: none"> <li>Increasingly diverse customer needs as vehicles become more advanced (electrification, intelligence)</li> <li>Increase in vehicle off-board functions (connected, link with smartphones)</li> </ul>	<ul style="list-style-type: none"> <li>Customer perspective: Sense of satisfaction in relation to quality through various contact points with products and MITSUBISHI MOTORS</li> <li>Business perspective: Maintain and enhance management to ensure against losing trust on the quality front</li> </ul>	<ul style="list-style-type: none"> <li>Through quality MTP, earn top level customers evaluations in our core market of "ASEAN5" (Thailand, Indonesia, the Philippines, Vietnam and Malaysia)</li> </ul>

### FY2020 Materiality Targets and Results

○: As planned △: Delayed

Details of Main Initiatives	FY2020 Targets	Indicators	FY2020 Results	Self-Evaluation
Improving product quality	Ratio of defects identified within 3 months in service of new vehicle sale	Ratio of defects identified within 3 months in service of new vehicle sale	Achieved reduction target	○
Improving sales quality	Sales Satisfaction Index (SSI) Top 3 ranking in industry surveys in the ASEAN5* <sup>2</sup>	Sales Satisfaction Index (SSI)	Sales Satisfaction Index (SSI) Achieved target in three of the five ASEAN5 countries	△
Improving service quality	Customer Satisfaction Index (CSI) Top 3 ranking in industry surveys in the ASEAN5* <sup>2</sup>	Customer Satisfaction Index (CSI)	Customer Satisfaction Index (CSI) Achieved target in all five of the ASEAN5 countries	○

\*2 Three countries of Indonesia, Philippines and Malaysia set internal target instead of industry survey because these countries were not conducted industry survey.

### Basic Approach and Quality Policy

Based on Quality Policy revised on April 1, 2019, MIT-SUBISHI MOTORS are undertaking measures to improve quality in four categories: product quality, perceived quality, sales quality and service quality in order to enhance quality in all stages from when a customer first considers purchasing a product through the vehicle ownership period,

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.

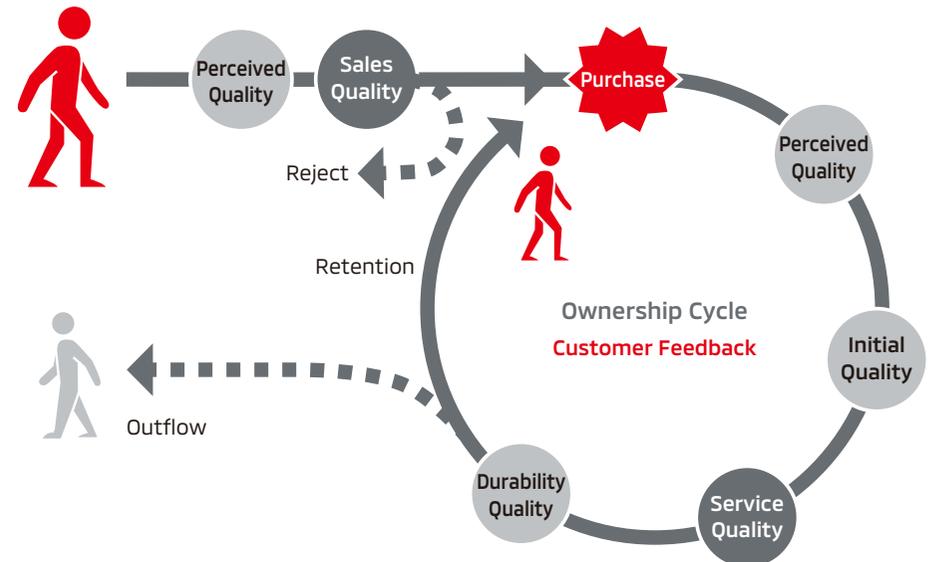
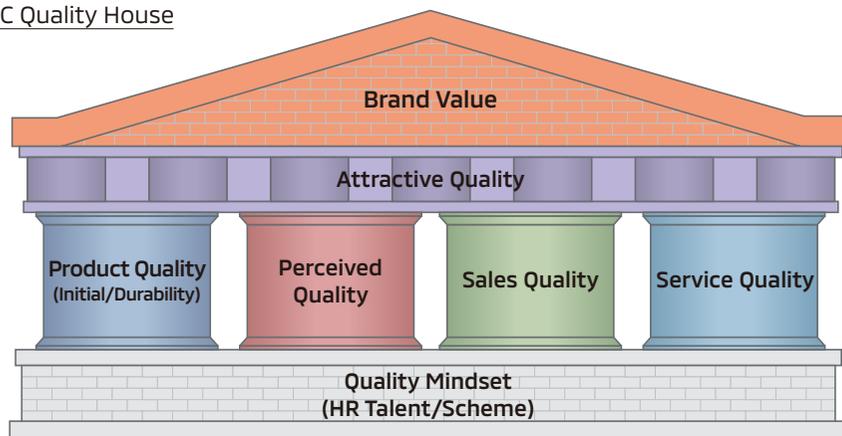
### Quality Policy

**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.

### The Four Quality Pillars Support Brand Image

MMC Quality House



## 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, MITSUBISHI MOTORS is 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, we hold 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.

## Vehicle Quality Evaluations and Guarantees Based on a Customer Perspective

We are implementing a quality evaluation standard based on a customer perspective customer's point of view called AVES\* to ensure full quality assessments evaluation on prototype vehicles under development, vehicles undergoing quality verification and production vehicles sold to customers.

Assessments AVES evaluations includes static evaluations (interior and exterior appearances) and dynamic evaluations (when driving drivability). Dynamic evaluations check such aspects as noise, vibration, steering stability and various in-vehicle equipped functions. AVES assessors evaluators (specially qualified Company personnel) perform assessments evaluations in the customer's stead and checking achievement of various criteria against quality standards.

AVES plays an important role in deciding whether to produce or start production of new models, as well as in maintaining quality guarantees on production vehicles. Accordingly, these assessments are evaluations are performed rigorously according to a rigorous customer perspective the customer's point of view.

\* AVES is a quality evaluation system used across the Renault-Nissan-Mitsubishi alliance, in which specially trained experts assess evaluates vehicles using more than 300 quality assessment evaluation criteria established from the customer's perspective customer's point of view.

## 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. In addition, we obtain market information from sales companies and gather product requests through interviews. In these ways, we strive to gather input from local customers.

In FY2020, sales companies in various countries and regions concentrated on sales activities under the "new normal" conditions. For example, Within our core market ASEAN region\*, we held online meetings among sales companies to share and discuss on issues and solutions. We highlighted good examples of sales companies' efforts to enhance service quality and distributed this information among the countries and regions. In these ways, we supported sales companies' efforts to augment customer satisfaction.

\* Thailand, Indonesia, the Philippines, Vietnam and Malaysia

### 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

It is crucial to keep providing customer-oriented "superior service quality" from the customers' first experience of purchasing a vehicle at dealers where customers and our meet.

We, hand in hand with partners in Japan and global dealers, are improving our capabilities of customer services, such as communication and technical skills, to deliver more satisfaction than customers expectation.

### Transferring Skills, in Japan

We have established its unique certification program for dealer staff. And it is offering an appropriate training for each staff member according to their skills. It is, after all, enhancing their capabilities of actual customer services.

We have 7 Technical Centers across Japan and organizes technical meet-ups, seminars and technical expert visits, supporting dealers from various perspectives including highly technical advice. It ends up swift response to customers.

### Transferring Skills, Global

To ensure the same and high-quality customer services around the world, We have been introducing its global-common-standard training and certification program for automobile technicians aiming to advanced customer services.

On-line trainings are also available via internet. It delivers ceaseless opportunity for dealer staff to sophisticate their competence in spite of the COVID-19

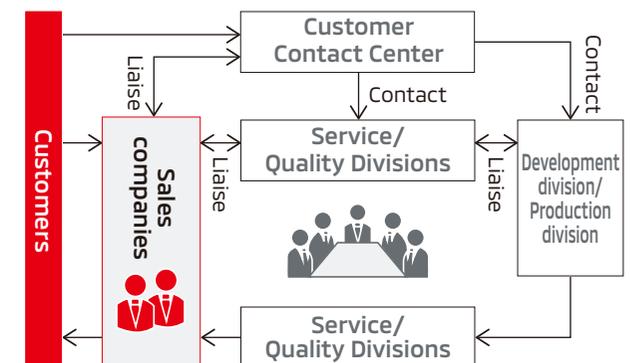
pandemic. Supporting from our technical experts are, of course, available at global dealerships regarding such as highly technical advice.

## Use of Customer Voice

One of our Group's missions is to provide rich experiences for customers by offering them attractive products and excellent service, ensuring satisfaction throughout the ownership cycle. For that reason, we gather and analyze valuable customer comments and opinions received by domestic and overseas sales companies 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

MITSUBISHI MOTORS' 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. Rather than outsourcing operations, our own personnel staff the Customer Contact Center. Enabling our customers to communicate directly with customers helps maintain high-quality customer response and facilitates smooth interaction among internal departments. This approach ensures that customer feedback is used appropriately to improve products and services.

### 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.

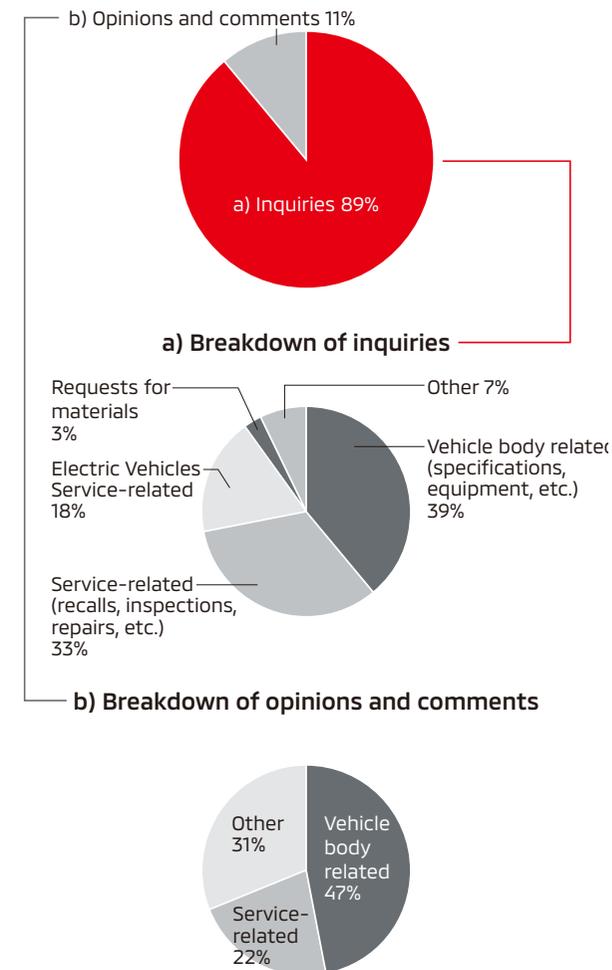
[\(WEB\) http://www.mitsubishi-motors.co.jp/support/recall/](http://www.mitsubishi-motors.co.jp/support/recall/)  
This site contains the Japanese market information (only in Japanese).

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

	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
FY2020	19 cases	Approx. 655,000 units

### Contacts Received at the Customer Contact Center in Fiscal 2020

Number of contacts: approx. 33,700



## Management Structure

mitsubishi motors analyzes 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> 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 of Management Committee (QMC)</b>	Quarterly	Top management of QMS* <sup>2</sup>	Division and plant general managers, responsible person of direct departments	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 Division	Division general managers and supervisors in specialist positions (section head or higher) of divisions 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 Executive Officer, President & CEO or an executive designated by the Executive Officer, President & CEO

### QMS\*<sup>3</sup> ISO 9001 Initiatives

We believe that ongoing improvements in company-wide management quality are essential to achieving excellence in product, sales, and service quality exceeding customer expectations. Accordingly, all departments across the Company are earning ISO 9001 certification, not only those involved directly in product quality or sales and service quality.

Ongoing improvements in management quality means the following.

- 1) Prepare and implement annual plans with quantitative targets
- 2) Confirm progress at first-half and full-year management reviews
- 3) Share opportunities for improvement through internal audits
- 4) Use certification bodies to conduct examinations (surveillance, recertification)

Overseas production bases are obtaining ISO 9001 certification in the same way. We will continue this initiative to ensure that the products we produce and sell around the world exceed customers' expectations for product quality, as well as sales and service quality.

\*3 Quality Management System

## Developing a Quality-Oriented Mindset

Since FY2014, MITSUBISHI MOTORS has 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 FY2018 at two overseas business locations: Mitsubishi Motors (Thailand) Co., Ltd. (MMTH) and Mitsubishi Motors Krama Yudha Indonesia (MMKI). We plan to expand this activity going forward.

Due to the limitations imposed by the COVID-19 pandemic, we launched a dedicated website, allowing the activities to be continued online.

### Number of Participants in Quality Forums

	Domestic forums	Overseas forums
FY2017	2,810	—
FY2018	4,550	1,880
FY2019	6,200	800* <sup>1</sup>
FY2020	6,200* <sup>2</sup>	2,310* <sup>2</sup>

\*<sup>1</sup> Due to COVID-19, held only in Indonesia

\*<sup>2</sup> Due to COVID-19, held online

## 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.

At the same time, we conduct and regularly update the video site for our Customer Voice Seminar on the employee intranet. With this system, people working from home or taking breaks from other tasks can view the content at any time.

## Improvement of Customer Focus

For desired employees,, 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, 2021, 65 qualification holders have enrolled, making MITSUBISHI MOTORS 11th in the list of companies with the largest number of qualification holders.\*<sup>3</sup> Around 70% of these people are from manufacturing and quality-related departments, demonstrating a wide-ranging interest in and awareness of automaking from a customer perspective.

\*<sup>3</sup> According to research by Japan Industrial Association

### Consumer Affairs Advisor qualification holders

