

# WHAT IS IMPORTANT FOR VALUE CREATION

## CORPORATE PHILOSOPHY/2030 VISION

### 01 CORPORATE PHILOSOPHY AND 2030 VISION: BACKGROUND AND AIMS

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Global Brand Promotion Department  
Global Sales & Marketing Division

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Since 2013, Mazda has declared that its management philosophy is brand value management, and it has worked to raise its brand value through its products, technologies, and daily business in all its business areas.

What we at Mazda hope to achieve is long-lasting relationships with people that empathize with the values that the Mazda brand offers. This, we believe, will also help to raise our corporate value.

Ten years have passed since we started focusing on brand value management; as we want to further strengthen the brand, and continue to grow as a company, we need to reconsider its positioning from society's standpoint.

In recent years, consumer values and awareness have changed dramatically. An example can be seen in daily shopping behavior where consumers surrounded by countless products and services find it very difficult to differentiate between them by looking at the products or services alone.

We also live in an age in which so much information is right at our fingertips courtesy of the Internet. It is now easy to ascertain whether one's choices match up to one's values and to see what impact they have on society as a whole.

As a result of these changes, companies are now required to offer meaning to more people and society alongside their products, technologies, or services. In terms of these changing social values and perspectives, Mazda is working to clearly show its *raison d'être* as a company and as a brand, and has established companywide guidelines that set out its desired direction. Going forward, by putting these ideas into practice in our everyday tasks, we at Mazda will aim to gain the understanding, support, and trust of broad swathes of society, and to build a strong brand people continue to choose.

### 02 CORPORATE PHILOSOPHY AND 2030 VISION: FORMULATION

Since Mazda (or Toyo Cork Kogyo as it was then) was founded, the Company has trodden this path for more than a century thanks to the support of so many people, and yet its significance to society—its purpose—was never clearly defined. So, in 2021, we started a project to first codify the historical facts of its past. The next step was to interview employees from across the Company's wide-ranging departments and business areas. Interviews and discussions involved employees in Japan and Mazda Group employees from around the globe. We carefully listened to the thoughts of each employee, and realized that they all shared, regardless of their department, business area, or region, the same view: Mazda has continued to succeed in business because of its desire to energize people and society.

Moreover, using a variety of data and information, we carried out repeated studies into future societal changes, gaining a deeper understanding of what people want going forward.

Something that these initiatives threw light on can be summed up in the "Uplifted" concept. This concept mixes the desire and strengths the Company has traditionally valued to meet society's future desires. Based on this, to define the Mazda

brand, the Company has established its corporate philosophy, which comprises three parts: Purpose, Mazda's *raison d'être*; Promise, how the Company will provide that; and, Values, the areas on which Mazda places importance in its activities.

To make its recent specific initiatives clearer, and taking on board the tenets of its corporate philosophy, Mazda simultaneously formulated its 2030 vision to tie in to its Medium-Term Management Plan.



### 03 CORPORATE PHILOSOPHY AND 2030 VISION: IDEAL

Mazda aims to bring about an ideal situation in which it can, for everyone connected to the Company—be it customers, local communities, suppliers and other business partners, employees at Mazda Group companies in Japan or overseas, or anyone else—provide uplifting experiences, emotionally and physically, and enrich life-in-motion every day.

This passion has been passed down through generations, tracing an unbroken line back to the founder's motto to "contribute to society through machine industry."

At first, it will likely be difficult to provide this for all in society, but Mazda will gradually expand the scope of its efforts, allowing it to contribute to its home region and others in society.

#### CORPORATE PHILOSOPHY

PURPOSE: Enrich life-in-motion for those we serve

PROMISE: Uplifting experiences, emotionally and physically

We uplift the human body, mind and spirit

We uplift communities

VALUES: Radically human/Challenger spirit/Omotenashi

#### 2030 VISION

To be a car-loving company that creates moving experiences through the "joy of driving"

1. Contribute to a future sustainable Earth by providing multi-solution to mitigate climate change
2. Contribute to a society where everyone feels safe to move freely by providing technology that proactively enhances our well-being
3. Contribute to each person's "joy of living" by delivering moving and emotional experiences

WHAT IS IMPORTANT FOR VALUE CREATION

VALUE CREATION WORKSHOPS

Mazda began publishing integrated reports in 2022.

Mazda believes that to promote value creation befitting the Company, it is necessary to foster a united way of thinking that cuts across internal organizations. As such, it holds value creation workshops, made up of members from different business areas.

In 2022, looking at changes in the social environment and its own materiality, Mazda decided to study the types of value it can provide. To do this, it brought together 11 directors and division general managers and 11 middle managers from their departments for a series of offsite workshops separate to their normal duties, for a total of 11 discussions over a six-month period.

As a result of these workshops, Mazda not only formulated and announced its value creation process, deeper discussions between different departments led workshop participants to look anew at organization-wide values and beliefs, but also provided opportunities to share issues that face different business areas. All in all, the workshops helped to strengthen a united way of thinking.

In 2023, the teams of the 2022 workshops were reorga-

nized, and this time members formed three teams, each focused on initiatives in areas that are fundamental to value creation: Monozukuri (engineering and manufacturing), Tsunagarizukuri (creating human connections), and Hitozukuri (nurturing the development of individuals).

These three areas are at the heart of efforts to achieve the purpose through the promise (as shown in the diagram below). It is also an important approach to 2030 management policy.

Each of the teams actively works to:

1. Refine the value creation process
2. Study what can be done to achieve the corporate philosophy and 2030 vision, summarized in the three subjects below.

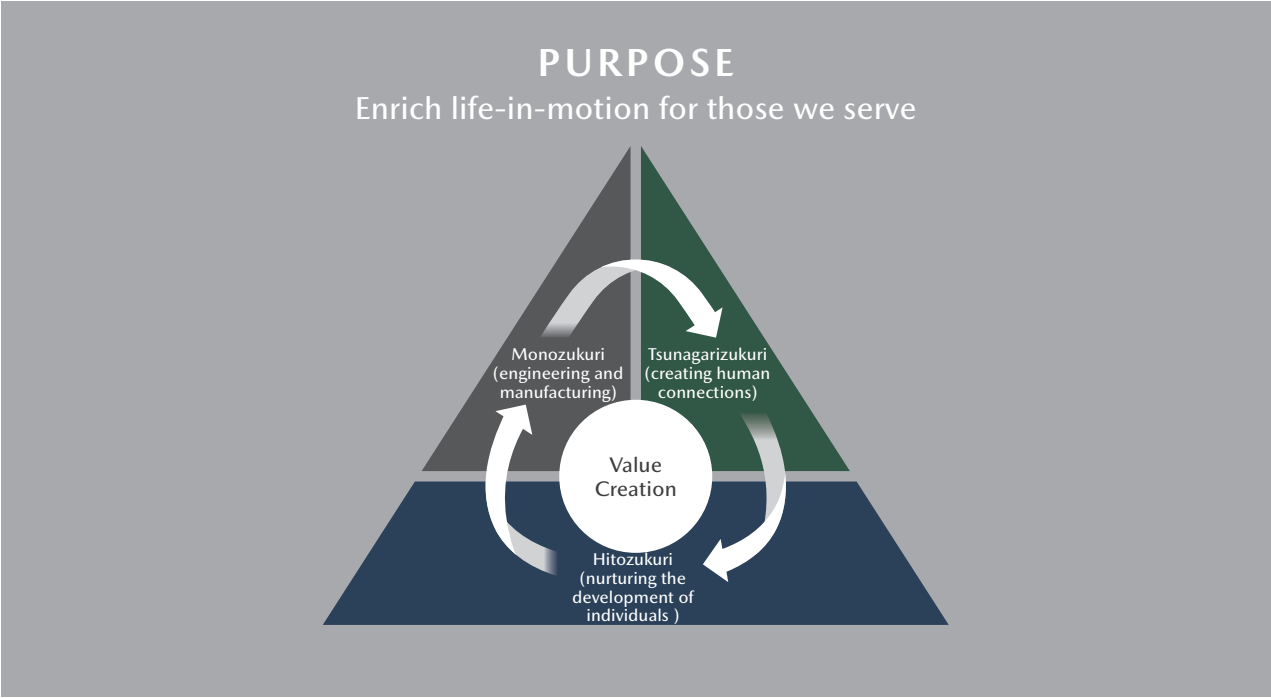
- Passion and ideals for each business area
- Strengths that have been fostered
- Future issues and initiatives

As a new trial, two outside directors—Kiyoshi Sato and Michiko Ogawa—have joined the teams, and through dialogue there have been exchanges of ideas about each team’s studies that incorporate their outside perspectives.

By continuing these efforts, Mazda hopes to ensure that a unified way of thinking takes root and that the Company fosters a sense of being a united team. It believes that doing so will lead to steady increases in the value that Mazda can offer.



Three major initiatives to create value



### Monozukuri (engineering and manufacturing)

“We will make the kind of vehicles that tie emotion in motion into uplifting experiences.”

Team leader: Naohito Saga

Value Creation Workshop

Participating divisions:  
Design Division  
R&D Strategy Planning Division  
Production Engineering Division  
Integrated Control System Development Division

From left:  
Masashi Nakayama, Division General Manager  
Dai Kimura, General Manager  
Naohito Saga, Executive Officer  
Takamichi Watanabe, Staff Manager  
Taketo Hironaka, Executive Officer  
Kazuhiro Kado, Senior Expert  
Michihiro Imada, Executive Officer  
Masaki Chiba, General Research Manager

1 MONOZUKURI: PASSION AND IDEALS

■ **PASSION: JOY OF DRIVING**

Monozukuri at Mazda has inherited the passion of Mazda’s founder, Jujiro Matsuda, who wanted to “contribute to society through machine industry.” Even as the years have gone by, and people’s lives and values changed, Mazda has trusted that emotion in motion is constant, and has pursued the Joy of Driving to deliver this.

■ **IDEAL: UPLIFTING EXPERIENCES**

Digital innovation has made it possible to do so much without going anywhere, and customer values are increasingly diverse. As such, the idea of movement and mobility has also changed. Mazda continues to believe, though, that through emotion in motion it is possible to truly feel alive.

Customers are happy sharing joy with others, which we help them to do by providing vehicles that allow anyone to go anywhere, with anyone, and at any time, resulting in curiosity, emotion, and smiling faces. Mazda’s vehicles should continue to fulfill that role.

To do so, Mazda’s Joy of Driving has to evolve and deepen. As well as contributing to a more sustainable mobility society by working toward carbon neutrality and to realize an automotive society that offers safety and peace of mind, Mazda will place emphasis on people, discover their desires and emotions, and create vehicles that link emotion in motion and uplifting experiences.

2 STRENGTHS THAT HAVE BEEN FOSTERED

PURSUIT OF EMOTION IN MOTION

■ **HUMAN-CENTERED RESEARCH TO UNDERSTAND EMOTION**

Mazda does not think of vehicles as mere tools and so when the Company looks to make progress in its technical development, it does not just pursue technological improvements. Based on human-centered values, it also studies the body’s physical functions to create environments for people that are more conducive to easy driving. This has meant placing human-centered on the same level as technical development, with the aim of connecting human characteristics with technology to offer every person the Joy of Driving.

The design also incorporates elements that express that Joy of Driving. Mazda’s goal is to create cars with captivatingly beautiful exteriors and comfortable, well-appointed interiors that drivers and passengers alike will find exciting and want to use at every opportunity. The Company works, therefore, to create designs for vehicles that the customer will love and love to use.

This attention to detail has resulted in the following:

- Kodo Design, which creates a range of looks, incorporating design propositions that inspire a sense of muscular movement as though about to launch into motion at any moment, and body forms that reflect the surrounding scenery and light sources.
- Takuminuri painting technology, body colors expressly considered as part of the modeling process



WHAT IS IMPORTANT FOR VALUE CREATION

■ **BUILDING BLOCK CONCEPT: LAYERED TECHNOLOGIES TO MOVE PEOPLE**

Based on its 2007 declaration of its long-term vision for technical development, “Sustainable Zoom-Zoom,” Mazda promised it would deliver both the Joy of Driving and outstanding environmental and safety performance. To do this, Mazda came up with the Building Block concept for all component technologies, which pursues ideal technologies and build them up over the long term, and is steadily evolving the concept. As a concrete example, Skyactiv technologies have been formed over three phases (for more details, see P38). In terms of safety technologies, too, the safety concepts of Mazda Proactive Safety have built technological “blocks” through three different approaches (see P59).

■ **CULTURE OF CO-CREATING MOVING PRODUCTS**

Mazda has forged forward with *Monotsukuri* Innovation, by which cross-departmental co-creation that leverages Mazda’s strength as a smaller player allows the Company to achieve higher-efficiency engineering and manufacturing than its big-player rivals. This initiative has led to both advanced level flexibility, (the diversity and high-mix, low-volume production) needed to meet customers’ demands, and commonality (low-mix, high-volume production), which has raised efficiency.

The *Monotsukuri* Innovation concept comprises the following three parts.

- Bundled Planning: designing all future products at the same time
- Common Architecture: pursuing ideal structures that over-arch different vehicle size classes and displacement, with a standardized level of quality, in both development and production
- Flexible Line Production: using the same production lines to produce vehicles from different size classes, without needing to put new production equipment in place for each new vehicle model

Mazda has also made progress with the application of digital technologies. The Company is making great leaps forward in improving R&D times and costs by using digital transformation (DX) technologies such as model-based R&D that uses computer modeling, and digital twins to recreate production sites virtually. In addition, to deliver products of the highest possible quality, Mazda uses IT, including motion capture to create movement data. It also uses IT to quantify experts’ techniques, and incorporates them into production tools and for personnel development. In these ways, Mazda is developing a streamlined, cross-departmental system by cultivating a culture for development and production of utilizing co-creation from the initial concept stage, not limited to systems and processes.

3 FUTURE ISSUES AND INITIATIVES  
OFFERING UPLIFTING EXPERIENCES

Even as the times change, the essence of Mazda’s Monozukuri goals does not. However, the methods will evolve and deepen to meet generational changes and differing needs. Conventionally, the belief was that the starting point for value creation was technology, and then we would mix and match these—vehicle performance, functions, etc.

Going forward, though, by first considering what value the Company should be offering in terms of human desires and emotions, and then combining different technologies and functions to manifest these, Mazda will offer customers a major new type of value that cannot be achieved through individual technologies or functions alone.

■ **EVOLUTION AND DEEPENING OF HUMAN-CENTRIC RESEARCH TO PROVIDE UPLIFTING EXPERIENCES**

In order to better grasp customers’ feelings, Mazda is further refining the human-centric research it has built up thus far. As well as conventional research that focuses on the workings of the human body—build, strength, capabilities, etc.—Mazda is looking into areas connected to brain activity or emotions. By doing so, it will elucidate how different sensory stimuli are tied to different emotions.

Through its future efforts, Mazda will take on the challenge of offering customers fun and energy when they ride in its vehicles by sparking curiosity, emotion, and physical and mental stimulation through moving experiences.

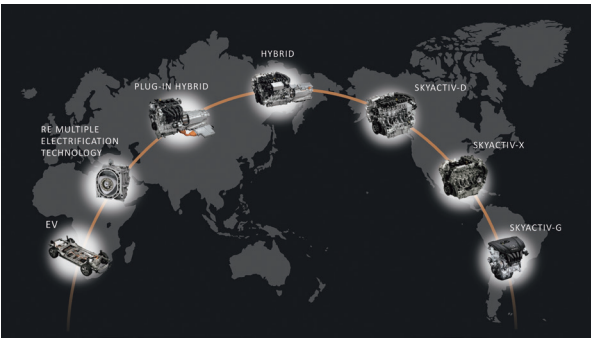
In the design field, too, there are things that digital technologies cannot do. Modeling that has felt the warmth of a human hand, and that incorporates such manual craftsmanship, leads to beautiful exteriors that set the heart racing every time the user sees their cherished vehicle, and easy-to-use interiors that use sustainable materials that consider the environment and that fuse these with leading functionality. Mazda aims for designs that provide these to excite customers every time they enter their vehicles and get them moving.



■ **EVOLUTION AND DEEPENING OF THE BUILDING BLOCK CONCEPT, WHICH LAYERS TECHNOLOGIES TO PROVIDE UPLIFTING EXPERIENCES**

Electrification technologies are becoming an indispensable part of efforts to achieve carbon neutrality. As such, Mazda is working to efficiently develop and produce the battery EVs of the future that everyone will want to use, through which they can experience a new age of Mazda design and the Joy of Driving. Specifically, Mazda will add Skyactive EV Scalable Architecture—used in automotive bodies that combine the specific construction characteristics of battery EVs with Mazda’s Joy of Driving—to its building block concept. To move forward with electrification technologies like these in an effective manner, Mazda will strengthen its co-creation activities with other, like-minded companies (see P38).

Genuinely contributing to the environment through Mazda’s Multi-solution approach



To be able to respond to factors connected to one vital element—batteries—such as growing pressure in supply chains in the future, changes in different national regulations, and different customer needs, Mazda is investigating how to procure a number of varying types of battery.

For internal combustion engines, Mazda will continue to refine the technologies it has built up under the building block concept, and to develop new hybrid systems. Even as circumstances in its customers’ countries and regions change, Mazda will provide the most appropriate clean power sources through its Multi-solution approach. Moreover, it is studying future possibilities offered by alternative fuels (see P38).

Mazda believes that its responsibility toward safety is to contribute to an automotive society free from accidents and that offers safety and peace of mind, with human happiness its number-one priority.

Using races to trial next-generation biofuels



As well as developing safety technologies, Mazda will work in collaboration with communities and society to pursue the goal that there are no more deaths from traffic accidents.

To accomplish this, based on a trust in human capabilities, Mazda will respect the joy that customers get from driving for themselves, while advancing the Mazda Copilot Concept to hone advanced safety technologies that not only provide assistance to the driver—and also passengers and others around the vehicle—should something go wrong but that also consider both the individual and wider society.

■ **EVOLUTION AND DEEPENING OF CO-CREATION USING DIGITAL TECHNOLOGIES TO RESPOND TO THE DIVERSIFICATION OF EXPERIENCE-RELATED VALUES**

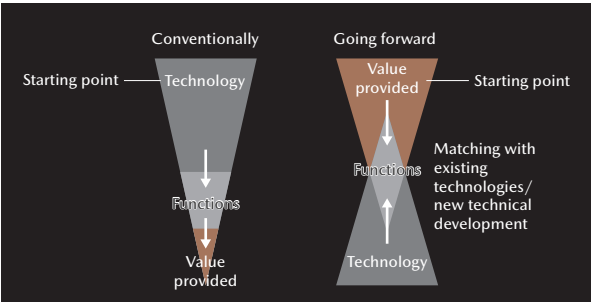
Great progress is being made in digital technologies, and development of the electricity and electronic architecture needed to support these is also rapidly increasing in scale. In response to these trends, Mazda is effectively applying software technologies, but also working with other automotive manufacturers, suppliers, and others to develop highly effective platforms while minimizing required investment.

Specific initiatives in this area include looking at adding to the various electric and electronic functions found in its vehicles that continue to evolve as autonomous driving or advanced safety technologies, with combinations of functions that use the Internet or cloud technologies, or that utilize wireless communications. In terms of the diversification of what customers believe constitutes value, as well as raising the efficiency of its development and production tasks by further evolving the model-based R&D it has built up thus far, Mazda will continue to evolve by upping the scale of its co-creation activities with industry partners.

When applying digital technologies, one important element to consider is the people applying them. Therefore, for all of its employees involved in development and manufacturing fields, Mazda will start AI training, raise the effectiveness of in-house procedures, promote DX, and promote in-house training of highly skilled IT personnel.

For development elements expected to increase in the future, Mazda will use the knowledge it has gained through model-based R&D to structure these, gain a better sense for data settings using AI, and develop swift, advanced development capabilities that suit this new age.

Putting software value first



WHAT IS IMPORTANT FOR VALUE CREATION

Tsunagarizukuri  
(creating human connections)

“We provide a brand experience in which customers can feel Omotenashi (serving from the heart) that gives rise to positive emotions and smiling faces through every touchpoint.” Team leader: Masashi Otsuka

Value Creation Workshop

Participating divisions:  
Domestic Business Division  
Global Sales & Marketing Division  
Purchasing Division  
Corporate Strategy Division

From left:  
Masato Takeshita, Assistant Manager  
Tatsuro Omura, Staff Manager  
Masashi Otsuka, Division General Manager  
Kazuyoshi Todou, Executive Officer  
Naoya Tokuse, Staff Manager  
Kazuhiko Sumi, Executive Officer  
Nobuyuki Higashino, Division General Manager  
Shinichi Iyo, General Manager

1 HUMAN CONNECTIONS: PASSION AND IDEALS

■ PASSION: BRAND EXPERIENCE CENTERED ON HUMAN CONNECTIONS

For ten years, Mazda has promoted Tsunagari Innovation as an initiative to lay the foundations for its brand value management. This initiative covered efforts to improve customer brand loyalty by strengthening the brand and achieving business growth. By doing so, these efforts—which greatly reformed the Mazda’s thinking and behavior toward various customer touchpoints—helped the customer to see the strong ties and love that they have for it. We at Mazda believe that these connections are born when the human (the customer) appreciates the value of that. Mazda has always placed great value on human-centered values, and has created such connections through producing vehicles and conveying the brand’s value.

■ IDEAL: BRAND EXPERIENCE WITH OMOTENASHI, SERVING FROM THE HEART

It may in part be because Mazda is a company born and raised in Hiroshima, but it has a strong desire to put smiles—a true sign of peace—on people’s faces and to help make society richer.

This is rooted in the concern people show for others, i.e., Omotenashi (serving from the heart). Mazda believes that spreading this feeling to its offshoots worldwide will lead to stronger human connections.

On the other hand, factors such as innovative digital technologies and the pandemic have led to an increase in the number of ways that we have to communicate that are simple, highly efficient, convenient methods of exchanging information. The range of options for human connections is unprecedented.

For precisely this reason, Mazda will expand the ways in which it forms emotional, close-knit connections centered on people, which it has always valued, but also believes this presents the perfect opportunity to also deepen these connections. The Joy of Driving is more than the enjoyment one gains from driving a vehicle, it represents a positive energy that comes from uplifting the human body, mind, and spirit by allowing customers to easily go anywhere they like in peace of mind to make new discoveries at their destinations.

Mazda believes that through Omotenashi, customers get a real sense of Mazda’s brand value, but also that related experiences can bring various emotions and smiles to their everyday lives. These, in turn, bring people together, so that spheres of positivity ripple out throughout communities and society. Mazda also hopes to achieve its purpose, which will add to positive emotions and smiling faces, for communities formed in this way.

The ideal for Mazda is creating human connections that, in this way, have the Joy of Driving as a starting point to enrich life-in-motion for those it serves for circles of emotions and smiles, that will radiate ever-outward.

2 STRENGTHS THAT HAVE BEEN FOSTERED

COMMUNICATIONS STREAMLINED THROUGH TSUNAGARI INNOVATION

■ “INSIDE-OUT” ACTIVITIES THAT FOSTER A SENSE OF UNITY FROM DEVELOPMENT TO SALES

Tsunagari Innovation is not confined to activities at Mazda’s head office, it is being put into practice at Mazda Group companies, affiliates and dealers around the world.

This is the results of the careful spread of Tsunagari Innovation by tying the “inside” (those within the Company) to the “outside” (those outside) through repeat, convincing dialogue in all business areas between head office and employees across the globe who come into contact with customers every day.

■ CLOSE-KNIT COMMUNICATION BETWEEN CUSTOMERS AND DEALERSHIPS

Through one-to-one communications that Tsunagari Innovation brings, Mazda has fostered a culture of forming emotional, close-knit connections.

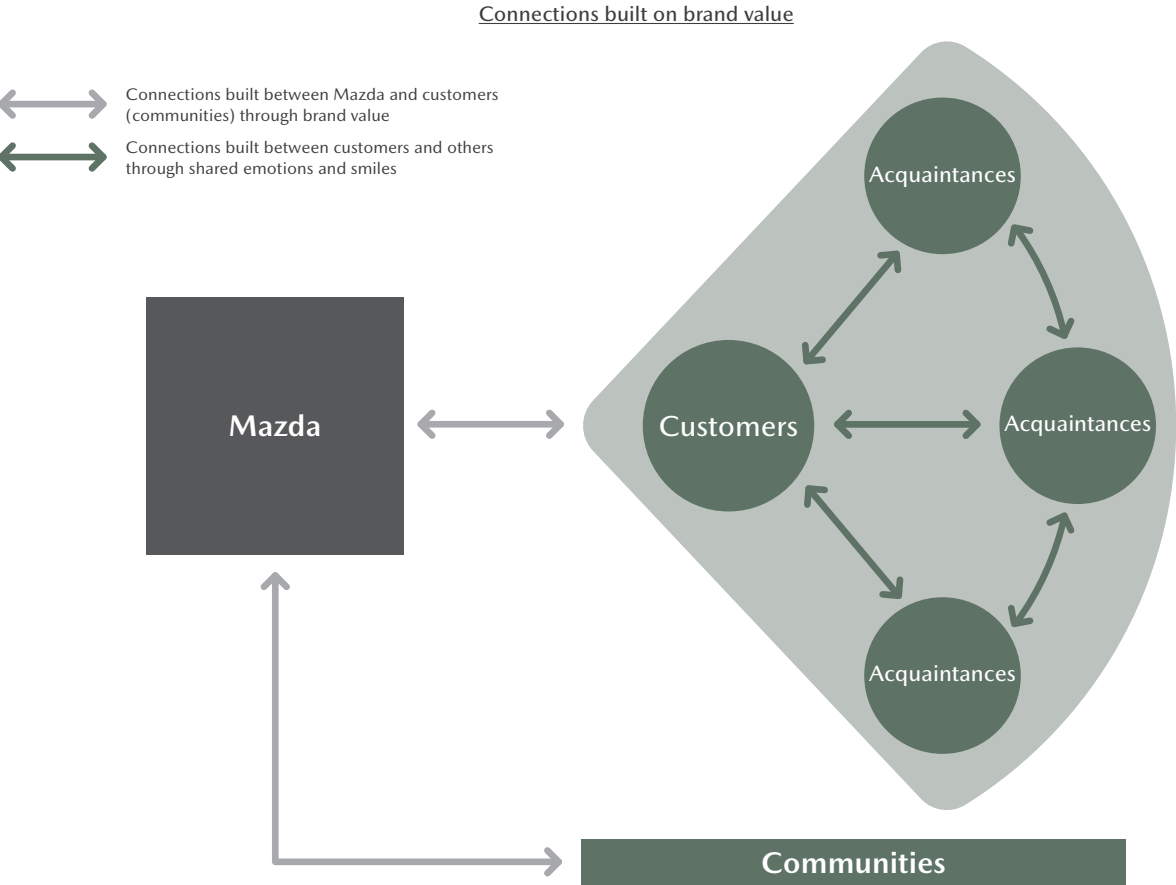
Put in concrete terms, the process of forming connections

with customers, conveying to them the brand’s value, and convincing them to pay a price commensurate with that value, directly ties in to steady increases in unit sales prices but also in Mazda’s profitability.

Aspects of Mazda’s vital American market, such as increases to customer satisfaction and repurchase rates, are the result of sales staff taking the time to treat customers well and inform them of the brand’s value, thereby cementing strong connections.

From its own perspective, Mazda has so far striven to deliver value optimized to each of its customer touchpoints through Tsunagari Innovation.

In the future, though, Mazda’s goal is that the value it provides to customers through various touchpoints be recognized as a single (Mazda) brand. Put another way, that customers across all touchpoints enjoy optimal value from a brand that has a uniform, consistent character. Further increasing the moments of joy Mazda provides in this way is, in a nutshell, Omotenashi.





WHAT IS IMPORTANT FOR VALUE CREATION

3 FUTURE ISSUES AND INITIATIVES

OMOTENASHI: THEORY AND PRACTICE

■ “INSIDE-OUT ACTIVITIES” DRIVE THE FOSTERING OF OMOTENASHI

Mazda will work to once more spread a culture of acting autonomously, in which activities so far to spread Tsunagari Innovation are undertaken effectively, and where every-one—from head office staff to those at sales sites—has the serving from the heart that Omotenashi represents. Added to this, by focusing efforts on developing the people who will steadily implement this, Mazda will further strengthen its abil-ity to create connections.

■ MECHANISMS TO BETTER UNDERSTAND THE CUSTOMER

Mazda looks to better grasp the worries and wishes that face individual customers and the communities they form with others. To this end, it will develop a bulk data platform that can store a variety of information about each customer in an integrated way. With this system, Mazda hopes to use digital technologies to understand behavior histories from existing touchpoints so as to discover what aspects of everyday life or behavior spark emotion or smiles, but also learn more about customers’ lifestyles and the feelings they sometimes face.

■ SYSTEMS THAT PROVIDE CUSTOMERS WITH OMOTENASHI

With this data platform, Mazda will put in place authority frameworks and organizational systems that allow the centrally managed information to be utilized by digital communication technologies and to be shared in a safe and timely manner throughout the Company.

Doing so will enable an environment where all employ-ees—including dealership sales staff directly or indirectly involved with customers—can work independently on activities that maximize the value offered to individual customers, fur-ther raising customer satisfaction levels. In addition, by better understanding customers and the circles in which they move, Mazda can stay closer to its customers to create more positive emotions and smiles, and as a result increase the amount of positive information about moving, enjoyable experiences between customers. The Company also hopes that by quanti-fying this data, it can grasp, and improve, the way in which it can create ideal connections with its customers.

■ OMOTENASHI FOR MORE PEOPLE

Thanks to an international network of more than 4,800 dealer-ships in around 130 countries, in 2022 there were more than 1.1 million people driving about in Mazda vehicles. Suffice to say, Mazda’s corporate activities touch a large number of people around the world. In terms of business partners, including suppliers, the number of companies totals more than 3,000 globally. In the Chugoku region of Japan alone, this amounts to more than 80,000 workers in more than 500 com-panies. Mazda recognizes that it relies on the support of all of its stakeholders, who are spread across a wide range of busi-ness areas.

We at Mazda will continue to place great import on deep-ening its connections with existing customers, but also future customers and many other stakeholders through Omotenashi (serving from the heart).

Hitozukuri  
(nurturing the development of individuals)

“We will focus on the front lines, and work together (the Tomoiku concept) to develop individuals able to co-create with those outside Mazda.” Team leader: Tomiko Takeuchi

Value Creation Workshop

Participating divisions:  
Human Resources Division  
Hiroshima Plant  
Corporate Planning &  
Development Division

From left:  
Mitsunobu Mukaida, Executive Officer  
Kazuhiro Kogomori, Staff Manager  
Tomiko Takeuchi, Executive Officer  
Masami Ichioka, Staff Manager  
Hiroshi Shiomi, Division General Manager  
Takahiro Fujihara, Assistant Manager  
Tomohiro Nakata, Staff Manager

1 NURTURING THE DEVELOPMENT OF INDIVIDUALS

■ PASSION: UPLIFTED EMPLOYEES

Mazda knows that its biggest management capital is people, and so it aims to be, more than anywhere else, a company where people are uplifted. Mazda firmly believes that energiz-ing each and every employee, holding discussions to convince them all of the positive emotions associated with creativity, growth, diversity, and empathy—and the ideas that come from these—and having them think for themselves about how to achieve those, is how it can maximize the potential of its employees, and that this will tie in to corporate growth.

■ IDEAL: EMPLOYEES WHO CO-CREATE UPLIFTING EXPERIENCES WITH OTHERS FROM OUTSIDE THE COMPANY

Mazda’s Purpose is to “enrich life-in-motion for those we serve,” and in line with this, all employees try to deliver uplifting expe-riences through their business activities, such as those related to Monozukuri (engineering and manufacturing) or Tsunagarizukuri (creating human connections), through enjoyment and emotion for customers and everyone else connected to the Company. To that end, employees who want to gain a deeper understand-ing of societal norms and expectations so that they can provide value that will awe by going even further, are more needed than ever before. Specifically, through an uplifting atmosphere for employees, it is vital that Mazda creates a culture of listening to opinions, considering what can be done, and taking on chal-lenges. In short, expanding upon the “Tomoiku” concept in the Mazda Way—is indispensable.

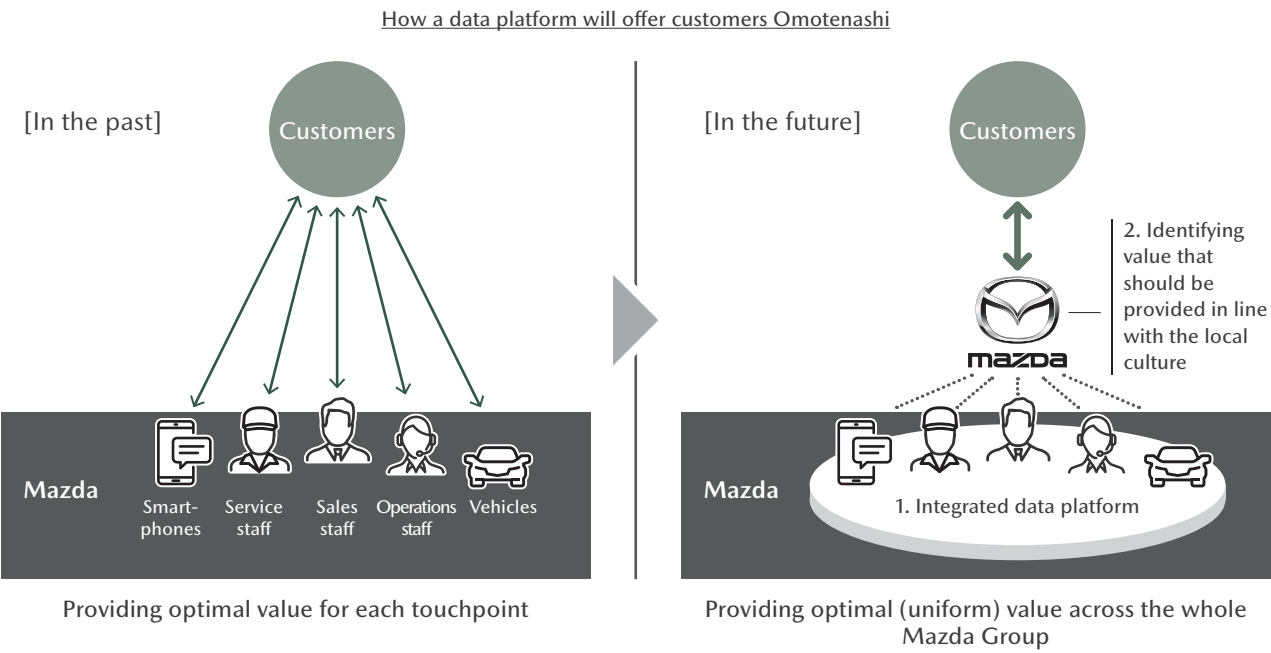
In both Monozukuri and Tsunagarizukuri, Mazda’s efforts are human-centered.

The Company’s approach to Hitozukuri, meanwhile, places added emphasis on a human-focused philosophy that forms the basis for fostering a culture like the one described above.

2 STRENGTHS THAT HAVE BEEN FOSTERED

■ CORPORATE CULTURE CENTERED ON THE MAZDA WAY

The starting point for Mazda’s development of people can be found in the Mazda Way (see P55). The Mazda Way is a sum-mary of the values (i.e., its code of conduct) passed down within the Company since it was founded. In FY March 2009, the Mazda Way was codified and translated into English, Chi-nese, Spanish, and other languages and shared across the entire Mazda Group in order that employees can display their individuality as they go about their jobs while not deviating from this pivot, around which the whole organization rotates. Through these efforts, the Mazda Way is being passed on accu-rately to the next generation. It is also repeatedly used in in-house training. At Mazda’s head office, the Mazda Way is incorporated into the Tobiuo Human Resources System (also P55), and is also used periodically as the main focus of compe-tency evaluations and other assessments for all employees. Doing this leads to a corporate culture of employees displaying their individuality while also combining their strengths to contrib-ute to the Company and society.



WHAT IS IMPORTANT FOR VALUE CREATION

■ HUMAN DEVELOPMENT THROUGH MONOZUKURI (ENGINEERING AND MANUFACTURING)

As a manufacturer, Monozukuri is very important to Mazda. However, even if Mazda were to install high-performance equipment, this would not result in the manufacturing of good vehicles unless there are people who can get the most out of it and turn that into value for customers. That is why Mazda pays such careful attention to developing people, and has original development initiatives in place, based on the Mazda Way, and befitting the Company.

One such initiative is the Mazda Technical College. Mazda's founder, Jujiro Matsuda, was passionate about training up the technical manufacturing staff who form the basis of the manufacturing industry. So, in 1928, he launched an apprentice system, which later evolved into a boys' school, then an engineer training school, and lastly in 1988, a technical college at Mazda's head office. Students not only learn about technologies and techniques such as robot operations and machine processing, another aim of the training is to make them richer as people. They learn at the college, in the Company, and also on field trips in collaboration with the region. In this way, Mazda's human development is creating skilled, well-rounded, and motivated employees.

Another example is the Mazda Juku system, a selection-based program in which executives and division general managers talk about their own thoughts and experiences to instill a spirit of taking on challenges. After completing the program, participants become teachers themselves, and hold sessions to provide younger employees with similar instruction. This program helps to spread these ideas around the entire organization, and contributes toward the Tomoiku concept of learning from one another.

Having employees who show strong leadership in their respective departments and worksites gather together across departmental boundaries, and combine their strengths, has resulted in advances such as Kodo Design and Skyactiv technologies that are recognized around the world.

In the future, too, through its Mazda Juku system, Mazda will further develop such ideas as working together to change the Company, to create employees able to lead reforms.

■ PERSONAL GROWTH THROUGH VARIOUS OPPORTUNITIES AND EXPERIENCES

Mazda may be on the small side when it comes to car manufacturers, but for this very reason it has plenty of chances to try its hand at different tasks. This will lead to employees gaining diverse experiences and perspectives, but will also act as an opportunity to realize their own undiscovered talents.

For example, a single employee in the production departments is expected to perform three roles: production, equipment maintenance, and improvements. Development department employees, meanwhile, are responsible for areas such as design, cost, and quality. The scope of responsibility for each individual employee is broad, and this helps each to gain wide-ranging experience and fosters the capacity needed for overall design and planning. This allows them to take a multifaceted view of the essence of their work, allowing them to optimize overall their tasks and expand their potential to be active in various fields where they can utilize that experience in the future.

3 FUTURE ISSUES AND INITIATIVES

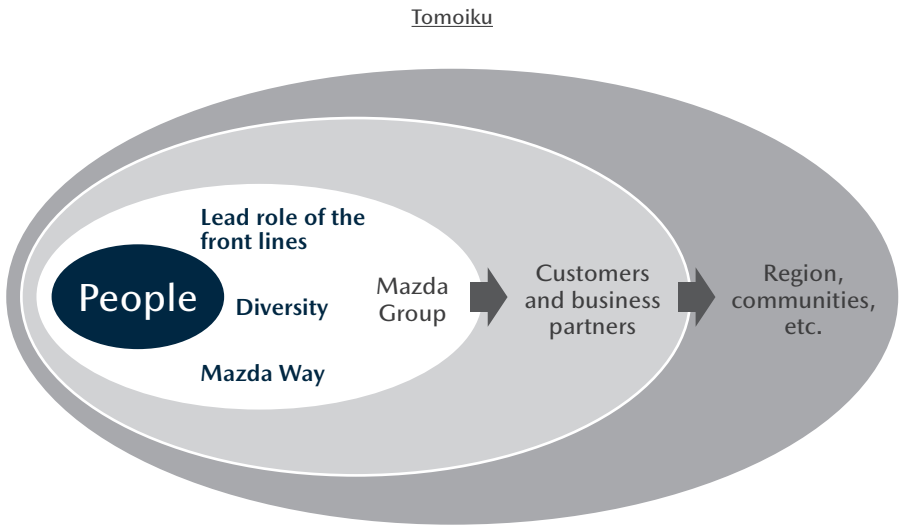
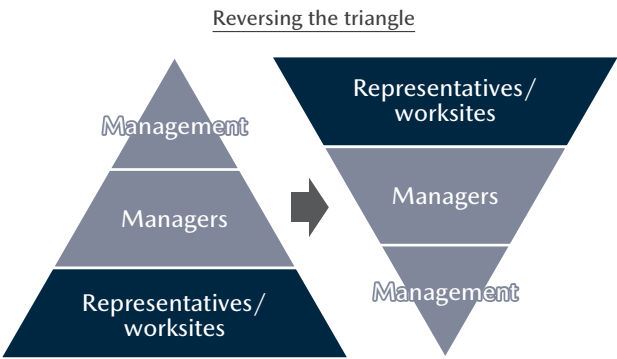
■ EVOLUTION AND DEEPENING OF THE MAZDA WAY, IN WHICH THE FRONT LINE PLAYS THE LEAD ROLE

Knowledge and ingenuity always come from the front line. It is therefore imperative that Mazda develops a corporate culture that ensures employees are motivated and that everyone works to support the front line.

One of the key terms of the Mazda Way is "self-initiative." Management will always listen carefully to any frontline self-initiative, respect views, and work to develop people and a culture where others are carefully considered.

As part of its efforts to reach this kind of future ideal, Mazda has been running a series of Blueprint initiatives to transform its corporate culture. The initiatives put the customer center stage and consider how the value chain should be designed. It is also an effort to change corporate culture, what it calls reversing the triangle. This involves turning the conventional pyramidal decision-making where decisions come from up top and spread down to the worksite to one where the employees who have contact with customers take the lead role, and where management supports the worksites.

This initiative has already been implemented at sites in Europe and North America, and results have already been forthcoming. By rolling this out to Mazda's head office in Hiroshima, the Company aims to foster a corporate culture that is shared by all its sites around the world.



■ HITOZUKURI TO EXPAND TSUNAGARIZUKURI

In terms of Hitozukuri, as part of efforts to train the employees who will take charge of Tsunagarizukuri going forward, Mazda will establish systems to share and praise Omotenashi behavior worldwide.

Specifically, this involves the following actions.

Case study 1: Letter-writing

During a period where customers had to wait for their vehicles to be shipped caused by component procurement issues, staff from the finished vehicle inspection line sent letters to the waiting customers detailing the features of their vehicles, how their own attention is woven into the evaluations, their thoughts on the vehicles, and so on. This initiative led to building ties with grateful customers, by providing them not just with information on how their vehicles are made, but also on opinions from the employees making their vehicles. For employees, hearing genuine customer feedback helped them to get a near-physical sense of the importance and fun of their jobs for the customer, and helped to reenergize workplaces.

Case study 2: Essential car care program

As the COVID-19 pandemic spread across the world, dealerships throughout the US ran a program that offered medical workers a free service covering oil changes, cleaning, and disinfection. It applied not only to Mazda vehicles but also those of other makers, and more than 50,000 people took up the offer. It helped to solve one of the social issues the pandemic threw up with a uniquely Mazda sense of gratitude. In the future, too, the background to and results of this kind of initiative where front lines have shown self-initiative—to consider what they can do themselves—will be shared among all employees and praised. Alongside applying the Mazda Way approach, these initiatives will be rolled out further.

■ HITOZUKURI TO EXPAND MONOZUKURI

In terms of Hitozukuri, Mazda will expand its educational activities for the employees who will take charge of Monozukuri going forward to its overseas sites and partner companies.

Specifically, this involves the following action.

Case study: MPS activities

Mazda Production System (MPS) activities are focused on the MPS approach that has been cultivated at Mazda production sites, and are a way to train employees who will lead initiatives to build relationships of mutual trust, while also working with others pushing in the same direction to drive each other forward and grow together.

Substantial efforts by Mazda in this area include considering its future ideal, and working to toward this by sharing issues while utilizing the knowledge, ingenuity, and expertise of all members to resolve issues with the everyone's participation. Currently, Mazda is working on developing people with 5 overseas plants, 22 regional suppliers, and 3 dealerships, and in the future it wants to expand the scope of its co-creation and Tomoiku activities.

The concept of Tomoiku is best described as "learning and teaching each other for our mutual growth and success."

Mazda wants to develop relationships with partners across the globe that can operate across boundaries—between people, organizations, and companies—that involve consideration for others and sharing of goals, and in which parties can discuss what to do to accomplish those from different perspectives, and learn and teach each other for mutual growth and success. It earnestly hopes to spread the Tomoiku way of thinking so that partners can feel they can challenge themselves to take on ambitious goals because they are working with Mazda or that their full potential has been drawn out because Mazda values people as well as technologies.