

# Quality

We earn the trust of our customers by providing products and services of high quality from many different perspectives so as to be able to contribute to solving social issues in the pursuit of enriching people's lives.



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# Management Approaches

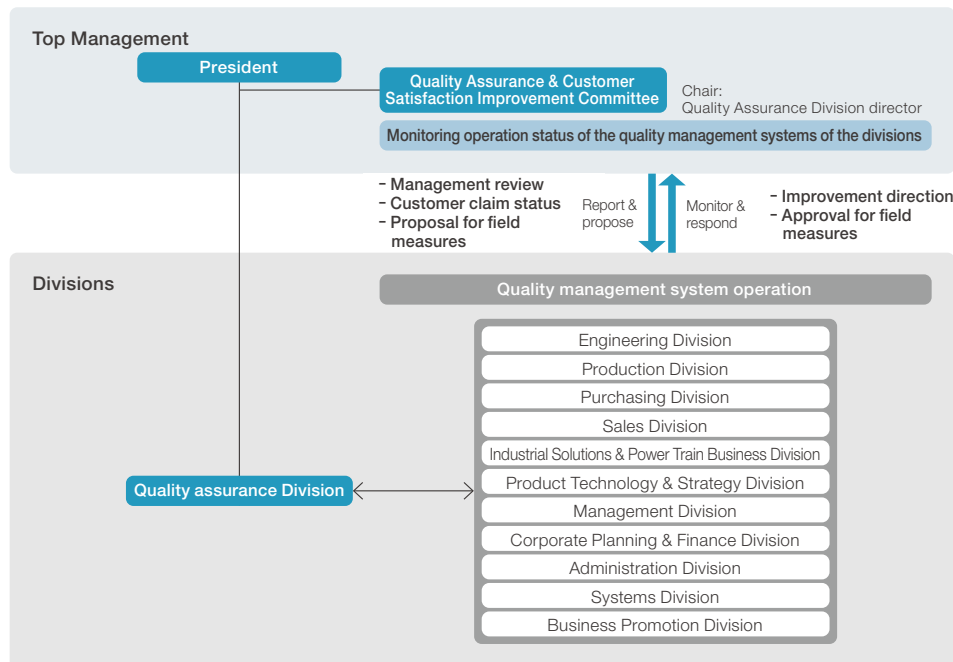
## Basic Policy

We gain the trust of our customers by providing products and services of high quality to our customers from various angles so as to be able to contribute to the solving of social issues toward the creation of a prosperous society.

## Group-wide Quality Assurance System

Isuzu builds the QA system illustrated below with the aim of fully meeting its social and quality responsibilities as a manufacturer. Led by the Quality Assurance Division, all companies of the Isuzu Group work together to enhance our product quality. The division director chairs a monthly meeting of the Quality Assurance & Customer Satisfaction Improvement Committee (Quality Assurance/CS Committee), where the senior management of all divisions discuss and share information on quality-related facts and CS improvement so that the Committee can monitor how the divisions operate their quality management systems. The outcomes are shared to drive forward the quality assurance activities of the business divisions.

### Isuzu Quality Assurance System



## Improving Quality within Isuzu Group

By giving priority to quality in everything, we create products that fully satisfy our customers and contribute to society, aiming to grow as a corporate group rich in humanity. To ensure the quality of Isuzu's products and services, it is important that we work carefully in each of the different stages of the value chain surrounding our products and services. We build readiness to assure quality in each of the different stages, including development, procurement, manufacturing and market launch, and manage the process accordingly. Through this, Isuzu ensures that its products and services fully satisfy customers. In the event that a customer has trouble with an Isuzu vehicle, we are organizationally ready to provide service and service parts to facilitate a quick recovery. Isuzu always seeks to ensure that customers can feel secure about using Isuzu's products every day, and is committed to building long-term relationships of trust with customers.

Isuzu's quality policy is to create and deliver products and services that satisfy its customers. Staying true to this policy, all companies in the Isuzu Group work together in quality improvement activities. This is based on our belief that we can deliver better products and services to our customers by improving the quality of business operations of all divisions, including back-office divisions. More specifically, we communicate our quality policy and share quality manuals throughout the Isuzu Group in an effort to improve the quality of our daily business operations.

## Quality Management System (ISO 9001 and IATF 16949 certified)

All Isuzu offices have earned ISO 9001:2015 certification, an international standard of quality management. Moreover, components to be delivered to General Motors Company have obtained IATF 16949:2016 certification, the standard for the automobile sector. Isuzu has been striving to enhance its operational quality using such measures.

## Quality Activity Initiative Themes

Isuzu Group has identified and is working on the following issues in an effort to promote business activities aimed at improving quality in all of its business areas.

1. Product Quality Improvement
2. Service Quality Improvement
3. Operation Quality Improvement

# Product Quality Improvement

## Basic Mindset Behind Product Quality Improvement

Isuzu's mission is to support transportation, as well as the environment people live in and the production activities of society. To achieve this, a number of activities have been undertaken to improve quality in every stage from product development and manufacturing up to market operation.

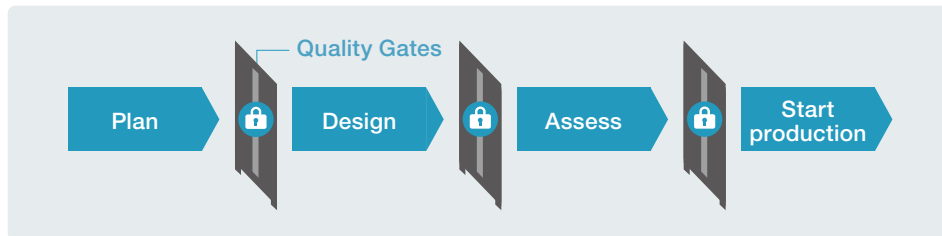
## Initiatives at the Development Stage

Our product development philosophy is to gain the trust of every person. This is supported by the basic concept of S.E.E. Technology, where S.E.E. stands for the three important issues of Safety, Economy, and the Environment.

To acquire the high quality needed to underpin this philosophy, we set "quality gates" (milestones) at different stages in product development where the quality and the maturity of the products are confirmed so that product development can proceed.

During the development stages below, Isuzu focuses on failures and preventing the recurrence of failures. Failure Mode and Effect Analysis (FMEA\*) and other methods are used to enhance reliability and durability.

\* Failure Mode and Effect Analysis: This systematic analysis approach helps to discover potential failures and prevent failures and defects.



## Safety Technologies

The quest for even higher safety in trucks—which have close ties to people and society—is a priority theme that does not change with the times. This is especially so for heavy- and medium-duty trucks, which have high total vehicle weights, as the damage caused is even larger should an accident occur. Therefore, the latest and most advanced responses are always required.

In addition, trucks transport not only people, but also important goods. For example, even if an accident can be avoided by emergency braking when there is imminent danger, besides injury to people, there is still a high chance of causing damage to important goods such as when goods fall over.

At Isuzu, we install necessary safety features to prevent accidents and reduce damage according to the vehicle type.

- ▶ ELF (Japanese only) <https://www.isuzu.co.jp/product/elf/safety/>
- ▶ FORWARD (Japanese only) [https://www.isuzu.co.jp/product/forward\\_post/safety/](https://www.isuzu.co.jp/product/forward_post/safety/)
- ▶ GIGA (Japanese only) <https://www.isuzu.co.jp/product/giga/safety/>
- ▶ GALA (Japanese only) [https://www.isuzu.co.jp/product/bus/gala/safety\\_technology.html](https://www.isuzu.co.jp/product/bus/gala/safety_technology.html)
- ▶ ERGA (Japanese only) [https://www.isuzu.co.jp/product/bus/erga\\_rt/safety\\_driving.html](https://www.isuzu.co.jp/product/bus/erga_rt/safety_driving.html)



Pre-crash brake control that can also detect pedestrians and bicycles



Blind spot monitor that projects from the cab in four directions

## Product Quality Improvement

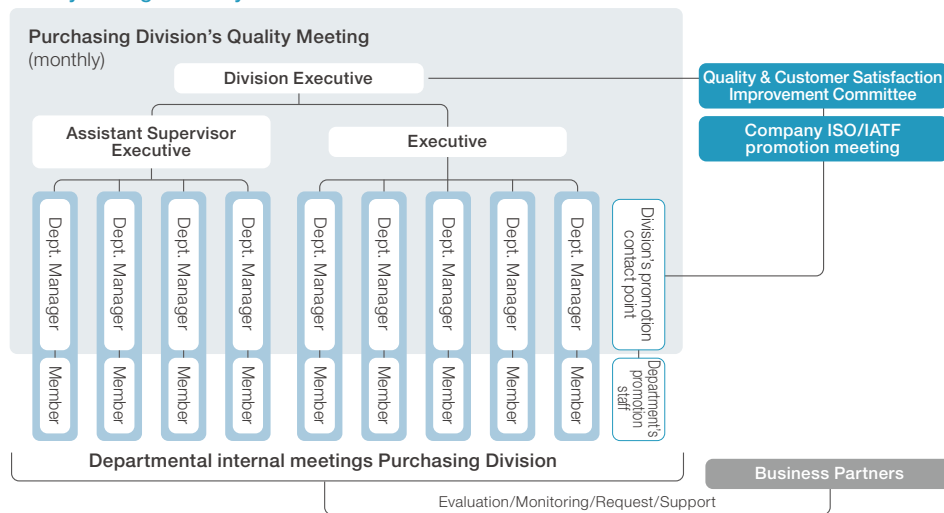
### Initiatives at the Procurement Stage

Many of the parts and other items used in Isuzu's products are purchased from external business partners. When quality problems occur in purchased products, significant inconvenience is placed on customers using our products.

It is important to provide our plants with a stable supply of quality items, and we build a quality assurance system for purchased products while building trusting relationships with our business partners. Going forward, we will continue to undertake quality improvement activities with our business partners and strive toward strengthening our supply chain.

Quality management of purchased products is carried out using the following system.

#### Quality Management System



Isuzu Group companies in Japan have a total of 671 domestic and overseas business partners. About 90% of these partners are based in Japan. In terms of transaction amount, the procurement of vehicle and engine parts makes up about 80% of the total.

To monitor the delivery quality and market quality of our business partners, we calculate a monthly evaluation score based on factors such as the number of defect occurrences, the number of defects, and the severity of defects. Business partners that do not meet a certain standard in their delivery quality evaluation scores are selected to be companies subject to management, and business partners that are close to becoming companies subject to management are selected as companies subject to observation. For these companies, we strive to improve delivery quality such as by holding quality meetings with them each month.

In FY2019, improvement in delivery quality was recognized, and approximately 90% of our business partners satisfied the delivery quality evaluation score requirements. While no companies were selected as companies subject to management, some were chosen for observation, and improvement activities were carried out for these business partners in an effort to elevate quality. In addition, we conduct an on-site audit for some business partners at the time of the direct supply contract renewal assessment, implemented every three years, to verify their quality management system operations. With new business partners, we conduct an on-site audit before starting our business relationship with them and evaluate the effectiveness of their quality management systems to see if they meet requirements for trading with us.

We are also making progress with creating a BCP/BCM system and carrying out measures to reconfirm our supply chain and minimize the time it takes to restart operations in the event of an emergency. By improving the speed of our initial response and cooperating with our business partners, we are working to facilitate rapid recovery and creating a system that minimizes the impact on Isuzu product sales.

 **Supply Chain Management**  
P73

## Product Quality Improvement

### Initiatives at the Manufacturing Stage

Isuzu's customers require products of different specifications, and therefore Isuzu's products are available in many different variations. This is a characteristic of Isuzu. Isuzu is constantly committed to the development of human resources and improvement of production systems as it seeks to improve the quality of its diverse products to the same, high level and make them globally available.

Isuzu systematizes and integrates its quality-first concept, methods and manufacturing knowhow into ISUZU *MONOZUKURI* (IM). IM is a production method implemented in every Isuzu manufacturing plant in Japan and overseas countries. The concept is "to produce Isuzu-badged products with the same concept for manufacturing and the same quality control system no matter where in the world they are manufactured." To homogenize variation at a high level based on IM, production line managers gather each morning before starting work and have a quality audit meeting. Based on quality, we share information and ensure that our production lines are always adaptable to changes.

With IM-based efforts to deliver quality assurance on a global scale, Isuzu endeavors to become a company trusted by every customer who needs Isuzu's commercial vehicles and diesel engines.

Further, Isuzu employees involved in production are provided with training on IM. We provide classroom and practical lectures on the basics of IM and practical application training for learners to develop the capability to utilize the knowledge and skills they obtained through basic training in their workplaces and to improve them depending on the situation.



Isuzu production line where IM has been introduced

### No. of employees who received the training in FY2020

- ▶ Total of 2,787: The group training in basic skills (hierarchical IM and TPM\* training) was cancelled due to COVID-19, but the practical training in technical skills was held.

\* TPM (Total Productive Maintenance) means reviewing production equipment and improving it to streamline manufacturing.

 [Manufacturing Quality\(Japanese Only\)](https://www.isuzu.co.jp/world/company/sustainability/pdf/Manufacturing_quality.pdf)  
[https://www.isuzu.co.jp/world/company/sustainability/pdf/Manufacturing\\_quality.pdf](https://www.isuzu.co.jp/world/company/sustainability/pdf/Manufacturing_quality.pdf)

### Initiatives for Higher Field Quality

Isuzu strives to improve its field quality by paying close attention to customer opinions and analyzing and feeding them back to all quality-related processes to ensure that issues are addressed and improvements are made.

#### Initiatives Toward Improved Field Quality

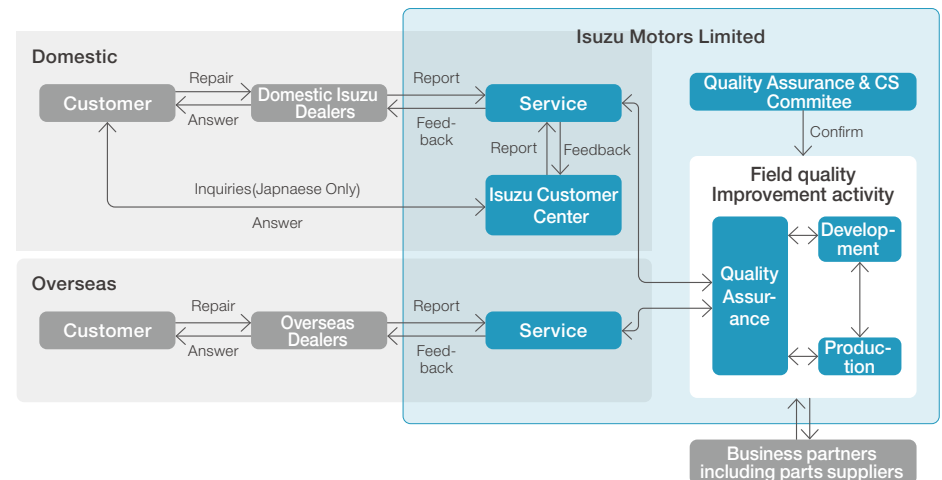
Taking advantage of the FQ management system\*, Isuzu collects quality information from markets then implements cause investigations and responds to issues promptly and accurately.

Isuzu Customer Center (Japan) gathers customer opinions, warranty repair records, and improvement requests from sales distributors as field quality information to direct to our quality improvements. The collected information is used in our efforts to comply with regulations from various countries including domestic safety regulations for road vehicles, and to respond to them even more quickly.

We also share information regarding the status of our response to field quality information and quality activities with top management and all employees on a monthly basis through our "Quality Improvement Newsletter." Our "Quality Improvement Newsletter" features and shares quality activities such as the status of field quality improvement activities, the status of verification activities for initial quality of newly-launched vehicles in Japan, and the status of ISO/IATF activities. Through this, we seek to improve quality awareness throughout the entire company.

\* FQ (Field Quality) management system: Based on an initiative to gather and distribute quality information from the markets, based on the scheme illustrated on P. 51 for making improvements.

#### Field Quality Improvement Activity (FQ Management System)



## Product Quality Improvement

### Initiatives for Recall Campaigns

The aim of the recall system is to prevent defective vehicles from causing accidents and to ensure the safety and assets of our business partners and drivers. Based on an understanding of the aim and its philosophy, Isuzu conducts recalls as required by the Road Transport Vehicle Act, improvement measures, and service campaigns in an effort to ensure smooth operation of our customers' vehicles. We are always prepared to take prompt and appropriate actions from the customer's perspective, taking into consideration the diversification of users' circumstances.

#### ▶ Recalls

Where a vehicle may not be able to meet safety regulations for road transport vehicles (regulations to ensure vehicle safety or prevent pollution) due to a problem in design or the manufacturing process, the vehicle may be repaired free of charge upon notification to the Ministry of Land, Infrastructure, Transport and Tourism. This is referred to as a recall.

#### ▶ Improvement measures

Where a vehicle cannot be left as is for safety reasons or for the prevention of pollution even though it complies with safety regulations, the system allows the vehicle to be repaired free of charge upon notification to the Ministry of Land, Infrastructure, Transport and Tourism, as long as the problem is attributable to design or the manufacturing process.

#### ▶ Service campaigns

A service campaign allows a vehicle to which neither recall nor improvement measures applies to be repaired free of charge upon notification to the Ministry of Land, Infrastructure, Transport and Tourism, for the purpose of improving its merchantability and quality.

#### FY2020 stats

	FY2016	FY2017	FY2018	FY2019	FY2020
No. of Recalls	11	23	15	19	11
No. of improvement Measures	0	2	0	3	0
No. of Service Campaigns	12	5	7	7	6

 [Recall Information \(Japanese only\)](https://www.isuzu.co.jp/recall/index.html)  
<https://www.isuzu.co.jp/recall/index.html>

# Service Quality Improvement

## Basic Mindset Behind Service Quality Improvement

Isuzu's mission is to support transportation, as well as people's living environments and the production activities of society. Consequently, it is important to ensure that our customers' vehicles keep working well and, if they don't, are quickly restored to working order. Isuzu provides standardized support both in Japan and overseas as part of its commitment to offering high-quality service.

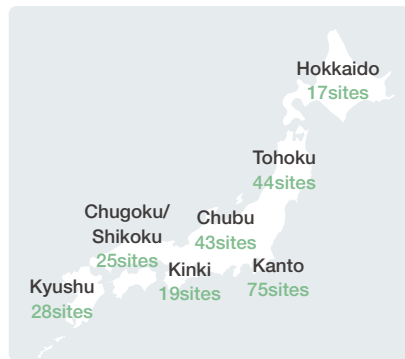
During the current COVID-19 pandemic, Isuzu's trucks have been playing an important role of supporting the availability of medical supplies and daily commodities. Isuzu is aware of its mission and social responsibility to, in any circumstances, unfailingly deliver the vehicles customers need and help them to keep running satisfactorily by providing after-sales service without delay.

## Thorough Service System

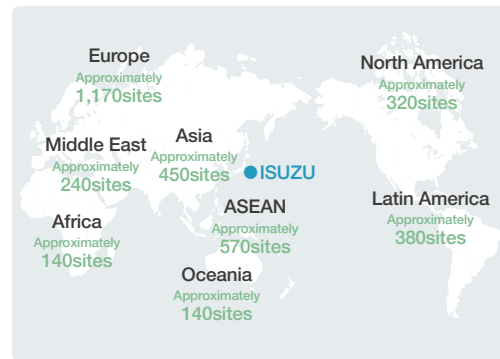
Isuzu is currently fully committed to post-delivery customer support.

Our customers always expect high quality. Isuzu pursues the establishment of high-quality, integrated service systems both domestically and internationally.

### Service System (Japan)



### Service System (Overseas)



## Parts Supply System

Isuzu delivers service parts in a timely and accurate manner to any place, leveraging its network of mother parts center (Tochigi, Japan) and regional parts centers in Japan and overseas.

In addition, Isuzu Linex Global Center commenced operations in April 2020. This is a state-of-the-art distribution warehouse designed to meet growing demand overseas for service parts. The new facility reinforces our readiness to supply parts to customers overseas. Moreover, the introduction of latest technologies has advanced the automation of in-warehouse work. Handling of heavy materials has been reduced in our in-warehouse work, which provides a better working environment for women and even elderly workers.



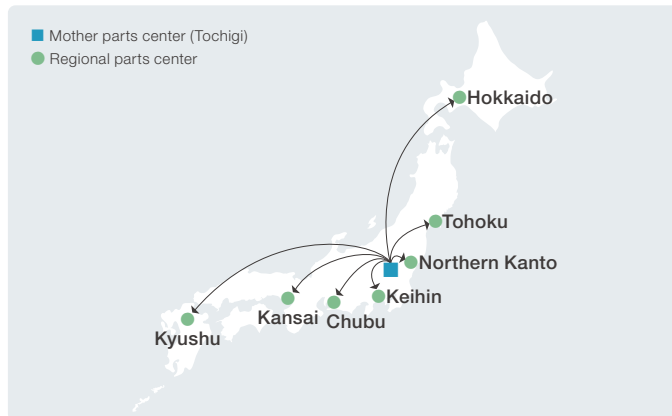
Isuzu Linex Global Center commenced operations in April 2020

## Service Quality Improvement

### Domestic

Seven regional parts centers ship the service parts to the service parts sites of Isuzu dealers.

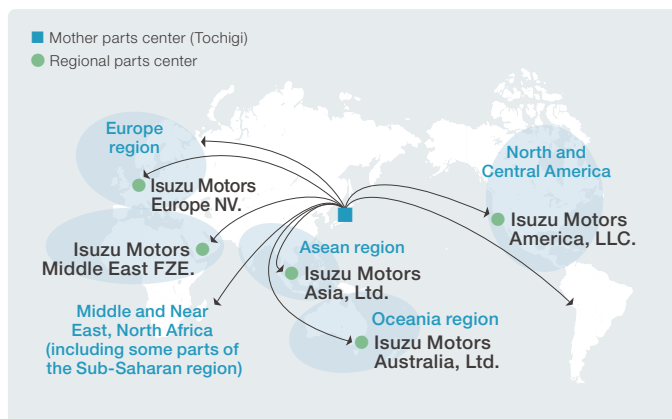
#### Parts Supply System (Japan)



### Overseas

Isuzu's extensive service parts supply network includes regional parts centers in the Middle and Near East, North Africa, North and Central America, Europe, and the ASEAN and Oceania regions.

#### Parts Supply System (Overseas)



## Improvement of Maintenance Engineering

### Isuzu World Service Skills Competition (I-1GP) Held

The Isuzu World Service Skills Competition (I-1 GP) gathers teams of servicing staff and engineers from different countries and regions across the world for competition in skills and knowledge to determine the world's best engineers. The international and interregional competition in skills and knowledge is aimed at improving service quality in their respective home fields so that Isuzu customers can enjoy the greatest satisfaction anytime, anywhere.

Every year, the winners of the preliminaries are invited to Japan for the final. Due to the global spread of COVID-19, however, I-1 GP could not be held in its regular form in FY2020. We therefore held the first-ever e-competition in service skills.

### 15th CV Division Competition (November 25 - 27, 2020)

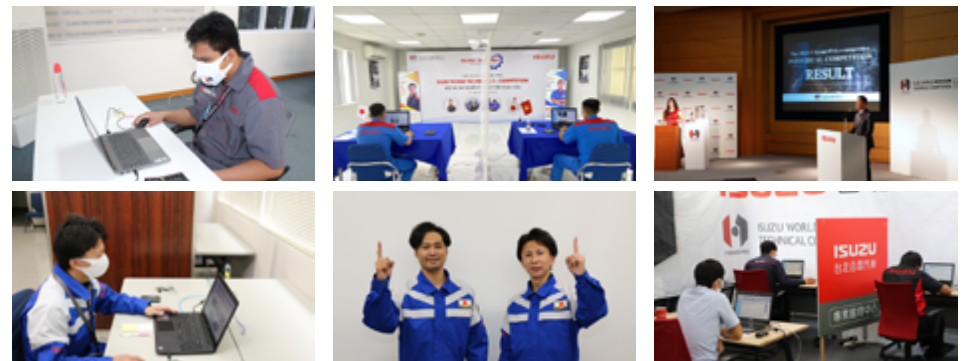
The CV Division of the 15th Isuzu World Service Skills Competition (I-1 GP) was held online.

Usually, contestants are divided into Categories A and B depending on the level of gas emission regulations applicable to the vehicles they sell. In the FY2020 I-1 GP, however, rather than being divided into categories, contestants competed in "technical knowledge" and "virtual diagnosis of failure" in their respective countries online. Contestants in FY2020 I-1GP were from 41 countries, the largest number in the history of the event. The total number of contestants were 80, which means two persons per country. Two of the countries only participated in individual matches.

\* Category A: Emissions regulation level Euro 5 or equivalent  
 \* Category B: All contestants that do not fall under Category A

#### Results of the 15th I1-GP

- ▶ Group division: [1st] Taiwan, [2nd] Japan, [3rd] Philippines
- ▶ Individual division: [1st] Japan, [2nd] Taiwan, [3rd] Costa Rica



\* Some people are without a facial mask in the photos. They took their mask off only while being photographed.



## Service Quality Improvement

### National Service/Parts Skill Competition (Japan) and Service/Parts Idea Competition

Isuzu holds an annual competition for workers to compete in the skills they accumulated through their everyday work.

The annual competition is aimed at improving the skills of after-sales staff, promoting training, increasing customer satisfaction and motivating and strengthening ties among the staff members engaging in Isuzu's after-sales service.

National Service/Parts Skill Competition was cancelled in FY2020 due to COVID-19. In its place, the Service/Parts Idea Competition was held. The new competition collected entries featuring ingenious ideas and tools for the activities that our after-sales staff use to enhance customer satisfaction, as well as good practices. Entries were divided into three categories including Adviser, Engineer and Parts.

#### Purpose

▶ The ideas for improving the skills of after-sales staff are shared through the competition. This should help to raise the level of service of our distributors around the country, not only in a specific location.

#### Number of Entries

▶ 228 in total (Gold: 3, Silver: 8, Bronze: 13 and Special Prize: 2)



### Training Employees of Isuzu Distributors

We offer training programs to the employees of the distributors that support the transport needs of our customers, so that they can brush up their skills in service operations and maintenance engineering and learn more advanced repair techniques.

#### FY2020 results

##### Education at the Isuzu Monozukuri Service Training Center

- ▶ For service engineers 7 courses 22 sessions No. of participants: 109
- ▶ For service advisors 3 courses 4 sessions No. of participants: 45

\* Due to COVID-19, the Monozukuri Service Training Center had to significantly reduce its training sessions. Nevertheless, distributors held training sessions for new service engineers on an in-house basis. Some of the training sessions for service advisors were held online.

##### Feedback from participants

- ▶ Many of the learnings from the training sessions can be immediately applied on site. This helped to raise my skill level. Also, this was an opportunity for me to deepen my learning about electricity, from the basics to failure diagnosis. I realized many things. (Service engineer of a distributor)
- ▶ The recent workshop was held online and we unfortunately could not communicate with people from other distributors. But I was able to receive the training at my own pace. As such, it was very fulfilling.
- ▶ They showed a video explaining plate repair from its basics. This was very easy to understand. It also gave me very useful tips for effectively shooting a video. It's practical, so I will put the skill into practice in the future. (Service adviser of a distributor)

##### No. of participants in the FY2020

- ▶ maintenance engineering workshop : 20

## Service Quality Improvement

### Customer Support

#### Various Support Programs, Including Fuel Efficiency and Safe Driving Seminars

Isuzu has been offering its customers seminars on fuel-efficient and safe driving since 1995. In recent years, we have been conducting demonstrations of key points for the use of vehicle devices and accident prevention, workshops on legal and regulatory trends and many other seminars based on customers' needs.

Within Japan, these seminars are conducted at seminar facilities named Isuzu Premium Clubs located on the premises of our Fujisawa Plant and ISUZU HOKKAIDO PROVING GROUND. The Clubs are equipped with test courses and are exclusive for our customers. Seminars are also conducted at distributors all over Japan. To date, we have held these seminars overseas for customers from 31 countries. We strive to help our customers in Japan and all over the world to use our vehicles in safer and more eco-friendly ways.



Safe and fuel-efficient driving practice

#### Customer Information

The Customer Information section of the Isuzu website draws the attention of users of Isuzu vehicles to accidents or failure risks from misuse or other problems.

The following pieces of information and advice have been added in FY2020.

- ▶ Customer Information (FY2020) (Japanese only)

[https://www.isuzu.co.jp/oshirase/index\\_2021.html](https://www.isuzu.co.jp/oshirase/index_2021.html)

- ▶ Regular maintenance of relay valve for parking brake (Japanese only)

<https://www.isuzu.co.jp/oshirase/pdf/210331.pdf>

- ▶ What to do if a brake-lock lamp (red) is lit while a vehicle equipped with a brake-lock mechanism (air oil combined brake vehicle) is running (February 26, 2021) (Japanese only)

<https://www.isuzu.co.jp/oshirase/pdf/210226.pdf>

- ▶ Request for measures to prevent large vehicles' wheels from detaching (November 12, 2020) (Japanese only)

<https://www.isuzu.co.jp/oshirase/201112.html>

- ▶ Preload adjustment of hub bearing and replenishment of hub grease (October 8, 2020) (Japanese only)

<https://www.isuzu.co.jp/oshirase/201008.html>

- ▶ Precautions for use of resin grips in an older vehicle (September 24, 2020) (Japanese only)

<https://www.isuzu.co.jp/oshirase/pdf/200924.pdf>

- ▶ Handling of vehicles that may have been affected by submerging or flooding (September 8, 2020) (Japanese only)

<https://www.isuzu.co.jp/oshirase/200908.html>

- ▶ To bus companies: Operation of room air-conditioner: ERGA and GALA ventilation video added (August 7, 2020) / GALA ventilation video added (July 21, 2020) / ERGA ventilation video added (July 10, 2020) (Japanese only)

<https://www.isuzu.co.jp/oshirase/200529.html>

- ▶ Handling of vehicles that may have been affected by submerging or flooding (July 7, 2020) (Japanese only)

<https://www.isuzu.co.jp/oshirase/200707.html>

## Service Quality Improvement

### Long Periods of Use

In recent years, along with changes in economic circumstances and other factors, our customers have tended to use their vehicles for longer periods and their mileage has been increasing. In many ways, unflinchingly conducting inspection and maintenance can ensure the safety of a vehicle over a long period of use. Isuzu keeps a sufficient stock of periodic replacement parts on hand to prevent failures from occurring and to meet customers' needs for periodic maintenance. We will keep working on inspection and maintenance, also taking into consideration the way in which vehicles are used and their use over extended periods.

### Customer Center

Isuzu Customer Center (Japan) was established for the purpose of applying customer feedback to product quality improvement. Opinions received from customers are sent to the relevant internal and external departments and are applied to initiatives to improve product and service quality. Through internal training and other means, we provide opportunities for our workers to listen to customers' comments and acquire a customer-first mindset while also growing more capable of picking up on customers' needs.

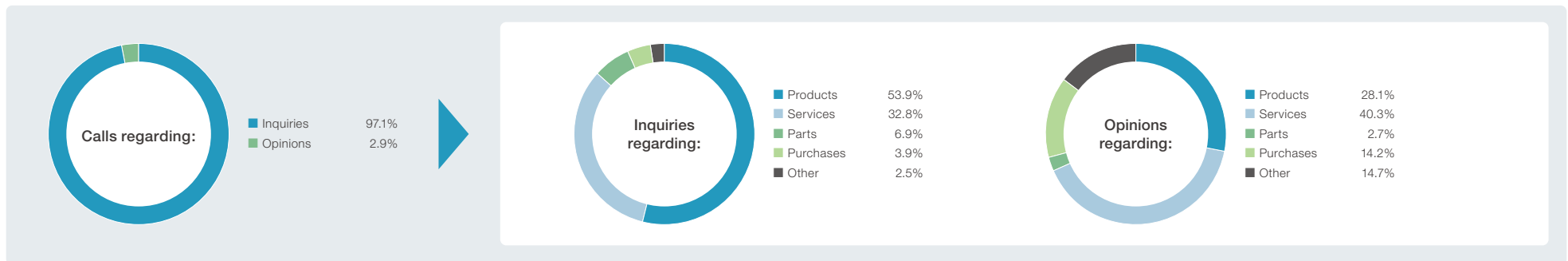
#### Customer feedback

▶ "I rented an Isuzu SUV in the Republic of Namibia. I am not a skilled driver and the road was unpaved. I felt uneasy when I started driving. But I gradually found myself enjoying it thanks to the good performance of the car. It was so sturdy that there were no problems while driving, which is a miracle considering the limitations in my driving skills. I am very thankful for having the opportunity to drive Isuzu's car. Thank you very much for making such a wonderful car."

Isuzu Customer Center receives many inquiries and feedback from overseas. This is a typical example of thank-you emails from customers who were able to safely enjoy driving on unpaved roads despite limitations in their driving skills.

Overseas, Isuzu's cars are often used in an environment far from that of Japan. Customer feedback renewed our understanding about occasional life-threatening risks that can arise from vehicle problems in areas with poor transportation infrastructure. Isuzu renewed its understanding about the importance of product quality and sent a thank-you message to the customer via the Customer Center.

### Isuzu Customer Center



## Service Quality Improvement

### Intangible Support

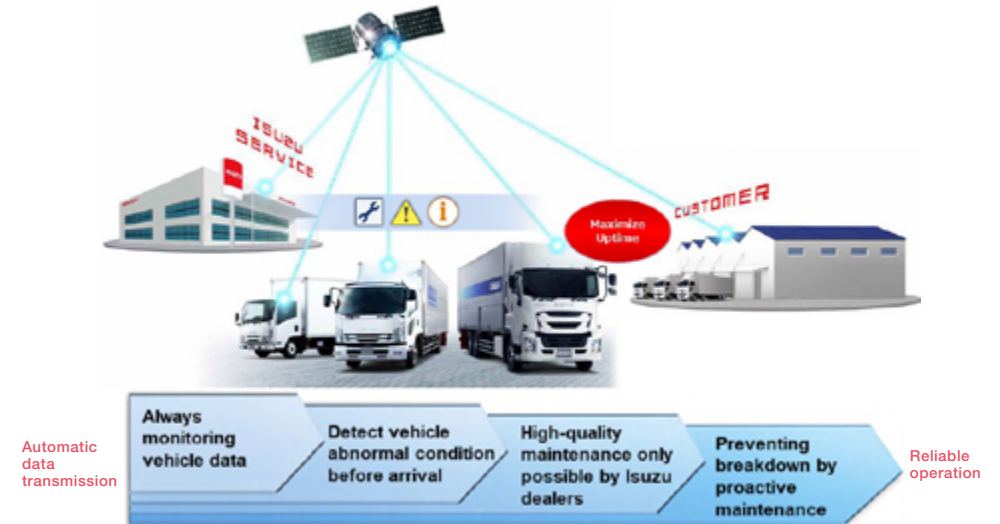
#### Mimamori (Telematics for Commercial Vehicles)

Isuzu has also put a great deal of energy into supporting commercial vehicles from intangible aspects. This is symbolized by Mimamori, our telematics system for commercial vehicles. It reads data from the vehicle's control computer and connects them via telecommunication to support driving and dynamics control.

Mimamori has a package of useful content that includes daily operation reports, a digital tachograph, labor management and other means of support of daily compliance with laws; a full-scale function for controlling dynamic states which is effective for keeping informed of a vehicle's position and condition; support for the practice of safe and eco-friendly driving; and various features effective for crew training. It also greatly contributes to streamlining customers' driving control.

#### PREISM (Advanced Genuine Maintenance Service Utilizing Vehicle Data)

PREISM, an advanced genuine maintenance service, provides predictive and preventive maintenance at Isuzu service centers before a malfunction occurs, based on condition data transmitted from vehicles. This helps to shorten the vehicles' downtime and maintain their operation.



#### Prevention

- ▶ Servicing details and maintenance cycles differ depending on the status of use of the vehicle. However, PREISM tracks data on each vehicle's condition, thus enabling optimally predictive and preventive maintenance for each vehicle, which checks malfunctions.

#### Immediate repairs

- ▶ Even if a malfunction occurs, our Isuzu service centers can estimate servicing details from the malfunction data obtained prior to warehousing. Thus the vehicle's servicing time can be shortened. This can also reduce downtime and makes the vehicle's operation more secure.

The full lineup of the heavy-duty GIGA, medium-duty FORWARD, and light-duty ELF trucks comes with a data transmission terminal as a standard feature, providing PREISM to support stable operation of a customer's vehicle.

## Operational Quality Improvement

### Basic Mindset Behind Operational Quality Improvement

Isuzu's mission is to support transportation, as well as the environment people live in and the production activities of society. The quality of our products and services is derived from the work quality of each and every employee. Isuzu leverages efforts to raise awareness about quality and knowledge since we believe that enhancing the performance quality of each individual employee—and not just those divisions directly involved in product quality—creates the quality that meets customer needs.

### Education for Raising Awareness and Knowledge Among Employees

The foundation of work is the experience, knowledge (tools and methods), and skills possessed by each individual. But even with experience, knowledge and skills, it does not necessarily follow that the work will be done with good quality. For employees to maximize their skills and improve the quality of their work, it is essential that they remain motivated to do a good job. Isuzu provides employee education in both awareness and knowledge with the aim of improving operational quality.

#### Discussions Among Employees

To raise awareness about operational quality, Isuzu is holding a series of discussions for employees to talk about doing a good job from the customer's perspective, using customers' telephone inquiries received by the Isuzu Customer Center and the annual Quality Month\* Message which is delivered from senior management to employees in November every year.

The aim of this Quality Month Message is for each individual to think over what it is to "do a good job," find some clues to making it happen and put it all into action. The message is made known to all employees through the Isuzu News, published monthly, and is discussed at each department.

\* Quality Month: The Union of Japanese Scientists and Engineers, the Japanese Standards Association, and the Japan Chamber of Commerce and Industry have designated every November as Quality Month for the promotion of quality improvement activities.

#### FY2020 results

##### Theme

- ▶ Assume changes and make a plan to pave the way for a good job to impress customers

##### Period:

- ▶ November to February; eligible persons: all employees; result: 7,156 participants with a participation rate of 95%

##### Reason for theme selection

- ▶ As a once-in-a-century technological innovation, growing awareness about SDGs and ESG, the rise in diversity brought by alliances and COVID-19 greatly influence the social economy, we need to prepare the next medium-term business plan. At the same time, each one of us is facing the need for new work style adapted to the "New Normal." Always be prepared to act "normally" in any contingency that may arise from a new way of doing a job. For this purpose, always foresee a process that will follow what you are doing now. Assume the best and worst prerequisites, together with the middle case, to widen your planning. In this way, you can pave the way for a good job and can consequently gain trust from customers and impress them.

### Stationing Young Engineers at Distributors

For the purpose of developing the customer- and field-oriented mindsets necessary for product development, young engineers are stationed for half a year at five distributors nationwide for on-the-job training. By experiencing customer interaction on the frontlines of a distributor's operations, the young engineers directly listen to customers' feedback and empirically learn about the difficulties faced by customers as well as what makes customers happy. The lessons will be practically applied to product development.

\* This OJT program was cancelled in FY2020 due to COVID-19.

### Quality Awareness Education for Isuzu Distributors

All Isuzu distributors in Japan undergo a quality awareness-raising program as part of the Isuzu Group, with the aim of raising quality awareness among employees. The program is designed for employees to learn about the importance of quality-related operations such as accurately and promptly sharing information, unflinchingly collecting defective parts, and collecting recalled products without delay.

#### Number of locations where the training was held in FY2020:

- ▶ 23 place

## Operational Quality Improvement

### Improving Knowledge (Knowledge-enhancing Program)

Isuzu provides legal and regulatory training and QC training programs to add to employees' knowledge of product quality. The purpose of the legal and regulatory training programs is for employees to learn about the Road Transport Vehicle Act and about the recall system, thereby knowing more about laws that may concern the quality of Isuzu's products.

For QC training, we offer an entry-level QC course, a basic problem-solving course, a practical problem-solving course for quality improvement and a course for developing QC experts skilled in statistical analysis skills necessary for solving problems. The courses are aimed for employees to acquire problem-solving skills and practical skills for effectively encouraging quality improvement in the workplace.

#### Results

##### Road Transport Vehicle Act/recall system/QC training held for new employees

▶ 163 participants

\* Held online

##### QC Training I Experience problem solving through exercise with the use of QC methods

▶ 166 participants

\* Held online

##### QC Training II Experience problem solving more practically with the use of QC methods

▶ Not held

\* This requires trainees to gather in one place, and could not be held due to COVID-19.

##### QC Basic Course Develop QC experts

▶ 12 participants

\* Held online. Instructor invited from outside.

## Operational Quality Improvement

### Isuzu Technical High School

Isuzu Technical High School provides a one-year education and training program for our new technical employees ("trainees") who are high school graduates. The school aims to provide the basic knowledge necessary for Isuzu's technical employees and to develop future leaders and globally competent engineers. It also places importance on the knowledge, skills and attitude necessary for *monozukuri* (craftsmanship). The trainees who show very high aspirations in *monozukuri* enter the National Skills Competition to learn the results of their day-to-day technical training and further improve their skills.

Moreover, school instructors to guide the trainees are selected from our employees working in the field. This allows the instructors to review their own operational knowledge, and at the same time to learn how to develop talent. As a consequence, the instructors will also improve.

In addition to developing trainees into full-fledged workers, the engineers involved with the process should hone and hand down their skills. This should contribute to qualitatively improving Isuzu's products.



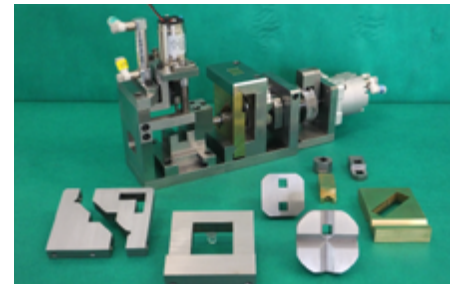
Training (left) and practical exercise (right) at Isuzu Technical High School



Bronze Prize and Honorable Mention winner performs automobile sheet metal work



Silver Prize and Honorable Mention winner performs mechanical device assembly



Mechanical device assembly performed by a Silver Prize and Honorable Mention winner



Automobile sheet metal work performed by a Bronze Prize and Honorable Mention winner

#### The 58th National Skills Competition (Aichi Prefecture, November 13 - November 16, 2020)

##### Mechanical device assembly

- ▶ 1 Silver Prize/ 1 Honorable Mention

##### Automobile Sheet Metal

- ▶ 1 Bronze Prize/ 1 Honorable Mention

6 participants from Isuzu Technical High School entered the competition. They earned upper prizes in the two work categories (mechanical device assembly and automobile sheet metal).