Product / Service Safety Risk Assessment

We evaluate and control our products and services to ensure their safety and minimize risk. For all products, we review the internal and customer traceability requirements, including documentation of traceability measures, based on the level of risks to employees, customers and consumers and the severity of the failure, and consider whether they can be addressed.

Actual measures taken

- Risk assessment (FMEA) for new designs and design changes
- Identification, segregation, storage, and isolation of non-conforming and suspect products
- Ensuring the ability to meet the requirement for lot tracking time requirements
- Serialized identification
  (if specified by customer or regulatory standards)

We also conduct product and service reviews to ensure that customer requirements and legal and regulatory requirements are satisfied.

■Product / Service Reviews

We utilize our own evaluation system for the launches of new model and mass production management.

■ New Models Launch: M-FLO Overview Illustration (see next page)

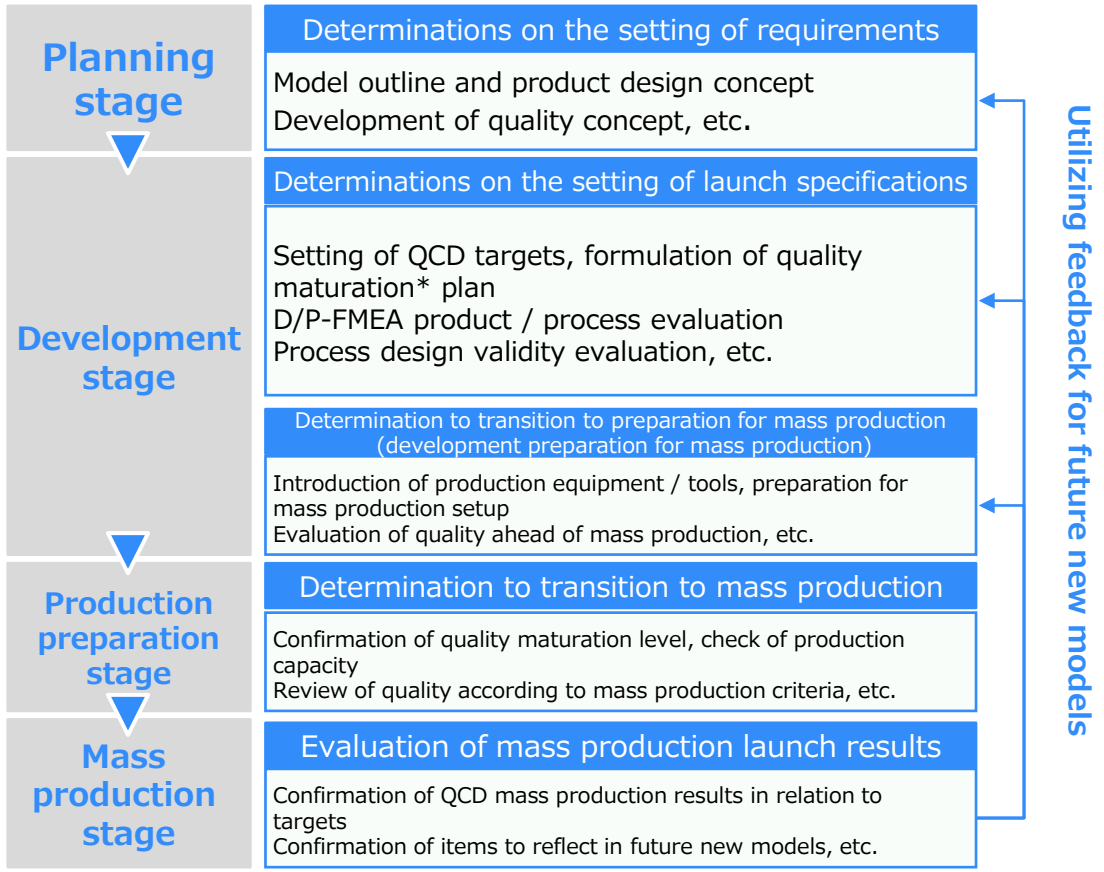
For new projects at all production sites in Japan and overseas, we implement progress management and evaluation with M-FLO we call, which is a new model management system to control from production development to mass production. The managers in charge of the each area from planning to mass production hold meetings to evaluate the state of preparation at each stage, and evaluate and judge quality, production capacity, and cost. In particular, the quality of new projects is assured by examining whether the sufficient measures are taken to prevent recurrence of defects.

■Mass Production Control: M-QCD Overview Diagram (see next page)

Aiming to further strengthen "Manufacturing technique," we objectively examine the quality system (Q: Quality), process management (C: Cost), and production system (D: Delivery) at all production sites in Japan and overseas, and work to improve our corporate structure by leveling our strengths and strengthening our identified weaknesses.

Original evaluation system

During the Launch of New Models (M-FLO)



Overview of QCD Constitution Improvement Activities (M-QCD)

M-QCD Verification Team	Verification from common perspective	Group companies (production sites)
Implement verification Support countermeasures Continually improve verification perspectives	(Q) Quality system (C) Process control (D) Production system	Improvement activities based on perspectives Countermeasures Measures take root
(Q) Quality system perspective	**(C) Process control perspective**	**(D) Production system perspective**
Supplier management Process quality control Monitoring of process quality control	New model management Production efficiency management Personnel management HR development Improved production	Business planning Policy management Production management Parts order placement and receipt Inventory control