

Thoughts on a market survey in China (this section has been quoted from President Komaba's message.)

Recently, there is much news on the acceleration of the Chinese economy.

In order to get a first-hand sense of this, I visited China at the beginning of November and carried out a market survey centered around EVs.

Seeing is believing... This was brought home to me by consecutive surprises.

With regard to the vehicle recharging infrastructure, in both Shenzhen and Shanghai, I was astounded by the centers providing quick rechargers for up to 300 vehicles at the same time and the airports, malls supermarkets and other facilities providing quick rechargers, as well as the infrastructural strategies that are being carried out mostly in large cities, including the recharging facilities that are available in condominiums and housing estates, etc.

It is also easier to obtain license plates for EVs and policies to differentiate them with gasoline-driven vehicles, which have restrictions upon them and are extremely expensive to acquire, are in effect while financial assistance is provided to EV purchasers, and I am convinced that the popularity of EVs will surge in the future under the guidance of the Chinese government.

The amounts that purchasers need to pay are also reasonable, at approximately 1.5 million yen for compact vehicles with a traveling range of 320km, and 3.5 million yen for large RV vehicles with a traveling range of 400km. Although several unknown factors remain, such as whether the older automobile manufacturers are able to keep up with these advances, including the basic automotive functions such as turning, driving and stopping, I still sense a threat coming from China's manufacturers. Progress is also being made with a national project focusing on self-drive vehicles, which is already making itself apparent in relative distances and maintaining gaps between vehicles in front and on-coming vehicles, as well as urban infrastructures in which signals are controlled, and I got the feeling that this project is moving in a different direction to America and Japan, which are basing their concepts on GPS navigation systems representing absolute control inside the vehicles.

The overall conclusion I acquired from my market survey is that China is a fearsome opponent, and that we have to move ahead with a sense of impending crisis.

Automotive area (Newly-developed rotary engine range extender mounted on an EV developed in-house)

On October 2nd, Mazda announced its motorization and connectivity technology strategies based on its long-term vision for technology development. With regard to motorization technology, Mazda announced that it would mount motorization technology onto all vehicles produced by the year 2030, as well as develop in-house EVs (Electric Vehicles) mounted with a newly-developed rotary engine range extender.

All vehicles produced by 2030 will be mounted with motorization technology with an aim at reducing corporate average CO2 emissions up until 2050 by 90% over 2010 figures by focusing on "Well-to-Wheel" (oil well extraction through to vehicle movement) initiatives.

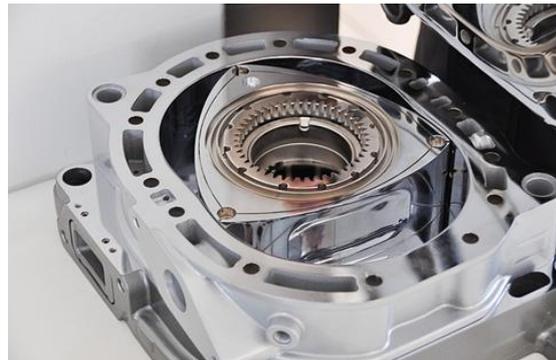
The ratio of A Co., Ltd.'s vehicles mounted with motorization technology as of 2030 is forecast to be 95% for internal-combustion engines and 5% for EVs.

EVs consist of models that are driven only by batteries and Mazda's own compact and light vehicles mounted with combinations of both batteries and extremely quiet rotary engines, and they have developed a model mounted with newly-developed rotary engine range extenders that extend the range a vehicle can travel by reducing the level of power that batteries generate to a predetermined level.

The rotary engine range extenders were developed as a future concept for enabling multi-solutions for motorization technology by exploiting the compactness and high output of rotary engines, even with common packaging.



Rotary engine range extender mounted as the generative power for the new rotary engine announced in 2013



The new rotary engine providing the generative power for the range extender

(Source: Car Watch Internet News)

Keihin Seimitsu Kogyo (Personnel exchange between NKI and KSK)

A personnel exchange between NKI and KSK was held between November 12th and 14th at our overseas subsidiary NKI.

This year an amazing flag, slogan (Strong together) and Polo shirts were made available at the event coordinated by the NKI plant foreman, and all sessions were concluded in a lively fashion during the interactive Kaizen presentations, Kaizen workshop and the question & answer and debate sessions on issues that are prevalent with Kaizen activities. During the second half, Mr. R and Mr. E, who have experienced the training program at KSK, took us around many well-known sites in Jakarta, enabling us to come into contact with Indonesia's history, culture and customs, etc., which expanded everybody's chance to exchange opinions.

We also enjoyed a welcoming dinner party arranged by NKI. I would like to extend my deepest gratitude to everybody concerned.



Post-editorial Notes: (Nostalgic memories...)

Near the end of the month, all four members of my family visited the Outback Steakhouse in Shinagawa to celebrate my wife's birthday.

This restaurant was first established in Tampa, Florida, USA, in 1988, and over the course of the past thirty years, it has expanded to more than 900 branches in 23 countries with its very pleasant atmosphere based on a concept of the good old days of Australia.

The first impression you get when walking through the door is that of an American countryside steakhouse. Feeling excited, we ordered Boston lager (for me) and sangria (for my younger daughter), etc., and then toasted my wife on her birthday. We had an enjoyable chat as we ate our corn chips, starters consisting of grilled meat, cheese and green chilies, and Cesar salads. My younger daughter then said, "I'd love to live in Australia in the future, but do you think this restaurant originated in Australia?" and she then went on to lecture us with an air of superiority about the chain's roots.

My elder daughter has firmly planted her roots in Japan, but my younger daughter has many English, Chinese, South Korean and other such friends from her time as an overseas exchange student, and she glorifies over her youth spent visiting South Korea, Ireland and other countries.

The main dish was steak. Selecting the type of soup, salad and dressing we wanted and stating how we wanted the steaks grilled and what side dishes we wanted brought back nostalgic memories.

My younger daughter went on to say, "Make what you want of this... But, I don't even remember the place where I was born in America... I was only three... It would be really great if I could see where I was born... But that's not possible, so forget I even mentioned it," which led to a heated conversation on exactly what she wanted to see if she actually got the chance to go.

My two daughters have probably gone through many difficulties owing to the decisions their parents made that they can't speak about now, but they both grew up to be fine women with compassion for others in their hearts, and the both put everything they have into their work instead of romance (at least, that it was their father would like to believe...).

(Although, the reason why I never get to hear any talk of romance may be because they have a gag order in effect.)

I got the feeling that it is the duty of the parents to provide eye-witness reports with regard to their children's roots. It is my hope that I will be able to provide both of them, and my wife, with a gift of a final overseas tour so that I can show them the park where they came running at me calling out "Papa!", show them the hospital where they were born, the house where we lived, the funfair where we enjoyed ourselves and other sites that would surely move them to tears.

We returned home in the first-class "Green Car" seats on the train, and then a taxi. Small items of luxury.

I am sincerely grateful to the company that allows me to live in this manner, and I wish to give a heartfelt call of encouragement to my two daughters, who will soon be leaving the nest and starting out on life on their own.

