

Quality Assurance in Relation to the Customer

Implementing strict quality control based on the philosophy that quality is the lifeline of the company

Sakichi Toyoda once commented that “a product should never be sold if it has not been carefully manufactured and tested thoroughly with satisfactory results.” The spirit of such comments as these continues to flourish within Toyota Industries, where quality is viewed as the lifeline of the company and receives the utmost priority as a management task.

Toyota Industries' quality assurance system is based on a market-in approach to customer satisfaction that originated when the company received the Deming Prize in 1986 for quality control implementation. With this approach, the company seeks to identify the needs of the customer and implements a nine-step design review process that covers everything from product planning to customer satisfaction after purchase.

■ Nine-Step Design Review Process

DR0	Commercial product planning review
DR1	Product planning review
DR2	Prototype design review
DR3	Pilot production review
DR4	Mass production design review
DR5	Production preparation review
DR6	Mass production review
DR7	Initial production review
DR8	Customer satisfaction review

■ Recognition and Certification of Quality Assurance Systems

1986 Received Deming Award

1994 Acquired ISO 9001 certification (1994 version) and QS 9000 certification

2003 Acquired ISO 9001 certification (2000 version) and TS 16949*1 certification

Quality Control Policy

Toyota Industries utilizes every opportunity to ensure that each of its employees, beginning with its upper management, embraces the company's policy of zero-defects quality and understands that the customer is number one. These policies form the basis for all of the company's quality control activities.

Quality Control System

When customer evaluation data is received by a division's quality assurance department, the department immediately reassesses the design review process and provides feedback in order to improve quality at the process level.

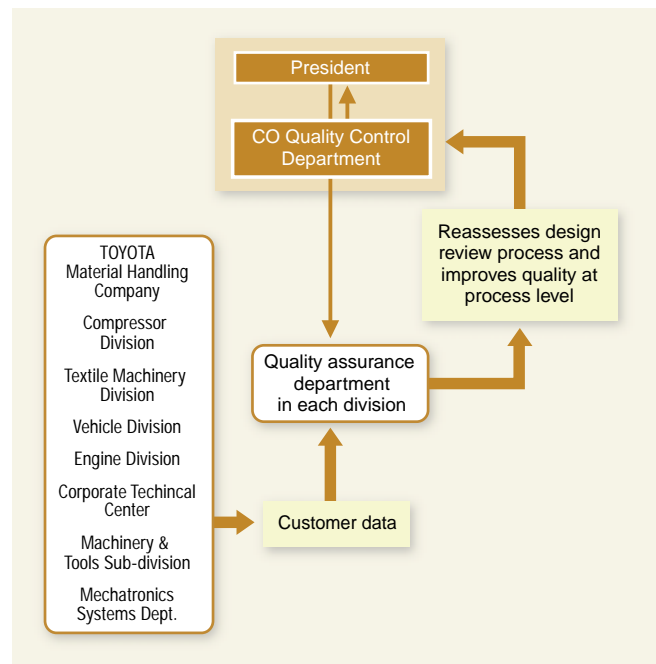
If, through customer feedback, a division uncovers what qualifies as a critical quality issue under company rules, the data is immediately relayed to both the Corporate Center's Quality Control Department and the company president.

The Quality Control Department is responsible for monitoring the quality assurance department of each division in order to ensure that the departments are reassessing the design review process and implementing feedforward control*2 to improve quality at the process level.

The president of Toyota Industries is personally involved in ensuring that his directives for the company are being implemented, participating in special site inspections and quality status meetings, during which responsible department heads report information about the quality of the company's products to the president.



■ Quality Control System



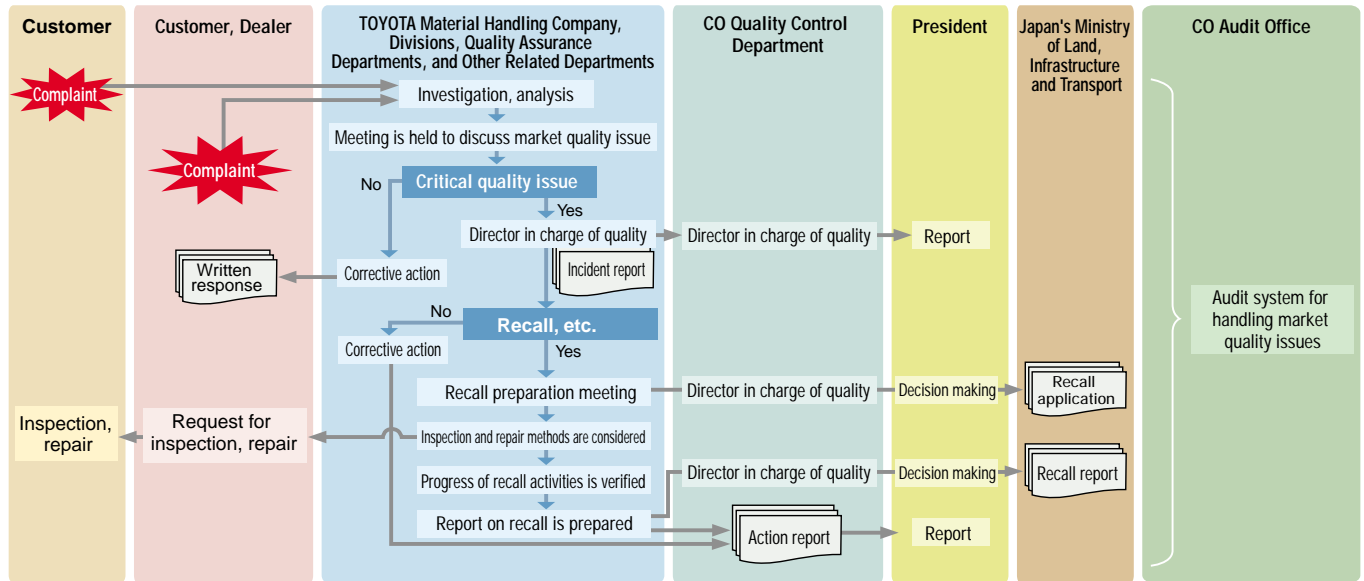
Complaint Response

If there is a critical quality issue such as a market-based complaint or recall, the relevant information is immediately relayed to the company's upper management. Appropriate measures are then taken to minimize any inconvenience to the customer. If a recall is required, the company notifies the relevant authorities and contacts its customers through direct mail, or other means, to ensure that warranty repairs are quickly performed.

*1 TS 16949: a quality assurance standard for the automotive industry.

*2 Feed-forward control: a control system used to prevent future oversights, thereby removing the possibility of having to correct oversights after they have occurred.

■ Responding to Critical Quality Issues



The Audit Office conducts regular audits of the company's major divisions to ensure that the quality assurance system outlined above functions as it was intended.

Audit Goals

1. To determine whether critical quality issues are being handled in an appropriate manner and reported to upper management
2. To determine whether appropriate company rules are in place
3. To determine whether complaints are being handle in compliance with company rules

Quality Assurance throughout the Supply Chain

Toyota Industries' branding as a global manufacturer is based on its reputation for quality and reliability, which serves as a valuable management resource for the company. The company's unceasing commitment to quality

is shared by each firm in its supply chain. This enables Toyota Industries to offer quality products that are trusted by customers around the world.

■ Quality Assurance Flowchart

