



Press Release

J.D. Power Asia Pacific Reports: Although New-Vehicle Fuel Efficiency Improves in Japan, Frequency of Fuel Consumption Problems Increases

Lexus Ranks Highest in New-Vehicle Initial Quality in Japan

TOKYO: 30 August 2012 — While owners are reporting better fuel efficiency with their new vehicle, they are also experiencing a greater number of fuel efficiency-related problems than in 2011, according to the J.D. Power Asia Pacific 2012 Japan Initial Quality StudySM (IQS).

The study, now in its second year, measures new-vehicle quality in the first two to nine months of ownership. The study captures problems experienced by owners in 227 problem areas that affect quality across nine categories: vehicle exterior; driving experience; features/controls/displays; audio/entertainment/navigation (AEN); seats; heating, ventilation and air conditioning (HVAC); vehicle interior; engine/transmission; and other problems. All problems are summarized as the number of reported problems per 100 vehicles (PP100), with lower scores indicating higher quality performance.

Overall initial vehicle quality in Japan improves by 7 percent from 2011 to 101 PP100. This is on a par with the industry average of 102 PP100 in the 2012 U.S. Initial Quality Study.

The study finds that at a time of rising consumer awareness regarding fuel economy, owners are reporting better fuel efficiency with their vehicle. As a result of automaker fuel efficiency improvement initiatives, the overall fuel consumption of new vehicles averages 15.8 km/liter, a 0.9 km/liter improvement from 2011.

However, although actual fuel efficiency has improved, the frequency of owners reporting problems with excessive fuel consumption increases by 15 percent in 2012 to 3.1 PP100, up from 2.7 PP100 in 2011. Excessive fuel consumption is the second-most-frequently reported problem following front audio/entertainment/navigation system—controls difficult to use/poor location (3.4 PP100).

The largest increases in excessive fuel consumption problems are in the mini-car and compact segments.

“Although the advancements made in fuel economy for the industry overall are to be celebrated, in the compact segment, which includes hybrid models, owners’ high expectations for fuel efficiency may have exceeded the level of improvement,” said Atsushi Kawahashi, senior director of the automotive division at J.D. Power Asia Pacific. “For automakers, it’s important to understand that in addition to improving fuel efficiency, they must also make sure to communicate the realistic abilities of their vehicles in order to keep expectations for fuel efficiency to a reasonable level.”

The study also finds that the proportion of vehicles with a continuously variable transmission (CVT) has increased to 75 percent of market share in 2012 from 66 percent in 2011. In the mini-car segment, the proportion of vehicles with a CVT has increased to 79 percent in 2012 from 58 percent in 2011. The increase in CVTs also corresponds to an increase in reported problems. For example, owners of vehicles with CVTs experience 50 percent more problems related to the transmission hesitating or delaying between gears than do owners of vehicles with traditional transmissions.

“It appears that automakers’ use of CVTs as a fuel efficiency improvement technology is having an impact,” said Kawahashi. “At the same time, owners of vehicles with CVTs take a dim view of transmission hesitation. Therefore, it is necessary for automakers and suppliers to better assess customer expectations for transmission performance and work to reduce the incidence of problems associated with CVTs.”

Other key findings include:

- Although scores in most problem categories have improved year over year by 7 to 19 percent, the score for the AEN category has improved by only 1 percent and the score for the HVAC category rose 1 percent.
- While the score for defect/malfunction problems¹ has improved 14 percent from 2011, the score for design-related problems² has improved only 4 percent. Design-related problems account for 57 percent of the problems reported (101 PP100 in 2012), compared with 56 percent in 2011.

2012 Ranking Highlights

Lexus ranks highest in the study, averaging 66 PP100. Toyota ranks second with 92 PP100, followed by Honda with 95 PP100.

Among the 51 models ranked in the study, the Toyota AQUA, launched in December 2011, has the fewest reported problems at 55 PP100, which is 46 PP100 better than the industry average.

Rankings in the four vehicle segments that comprise the study are as follows:

- **Mini-car segment:** Suzuki Alto ranks highest for a second consecutive year. Suzuki MR Wagon ranks second and the Diahatsu Mira e:s ranks third.
- **Compact segment:** Toyota AQUA ranks highest, followed by the Toyota Ractis and Nissan Cube, respectively.
- **Midsized segment:** Lexus CT200h ranks highest, followed by the Toyota Corolla Axio/Fielder and Toyota Prius, respectively.
- **Minivan segment:** Honda Freed ranks highest, based on a 13 PP100 improvement from 2011. It is followed by the Toyota WISH and Toyota Voxy, respectively.

The 2012 Japan Initial Quality Study is based on responses from 10,758 purchasers of new vehicles in the first two to nine months of ownership. The study includes 16 automotive brands and 97 models and ranks models with sample sizes of 100 or more usable returns. The study was fielded in May 2012.

The Japan Initial Quality Study (IQS) is one of eight consumer-based benchmark studies conducted by J.D. Power Asia Pacific in Japan. Other 2012 studies conducted by J.D. Power Asia Pacific include:

- Japan Winter Tire Customer Satisfaction Index Study was released in late May 2012
- Japan Sales Satisfaction Index (SSI) Study, which measures satisfaction with the new-vehicle sales process, was released in late August 2012
- Japan Customer Satisfaction Index (CSI) Study, which measures overall customer satisfaction with service performed at automotive dealer facilities (to be released in late September)
- Japan Automotive Performance, Execution and Layout (APEAL) Study, which measures what excites and delights owners about their new vehicle’s performance and design during the first two to nine months of ownership (to be released in late September)
- Japan Original Equipment Tire Satisfaction Study (to be released in October)
- Japan Navigation Systems Customer Satisfaction Index Study, which measures customer satisfaction with original equipment and aftermarket navigation systems (to be released in October)

¹ Refers to a complete breakdown or malfunction of any component, feature or item.

² Refers to components or features that may be functioning properly but are still perceived as problems by the owner because they are difficult to understand or use.

- Japan Replacement Tire Satisfaction Study (to be released in November)

About J.D. Power Asia Pacific

J.D. Power Asia Pacific has offices in Tokyo, Singapore, Beijing, Shanghai and Bangkok that conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries. Together, the five offices bring the language of customer satisfaction to consumers and businesses in China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan and Thailand. Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at www.jdpower.com. Media e-mail contact: shizue_hidaka@jdpower.co.jp

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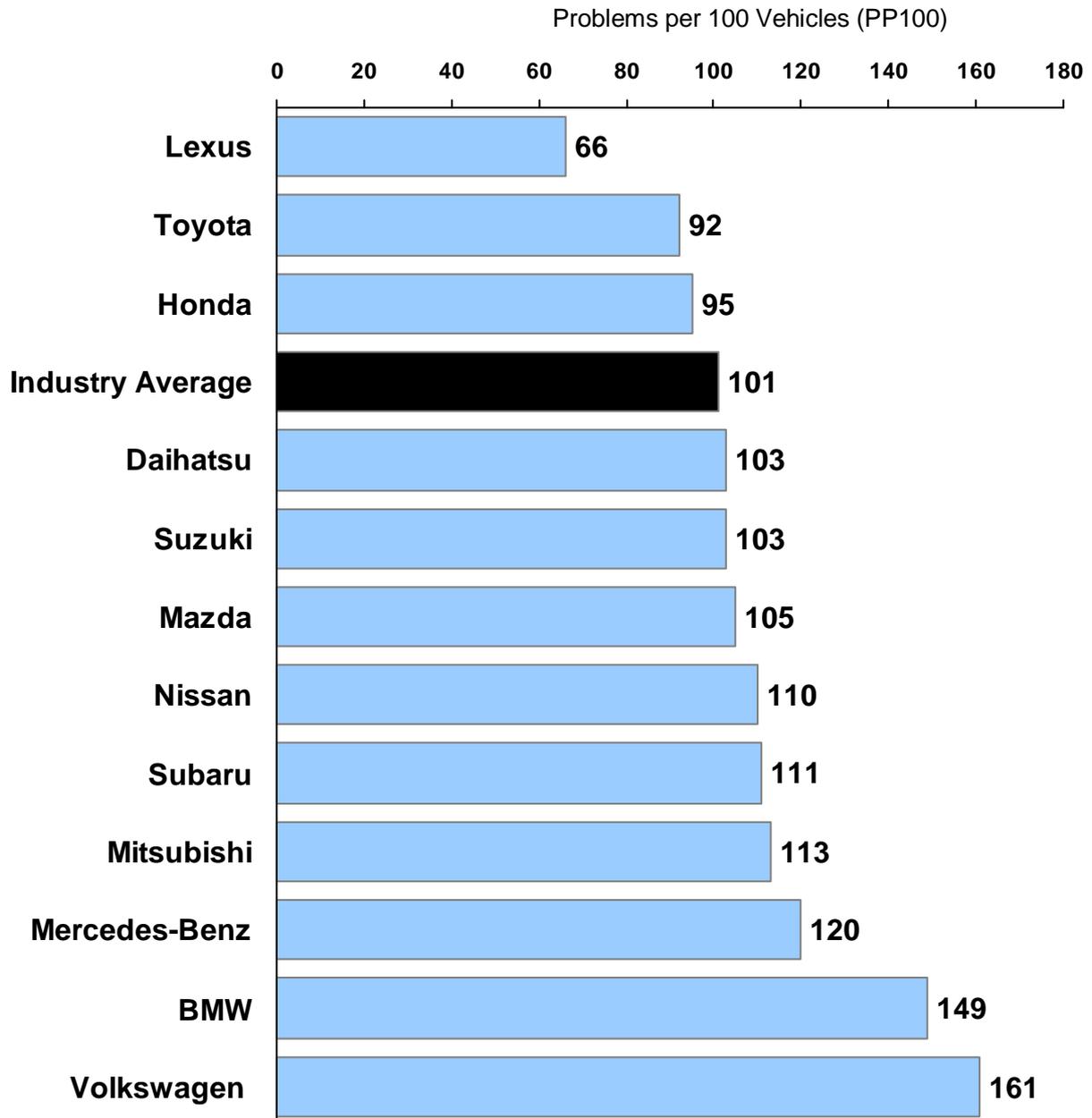
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NOTE: Two charts follow.

J.D. Power Asia Pacific 2012 Japan Initial Quality StudySM (IQS)

2012 Nameplate IQS Ranking

Lower score reflects better quality performance



NOTE: Included in the study, but not ranked due to small sample size are Audi, Fiat, MINI, and Volvo.

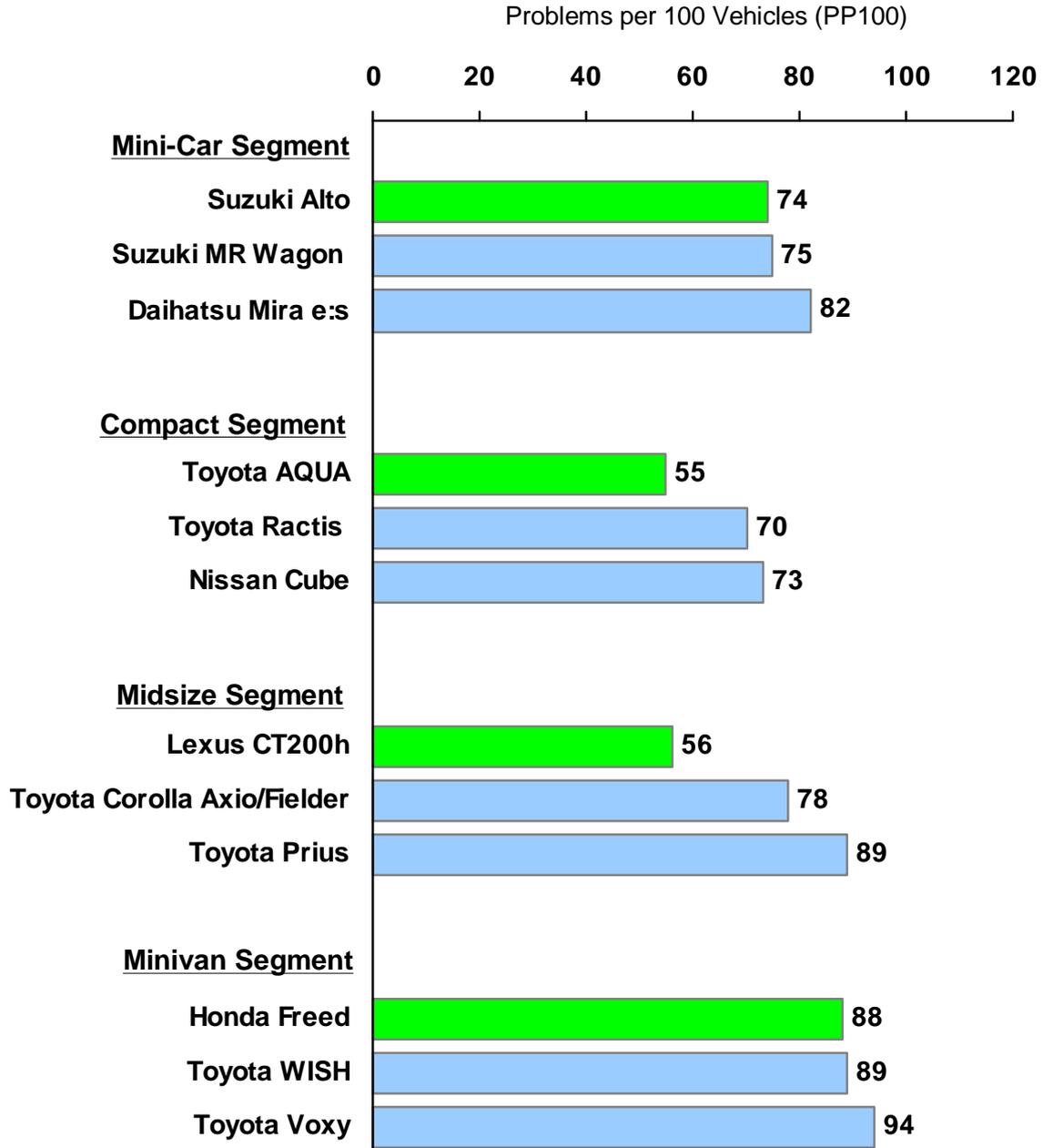
Source: J.D. Power Asia Pacific 2012 Japan Initial Quality StudySM (IQS)

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J.D. Power Asia Pacific 2012 Japan Initial Quality StudySM (IQS)

Top Three Vehicles per Segment in Initial Quality

Lower score reflects better quality performance



Note: Official rankings are published only for segments with at least three models with sufficient sample and at least one with an IQS score better than the segment average. Therefore, no official rankings are published for the large segment.

Source: J.D. Power Asia Pacific 2012 Japan Initial Quality StudySM (IQS)

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