

Our Approach to Customer Satisfaction Activities

The Subaru Group strives to put customers first in all business activities. We strive to promote customer satisfaction activities across the Group, particularly at dealerships, so that customers continue to choose our brand for "Enjoyment and Peace of Mind" with the aim of achieving Prominence 2020, the new Mid-Term Management Vision.

Established "SUBARU Recall Inquiry Line"

Subaru established the "SUBARU Recall Inquiry Line" in November 2016 independent of the traditional toll-free number to specifically handle recall inquiries, including the airbag recall problem. We respond to our customers under a simple code of conduct: "accurate, prompt, appropriate, equitable, fair, and courteous" aiming to provide "Enjoyment and Peace of Mind. Also, the valuable comments, requests and guidance received from customers are passed on to the relevant departments to be reflected in making future improvements in quality and product and after-sales services.

SUBARU Recall Inquiry Line

Note that your call will be recorded to confirm the contact

We are open to the following inquiries.

Inquiry/question regarding recalls

Office Hours (Japan Time) 9:00am - 5:00pm (Weekdays/Weekends, Holidays)

The Number of Inquiries from Customers

Monthly Average: 2,200 (December 2016-March 2017)

Establishment of SUBARU Customer Center

To receive enquiries, conduct consultations and handle requests and comments from our customers, we have established the SUBARU Customer Center. We respond to our customers under a simple code of conduct: "accurate, prompt, appropriate, equitable, fair, and courteous" aiming to provide "Enjoyment and Peace of Mind." The valuable comments and requests received from customers are passed on to the relevant departments so that suggestions can be reflected in making future improvements and in product planning, quality, sales, and after-sales services.

SUBARU Call **0120-052215**

Note that your call will be recorded to confirm the contact

Please contact SUBARU Customer Center if you have a any inquiries as below.

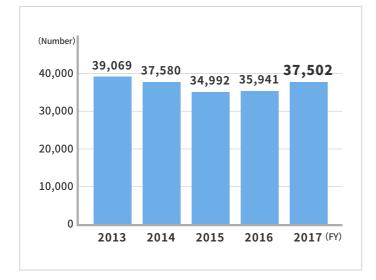
(1) Opinions/Comments/Guidance (catalog, dealership, changing address, etc.)

(2) Inquiries/Request for assistance

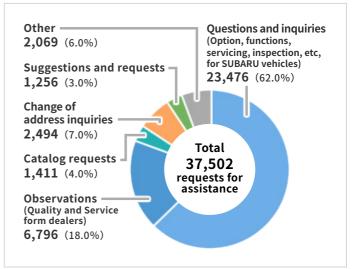
Office Hours 9:00am - 5:00pm (Weekdays)^{*} (Japan Time) 9:00am - 12:00am / 1:00pm - 5:00pm (Saturdays, Sundays and Public holidays)

*Information service only for Opinions/Comments/ Guidance is available on weekdays 12:00am - 1:00pm, and on Saturdays, Sundays and public holidays

Trends in the Number of Inquiries from Customers



Breakdown of Number of Requests for Assistance from Customers



Customer Satisfaction Survey

In order to be the brand that is chosen by customers by offering "Enjoyment and Peace of Mind," we conduct the SUBARU Customer Questionnaire directed at customers who bought a vehicle at one of our dealers. We take the comments and requests of customers that we learn from the results of the survey seriously, and continuously make improvements at each of our dealers.

In FY2017, we achieved a certain level of appreciation with the positive opinions accounting for 94.7% of responses on the "Overall satisfaction" item for comprehensive evaluation of dealers used with a breakdown of 35.8% for "Extremely satisfied," 45.4% for "Satisfied," and 13.5% for "Somewhat satisfied." On the other hand, there were still some responses that did not amount to satisfaction with 4.0% for "Somewhat dissatisfied" and 1.3% for "Dissatisfied." The Subaru Automotive Business as a whole is working on improvements activities.

Examples of main improvements based on customer opinions and requests

Dealerships

- · Information displays on use of in-store equipment
- Enhancement of kids' areas (installation of counter to keep watch on children, increased variety of toys, ensuring safety)
- · Set up of free drinks, expansion of drinks menu
- Increased variety of magazines
- \cdot Increased amenity goods in bathrooms, etc.

Automotive Business

- Development of Wi-Fi environment infrastructure and introduction of SUBARU Wi-Fi at all Subaru dealerships
- \cdot Creation of Subaru promotion videos that customers can see at all dealerships
- Introduction of digital books and SUBARU original amenity goods at some dealerships to make waiting-time more enjoyable.

Number of valid response to the SUBARU Questionnaire

FY 2017: 98,127 responses/year FY 2016: 95,324 responses/year FY 2015: 84,090 responses/year

Customer Satisfaction (CS) Activities Focusing on Dealers

In addition to our usual activities in which we provide feedback on customer opinions and requests obtained from past SUBARU Questionnaires to SUBARU dealers and related divisions paving the way to enhancements in products, quality, sales and after-sales service, we are prioritizing activities that include making customers comfortable in showrooms. To promote these activities, we provide support such as human resource development and deployment of best practices from other dealerships. We also actively promote the refurbishment of showrooms and service garages. In this way, we are promoting increased customer satisfaction from both aspects of facilities and management so that we can expand customer satisfaction activities suited to the SUBARU's product characteristics.

Training Human Resources at Dealerships to Deliver "Enjoyment and Peace of Mind"

With the vision of "Having Customers Say 'Let's Choose SUBARU Again' through Our Customer Service", SUBARU Academy is dedicated to training human resources that can provide "Enjoyment and Peace of Mind" to the customers.

For trainings in Japan, we develop and provide trainings that meet the fast environmental change in sales and services.

For overseas service staff, we provide curriculums that meet specific regional needs.

Number of Trainees Enrolled in Education Programs (Trainings away from the Academy included)

	FY2017
Manager, sales staff and other	3,652 people
Service staff	1,424 people
Total	5,076 people

*SUBARU Academy:

We have established the SUBARU Academy as a dedicated organization in the development of human resources for dealerships in and out of Japan. The SUBARU Training Center, opened in 2005 in Hachioji City, Tokyo, houses various training rooms, a test course, various servicing/training equipment as well as accommodation facilities (consisting of 133 rooms with a maximum capacity of 165 people).



SUBARU Training Center

STARS Sales Professional Certification Program

We established the Subaru Staff Training and Rating System (STARS)* sales professional certification program as recognition of staff with the ability to provide and support customers with "Enjoyment and Peace of Mind."

We run tests covering areas such as knowledge, techniques, and customer service skills based on performance such as sales to determine the level of a salesperson's certification. (As of March 2017: Sales STARS Level 1 – 40 salespeople, Level 2 – 549 salespeople, Level 3 – 1,237 people)

We run tests covering areas such as knowledge of service operations, customer service skills, and technical capabilities to determine the level of a service staff certification. (As of April 2017: Service STARS Mechanic Level S – 14 mechanics, Level 1 – 857 mechanics, Level 2 – 1,101 mechanics, Level 3 – 1,050 mechanics, Level 4 – 306 mechanics/Front Counter Service Advisor Level S – 7 people, Level 1 – 250 people, Level 2 – 546 people)

Our goal is for 5% of all salespeople to achieve Level 1, 15% to achieve Level 2, and 60% to achieve Level 3 by 2020. We are promoting initiatives so that at least 60% of all service advisors will achieve Level 1 or Level 2 by 2018.

*STARS: Rating system to help salespersons develop themselves through repeated Off-JT (study), OJT (practice) and qualification tests (challenge).



Training provided under the STARS program

International CS Initiatives

With the goal of distributors achieving uniformly high after-sales service through dealers around the world so that SUBARU customers can drive with peace of mind, the Customer Service Division works to enhance their educational systems and overall structures.

We are building a corporate structure that can deliver customers service that meets their needs while ensuring that our importers and dealers worldwide offer service worthy of SUBARU's "Confidence in Motion."

Technical Training

Improving the technical skills of our service staff is essential to delivering service that gives our customers peace of mind.

To this end, we offer the Advanced Technical Training (ATT) and STEP Trainer Training (STT) as technical training curriculums for the development of the trainers who provide training to our service staff worldwide and to train service staff to be able to handle increasingly sophisticated automobile technology. In addition, we work to improve technical capabilities by using skill certification testing to provide motivation for training.

Starting in FY2017, we plan to increase the technical training that our employees run at overseas dealerships in addition to utilizing affiliated colleges in five countries around the world.Moreover, we assigned external trainers certified by us to countries with annual sales of at least 1,000 cars with the aim of further enhancing service.

Organizational Reinforcement

The Customer Service Division works in partnership with distributors outside Japan to improve their technical and customer service skills so that customers continue to choose SUBARU.

In addition to holding twice-yearly (June and November) conferences in Japan that bring together overseas distributors from eight leading countries, we seek close communication through regional meetings for North America, Europe, Central and South America, Oceania, China, Southeast Asia and so on with the aim of speeding up the resolution of any issues. In FY2016, we held 21 regional meetings.

We also provided repair tools for advanced technology and easier-to-use repair manuals in FY2016 to enable service advisors to readily handle the latest technology. Starting in FY2017, we will continue to expand technical support for staff to master the use of these tools and manual.



Service Advisor Education Program material (extract)



ATT at the SUBARU Academy



Meeting bringing together overseas distributors from eight leading countries

Efforts at the Aerospace Company

The Aerospace Company, regarding aircrafts delivered to Japan's Self Defense Force among other customers, conducts various questionnaires in addition to regular customer visits to ascertain customers' needs in detail and respond appropriately and to raise customer satisfaction through maintenance and operation.

Our maintenance personnel involved in production also hold workplace visits and networking events, which assist them deepen and improve mutual understanding of operations with customers who actually engage in maintenance.

Efforts at the Industrial Products Division

Based on the feedback from customers, we carry out information analysis and improvement activities in order to raise customer satisfaction.

Our Approach to Quality

6-0

We actively deliver high quality products and services to impress customers through the establishment of quality policy in line with our customer first policy and a high level of integration of safety, enjoyment and environmental performance.

We have also established quality policies at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics, and affiliated companies practice quality control based on these policies.

Quality Policy (Established November, 1994)

Subaru considers customer satisfaction as the first priority, and works constantly to improve products and services to provide world-class quality.

Product Quality Management System

- 1. Establish Quality Management System (QMS) based on the Quality Policy and ISO 9001 Standard and put it into practice for orderly and effective operations.
- 2. Clarify the quality targets acceptable to customers at the planning stage.
- 3. Realize the quality targets through quality assurance activities at each stage from development to sales and service.
- 4. Attend to complaints and requests from the market quickly and appropriately to live up to the trust of customers.

Operation of Quality Management Cycle

With Quality Management System, we work to assure quality in each process from design and development to sales as well as creating a cycle to create even higher quality products. In addition, we strive to work through this cycle swiftly in order to meet customer needs without any delay.

Design and development

Consideration given to preventing variability and standardization of tasks from the blueprint creation stage through to production processes

Production (mass Production)

Establish of process management aimed at preventing quality defects and variability as well as implementation of strict quality inspection and testing

Distribution and sales

Establishment of quality management system after shipment from production plant as well as system for dealerships and implementation of of inspections

Collection and analysis of after-sales information and quality improvements Collection and analysis of information on quality defects and requests send to dealerships and

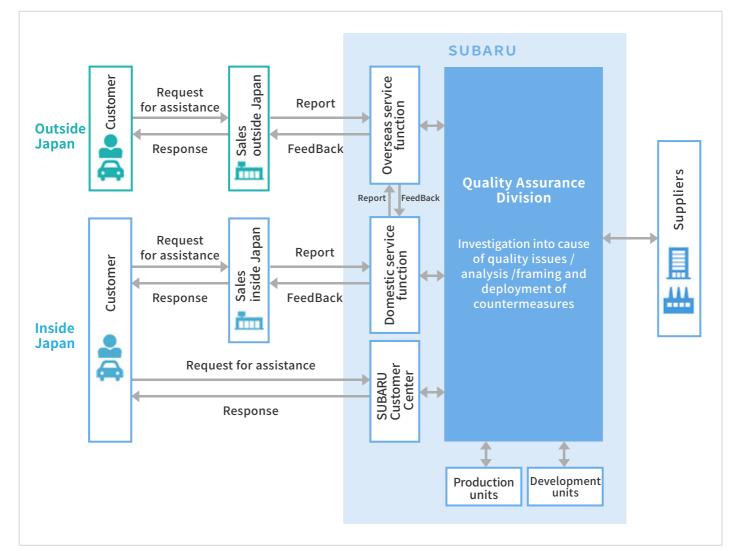
Collection and analysis of information on quality defects and requests send to dealerships a SUBARU Customer Center and prompt implementation of quality improvements

Creating a System Aimed at Improving Quality

We have established a quality improvement system centered on the Quality Assurance Division in order to analyze after-sales quality defects and customer requests to realize higher-quality development and production. We collect customers' opinions from around the world and identify quality issues. In addition to investigating the cause of the quality issues, we frame countermeasures, which we deploy to the relevant in-house department and/or supplier.

In FY2017, in order to speed up our response to market issues, we optimized the organization of domestic/overseas quality improvement promotion departments (body/PU market quality section).

Quality Improvement System



Implementing Quality Control Training

We have developed a curriculum around quality control as part of employee education with the aim of upgrading the level of quality assurance and control. We not only provide education in line with the job grade of employees, but also training to develop quality control experts, individual programs for each business site and other educational programs.

Main curriculum around quality assurance

- •Introductory quality training: Quality Control Training (Introduction)
- ·Education for instructors: Quality Control Training (Foreman)
- •Education for skilled occupations: Quality Control Training (Introduction/Foreman)
- \cdot Other employees: open classes at each workplace

Response to Recalls

We are taking measures in response to recalls^{**} in order to prevent accidents and protect customers.

In the event of product defects, not only do we respond properly based on the laws and regulations of each country, but we also determine the specific details of our response by promptly establishing a committee structure for staff from departments involved in quality, including those outside of Japan, to investigate. Moreover, we send direct mails from our dealerships to affected customers to inform them that they can have their cars repaired free of charge.

In FY 2017, we had no cases of violating rules and regulations in regard to information provision on quality and safety.

> Please refer to the our website for the details of our response to recalls.(In Japanese only)

Efforts at the Aerospace Company

Quality Management System Based on Aerospace Industry Standards

The Aerospace Company' production activities are based on its policy of "Placing Safety and Quality First" in order to commit itself to playing its part on SUBARU brand.

Based on this policy, we have built and act under a quality management system that conforms to the JIS Q9100 quality management system standard for the aerospace industry.

In addition, we have quickly adopted into our Aerospace Company's quality management system the Supplements to JIS Q 9100 (SJAC 9068) that were independently and jointly established by the Japanese aerospace and defense industries in order to prevent improper occurrences related to quality.

Efforts Aimed at Improving Quality

Subaru's Aerospace Company engages in a range of activities aimed at improving quality and preventing errors.

In addition to examining customer satisfaction and product quality from diverse angles at regular "Quality Meetings," the Aerospace Company has designated November as the "Quality Month" each year, engaging in activities that include lectures, commendation of employees contributing to quality improvement and distribution of educational pamphlets to all employees. The lecture for FY2017 entitled Risk Management that Protects the Safety of Sky and Roles of the Leaders was presented by Hiroyuki Kobayashi, who is a Risk management Specialist and Aviation Commentator and was once a JAL pilot. More than 500 people were involved including employees from assistant manager level and above, the company president and suppliers.

In addition, the Aerospace Company has an Improvement Suggestion System that aims to foster a year-round climate that allows employees to demonstrate their creativity independently and quality to be improved.



Lecture on quality

Efforts at the Industrial Products Division

Efforts Aimed at Improving Quality

At the Industrial Products Division, the Quality Control Committee consisting of all departments oversees the progress of quality targets every quarter of the year.

As for year-round initiatives, we designated November as the "Quality Month" each year, engaging in activities, such as inviting quality control slogans, in order to raise awareness among employees.

We also strive to improve quality by deploying quality education programs to each job grade.

Furthermore, in our efforts to further expand the use of our Quality Management System (QMS), since May 2017 we are seeking ISO 9001 certification as the Industrial Products Division group including our affiliated companies.

Our Approach to Making Safe Vehicles

6-0

Subaru conducted a survey of the number of personal accidents by Subaru vehicles sold within Japan from FY2011 to FY2015. The results showed that vehicles with the EyeSight Driver Assist Technology (version 2) had about 80% fewer rear-end collision accidents and about 50% fewer pedestrian accidents compared to vehicles without EyeSight per 10,000 vehicles, and about 60% fewer accidents in the survey overall.



For this survey, we based our independent calculations on data from the Institute for Traffic Accident Research 90 accidents for EyeSight (version 2) available models of Subaru vehicles that were sold in Japan from FY2011 to FY2015 (246,139 units had EyeSight (version 2) installed; 48,085 did not) were categorized in the survey.

* Institute for Traffic Accident Research and Data Analysis

Thoughts on Primary Safety

We are continuing to evolve automobile safety technology on various fronts. However, the ideal is that no danger should be encountered, and the basis of this is correct judgment and operation by the driver.

Primary Safety is based on an approach that enhances safety through initial and basic design techniques for the automobile form and interface. To realize safe, concentrated driving without distraction, SUBARU pays meticulous attention to details of the instrument panel and seat design, including visibility design.

> Click here for more details.

Thoughts on Active Safety

Active Safety is an approach to safety based on preventing accidents, assuming that accidents may occur. In the event of an accident, for safe avoidance it is important to maintain vehicle stability no different from normal, under a variety of weather and road conditions.

Based on the idea that the ultimate drive fosters safety, the exceptional fundamental performance delivered by our horizontally-opposed SUBARU BOXER engine and Symmetrical All-Wheel Drive are the basis for refinement of vehicle performance that enables users to drive with confidence in all kinds of environment and climate.



Horizontally-opposed engine



> Click here for more details. □

Symmetrical All-Wheel Drive

Thoughts on Pre-crash Safety

Pre-crash Safety is an approach that supports driver's driving operations and predicts hazards with the aim of helping reduce damage in the event of a collision.

We were quick to introduce the idea of pre-crash safety and have proceeded with development. EyeSight (Ver.2) adopts a stereo camera for judging conditions in front of the vehicle as well as linkage to the engine, transmission and brakes for hazard avoidance, and has been highly evaluated as an advanced driving support system. Moreover, in June 2014, in addition to substantially upgrading the stereo camera with a complete redesign, including its recognition performance, we launched the new model WRX and Levorg equipped with EyeSight (Ver.3) with added steering assist control. Legacy and Forester have also been equipped with EyeSight (Ver.3), and we are working to increase the models fitted with the system.

Also, Impreza that went through full model change in October last year and XV in April this year are equipped with EyeSight (ver.3).

> Click here for more details. □

Thoughts on Passive Safety

Passive Safety is an approach to safety technology that aims to minimize damage in the event of an accident.

We have promoted development considering safety in all aspects of a vehicle. With an original crash safety body featuring a new Ring-Shaped Reinforcement Frame Body Structure, and engine layout, etc., for mitigating collision impact on vehicle occupants, cabin occupants are, of course, protected. But we also consider collision with pedestrians in its safety system, for which it is highly acclaimed, not only in Japan but also throughout the world.

Furthermore, we have achieved greater passive safety capability by increasing the amount of energy absorbed at the time of impact by a factor of 1.4 over past systems with the next generation platform, the "Subaru Global Platform" introduced last year.



Image of Impreza JNCAP Frontal Offset Crash Test

> Click here for more details. □

FY 2017 Car Assessment Results

We undergo safety performance testing and assessment of public organizations in and out of Japan including JNCAP^{*1} in Japan, IIHS^{*2} in the U.S., EuroNCAP^{*3} in Europe, and ANCAP^{*4} in Australia, and have gained the highest rank of assessment in most of them.

In FY2017, all evaluated automobile models received high scores in the "Pedestrian AEB Evaluation," a new evaluation started in the JNCAP preventive safety performance evaluation and, in continuation from FY2016, all evaluated automobile models received the highest score of "Preventive Safety Performance Evaluation (ASV++). In the same way, the Impreza and XV received the Grand Prize for the JNCAP Collision Safety Performance Evaluation awarded to the models receiving the highest scores ever by making major improvements in safety performance, such as by making pedestrian protective airbags standard.

- *1 JNCAP: Japan New Car Assessment Program: testing and assessment of vehicle safety performance conducted by the Ministry of Land, Infrastructure, and Transport (MLIT) and the National Agency for Automotive Safety & Victims' Aid (NASVA).
- *2 IIHS : Insurance Institute for Highway Safety.
- *3 EuroNCAP : European New Car Assessment Programme: a program for publishing vehicle safety information conducted in Europe.
- *4 ANCAP : ANCAP is an independent organization composed of the transportation authority of Australia and New Zealand that has been providing safety assessments since 1993.

FY2017 Commendations

Japan JNCAP

ASV++:

EyeSight-equipped Legacy, Levorg/WRX, Impreza/XV, Forester



Crash Safety Performance Assessment Five Star Award Crash Safety Performance Assessment Award Crash Safety Performance Assessment Special Prize



Europe EuroNCAP

Levorg: 5★ in 2016



U.S IIHS

2017 TOP SAFETY PICK+ Awards[®] EyeSight/high luminance light-equipped Legacy, Outback, Forester, Impreza





Australia ANCAP

Levorg and Impreza: 5★ in 2016



* In its publication of vehicle safety information, the IIHS designates a vehicle as TOP SAFETY PICK (TSP) if it received the rating of "Good" in all test results for the Offset Frontal Test, Small Overlap Front Test, Side Crash Test, Rear collision (whiplash) test and Roof Strength Test as well as the rating of "Advanced" or higher in the Front Crash Prevention Test. In addition to these conditions, a vehicle that is rated "Acceptable" or higher in the head light evaluation is awarded TOP SAFETY PICK CLASS (TSP+).



Approaches to Welfare Vehicles

Subaru aspires toward sharing the happiness and freedom of living through cars for everybody. We are working to develop and increase the popularity of welfare vehicles so that people with physical handicaps and the elderly can travel by car in comfort and with peace of mind.

"TRANSCARE Series" - from Standardsized Cars to Mini Cars

SUBARU started producing and selling welfare vehicles for the disabled in 1980 and now is well known for the "TRANSCARE series."

The TRANSCARE series offers a wide range of options, from standard-sized cars to mini cars. We aim to develop vehicles that provide comfortable driving for both people who are in care and for care providers.

In FY2017, we added CHIFFON to the TRANSCARE series to enhance the lineup, and the new model Impreza has also stayed in the lineup.

We exhibited LEVORG TRANSCARE at "SUBARU STAR SQUARE," our showroom at our Head Office so that many customers can actually experience its ride.

Going forward, we will continue promoting a range of efforts to enable even more customers to feel the "enjoyment and peace of mind" of SUBARU cars.

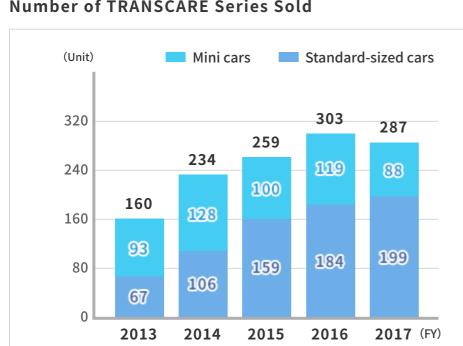
 $^{>}$ See videos for the TRANSCARE series here. (In Japanese only) \square



CHIFFON/CHIFFON CUSTOM



IMPREZA SPORT TRANSCARE/ Wing Seat (Lift Type)



Number of TRANSCARE Series Sold