



Customers and Products: Efforts to Raise Customer Satisfaction Levels

Our Approach to Customer Satisfaction Activities

The Fuji Heavy Industries 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.

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 Customer Center



(Note that your call will be recorded to confirm the content)

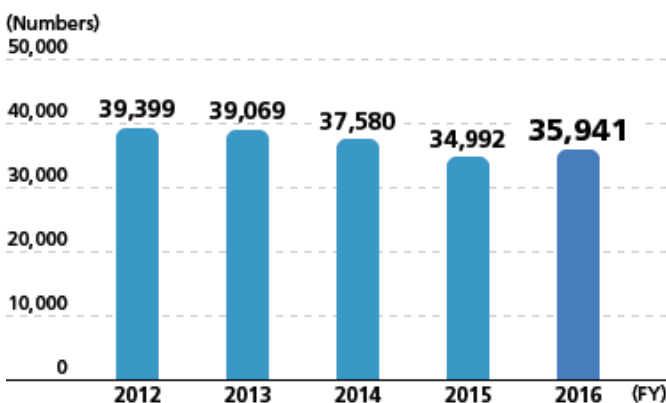
Please contact SUBARU Customer Center if you have any inquiries as below,

- 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)

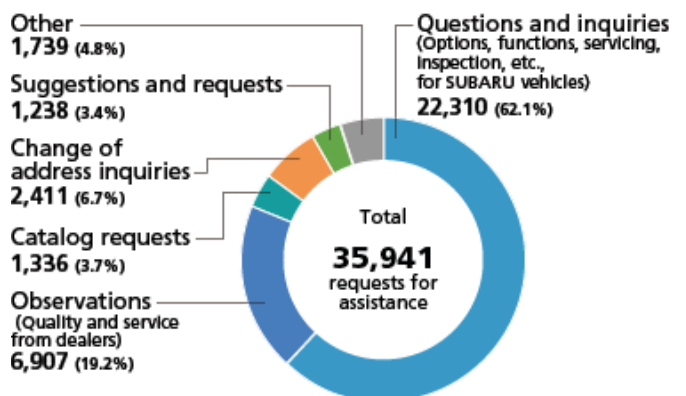
*Information service only for Opinions/Comments/Guidance is available on weekdays 12:00am – 1:00pm, and on Saturdays, Sundays and public holidays

Trends in the Number of Inquiries from Customers



Note: The number of cases does not include inquiries about grades from automotive-related companies.

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 Questionnaire directed at customers who bought a vehicle at one of our dealers. At SUBARU, we take the comments and requests of customers that we learn from the results of the survey seriously, and we have continued to make improvements at each of our dealers.

In FY2016, we achieved a certain measure of appreciation with the positive opinions accounting for 95.8% of responses on the “Overall satisfaction” item for comprehensive evaluation of dealers used with a breakdown of 33.5% for “Extremely satisfied,” 49.3% for “Satisfied,” and 13.0% for “Somewhat satisfied.” On the other hand, there were still some responses that did not amount to satisfaction with 3.3% for “Somewhat dissatisfied” and 0.9% for “Dissatisfied,” and the entire Subaru Automotive Business is working on improvements.

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)
- Expansion of drinks menu, set up of free drinks
- Increased variety of magazines
- Increased amenity goods in bathrooms, etc.

Subaru Automotive Business

- Development of Wi-Fi environment infrastructure and introduction of SUBARU Wi-Fi at all Subaru dealerships
- Creation of Subaru promotion videos that customers can see at all dealerships

Number of valid response to the SUBARU Questionnaire

FY 2016: 95,324 responses/year

FY 2015: 84,090 responses/year

FY 2014: 80,362 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 Customer 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 to expand customer satisfaction activities suited to the SUBARU’s product characteristics.

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

We work to develop human resources through a range of training programs so that all staff at SUBARU dealerships in Japan can perform in a way that gives satisfaction to customers.

Starting in FY2017, we are introducing a curriculum around Subaru DNA, which is the backbone for “Enjoyment and Peace of Mind,” into nearly all training in Japan with the aim of widespread understanding among dealership staff. We have also introduced FT (factory tour) training aimed at enhancing technical capabilities in addition to the conventional standard training.

We also work to train staff outside of Japan, holding in-country training and training in Japan 14 - 15 times a year and providing new content for online learning about one to three times a year.

Number of Trainees Enrolled in Dealer Education Program in Japan

	FY 2016 (first half)	FY 2016 (second half)	Total
Manager, sales	1,426	1,543	2,969
Service staff and other	1,308	1,286	2,594
Total	2,734	2,829	5,563

*Includes business trip training, etc.

SUBARU Academy

SUBARU has established the SUBARU Academy as a dedicated organization in the development of human resources for dealerships inside and outside Japan.

The SUBARU Academy provides occupation-specific training for sales and service staff at dealerships inside and outside Japan as well as job grade-specific training for employees ranging from newly recruits through to dealership managers and management officers.

The SUBARU Training Center, where the SUBARU Academy is located, opened in 2005 in Hachioji City, Tokyo. In addition to various training rooms, it also houses a test course, servicing and training equipment and accommodation facilities which consist of 133 rooms with a maximum capacity of 165 people.



Training program for SUBARU staff



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 customers with “Enjoyment and Peace of Mind” and support.

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 2016: Sales STARS Level 1 – 25 salespeople, Level 2 – 394 salespeople, Level 3 – 1,206 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 advisor’s certification. (As of April 2016: Service STARS Mechanic Level S – 10 mechanics, Level 1 – 935 mechanics, Level 2 – 1,182 mechanics, Level 3 – 971 mechanics, Level 4 – 399 mechanics/Front Counter Service Advisor Level S – 4 people, Level 1 – 138 people, Level 2 – 534 people)

Our goal by 2020 is for 5% of all salespeople to achieve Level 1, 15% to achieve Level 2, and 60% to achieve Level 3. 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 achieving uniformly high after-sales service around the world and helping SUBARU customers drive with peace of mind, the SUBARU Customer Center works with distributors around the world to help them and their dealers 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.

Consequently, SUBARU offers the Advanced Technical Training (ATT) and STEP Trainer Training (STT) as technical training curriculums for the development of the trainers who provide tuition for 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, during FY2016, we assigned external trainers certified by us for 30 countries with annual sales of at least 1,000 cars with the aim of further enhancing service.



Service Advisor Education Program material (extract)



ATT at the SUBARU Academy in March 2016

Organizational Reinforcement

The SUBARU Customer Center works in partnership with dealerships 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 dealerships 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 26 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.



Meeting bringing together overseas dealerships from eight leading countries

Efforts at the Aerospace Company

FHI's Aerospace Company responds to inquiries about maintenance and operation of aircraft delivered to Japan's Self Defense Force among other customers. Moreover, we work to raise customer satisfaction through various questionnaires in addition to regular customer visits in order to ascertain customers' requirements in detail and respond appropriately.

Our maintenance personnel involved in production also hold workplace visits and networking events at the shopfloor level, which assist with deepening and improving mutual understanding of operations with customers who actually engage in maintenance.

Efforts at the Industrial Products Company

We implement questionnaires through external evaluation online in order to hear the views of customers more broadly. We analyze the results of these questionnaires to feed back into improvements aimed at raising customer satisfaction.



Our Approach to Quality

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)

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

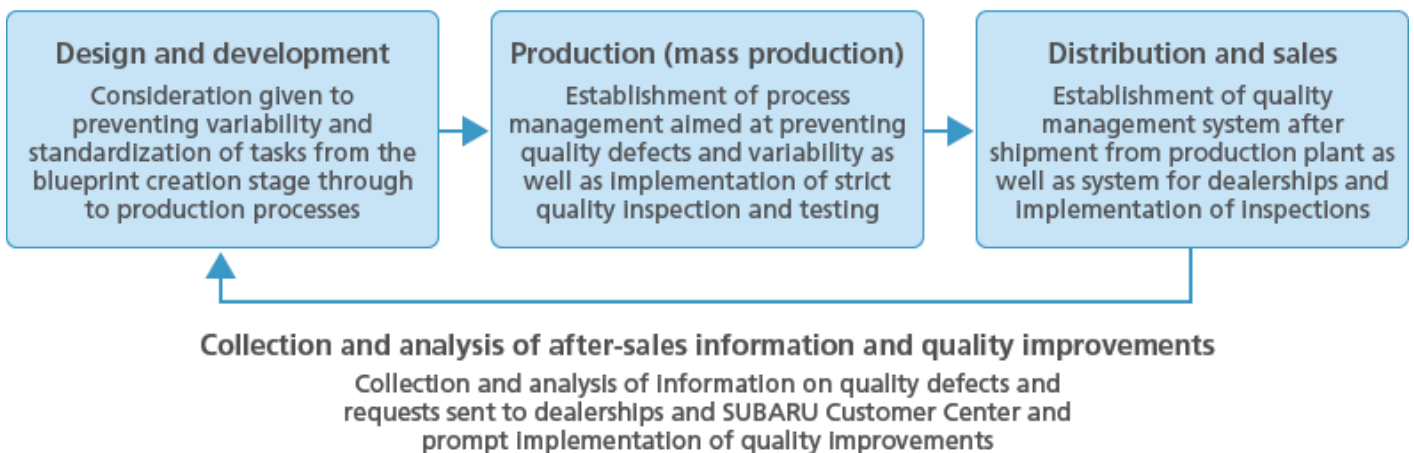
Product Quality Management System

- 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

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

Quality Management Cycle

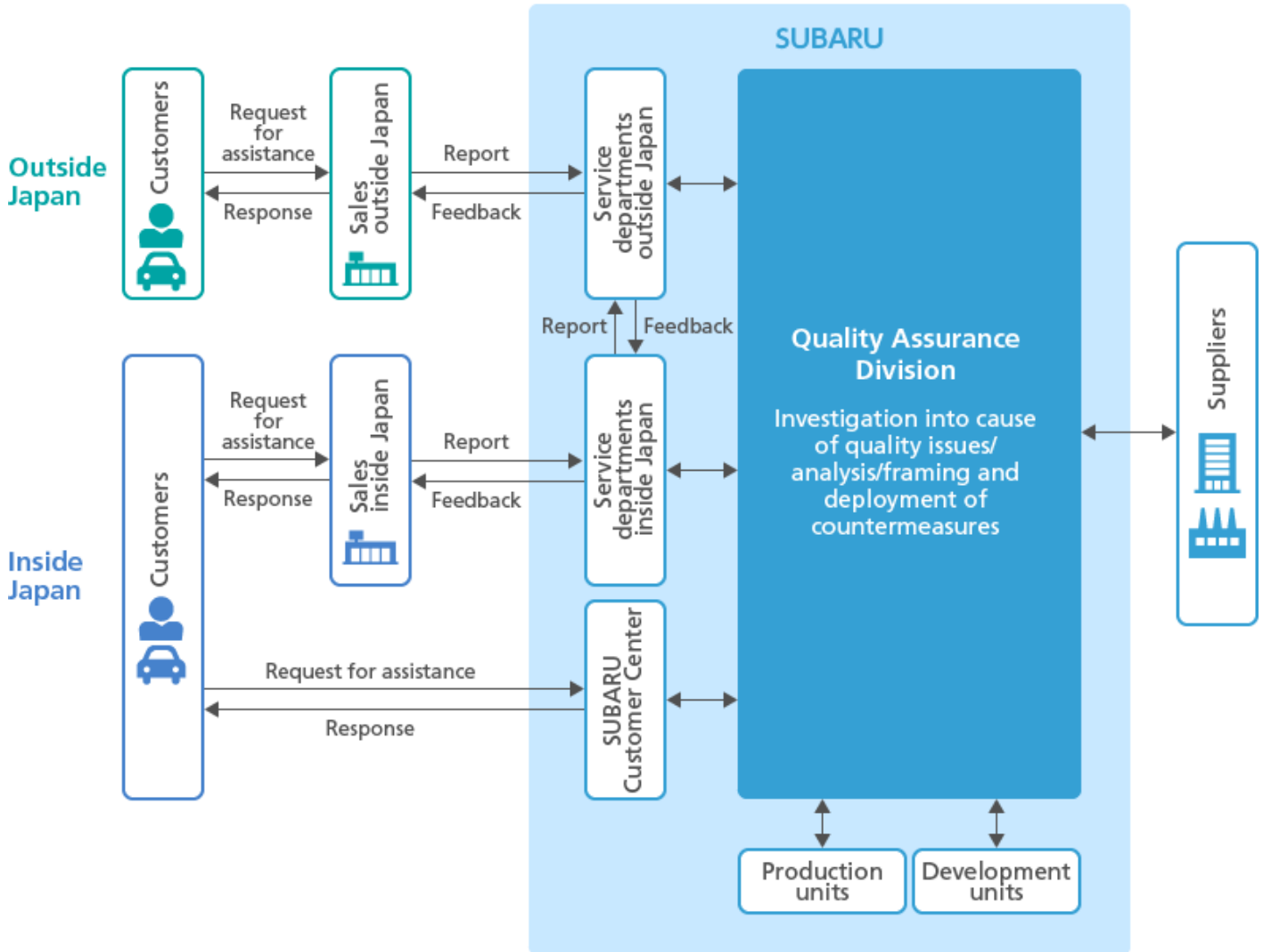


Creating a System Aimed at Improving Quality

At SUBARU, 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 develop and produce even higher quality. 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 FY2016, we strengthened the local system in North America, including organizational and personnel enhancements, with the aim of reinforcing quality improvement functions.

Quality Improvement System



Implementing Quality Assurance Training

We provide grade-specific quality assurance training in each department as part of employee education with the aim of upgrading quality assurance. We also provide training to develop quality assurance experts and individual programs for each business site.

Main curriculum around quality assurance

- Introductory quality training: Quality Assurance Training (Introduction)
- Education for instructors: Quality Assurance Training (Foreman)
- Education for skilled occupations: Quality Assurance Training (Introduction/Foreman)
- 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 mail outs from our dealerships to affected customers to inform them that they can have their cars repaired free of charge.

In FY2016, there were no cases of infringement of laws or voluntary standards relating to the provision of information on quality and safety.

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

 <https://www.subaru.co.jp/recall/>

Number of Recalls and Improvements (Japan)

No. of measures in Japan	FY2014	FY2015	FY2016
Recalls *1	1	4	5
Improvement measures *2	0	0	1
Service campaigns *3	1	0	3

*1 Recalls: A system under which an automobile manufacturer, etc. carries out the necessary improvements to meet safety standards when automobiles, etc. of the same model with a certain range, or tires or child seats might not or do not conform to road vehicle safety standards and the cause is deemed to lie in the design or manufacturing process.

*2 Improvement measures: A system under which an automobile manufacturer carried out the necessary improvements when a vehicle is in a state that cannot be overlooked in terms of ensuring safety and conserving the environment when a problem occurs despite not being specified in road vehicle safety standards and the cause is deemed to lie in the design or manufacturing process.

*3 Service campaign: A system under which an automobile manufacturer carries out merchantability and quality improvements for problems not covered by recall notifications or improvement measure notifications.

Efforts at the Aerospace Company

Quality Management System Based on Aerospace Industry Standards

FHI's Aerospace Company has established a priority policy of promoting production activities that are focused on a thorough commitment to safety and quality. 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 and defense industry. The International Aerospace Quality Group (IAQG), to which the world's aircraft manufacturers belong, formulated this management standard.

As a leading voting member company of the IAQG, we contribute to the preparation of diverse guidance materials aimed at the creation of management standards and quality improvement and the formulation of operating regulations for management system accreditation programs.

In 2013, Japan's aerospace and defense industry formulated and issued SJAC 9068 as supplements to JIS Q 9100 with the aim of preventing inappropriate quality-related incidents and establishing a robust quality management system (QMS). FHI incorporated the supplements into the quality management system at the Aerospace Company immediately after they were issued.

Efforts Aimed at Improving Quality

FHI'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" for each year, engaging in activities that include lectures and distribution of educational pamphlets to all employees. The lecture for FY2016 was entitled Frontline Capabilities at Disneyland: All for the Happiness of Guests and was presented by Kaoru Abiko, Representative Director at Chucksfamily Inc. More than 500 people were involved including employees, the company president and suppliers.



Lecture on quality

The Aerospace Company has also established various systems for frontline employees to raise their opinions, including 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.

Efforts at the Industrial Products Company

Compliance with International Standard for Quality Management System

Since obtaining ISO 9001 (JISQ9001) certification, the international standard in quality management systems, in 1996, the Industrial Products Company has constantly complied in accordance with revisions to the standard.

Starting in 2014, the Industrial Products Company has taken the proper steps to adopt the requirements of ISO/TS16949, the international standard for quality management systems in the automobile industry, in order to respond even more precisely to customers' quality demands and expectations, and we are striving to reinforce the quality base.

Efforts Aimed at Improving Quality

At the Industrial Products Company, the Quality Management Committee, composed of all departments, manages progress toward quality targets on a quarterly basis.

In a year-round effort, we regularly conduct customer satisfaction surveys to collect opinions from customers and identify issues in areas ranging from manufacturing through to sales, paving the way to KAIZEN (improvement) activities. The Industrial Products Company has designated November as the "Quality Reinforcement Month" for each year in an effort to raise consciousness through such means as soliciting quality management slogans from all employees as an awareness activity. In addition, we have also developed grade-specific quality training programs in our efforts to upgrade quality.



Our Approach to Making Safe Vehicles

SUBARU has worked to build cars with the concept that everyone should enjoy comfortable mobility with peace of mind all the time. The pursuit of safety is one important theme in achieving this.

SUBARU ALL-AROUND SAFETY, the basic concept for this, means that we aim for safety under all environments. SUBARU people are working to improve all aspects of safety under a variety of conditions, including Active Safety that assumes accidents may occur and prevents them, Pre-crash Safety that supports the driver's driving operations and includes hazard avoidance by the vehicle itself if needed to avoid a collision with the aim of helping reduce damage in the event of a collision, and Passive Safety to minimize damage in the event of an accident.



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.

<http://www.subaru-global.com/technology/safety/primarysafety.html>

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



Symmetrical All-Wheel Drive

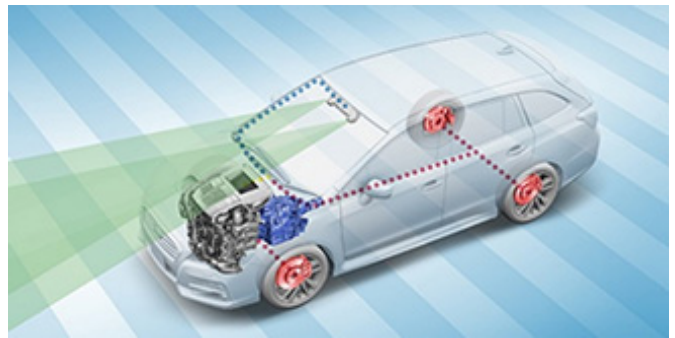
Click here for more details.

<http://www.subaru-global.com/technology/safety/activesafety.html>

Thoughts on Pre-crash Safety

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

SUBARU was quick to become involved in pre-crash safety, and has promoted its 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, Impreza/XV and Forester have also been equipped with EyeSight (Ver.3), and we are working to increase the models fitted with the system.



EyeSight (Ver.3) system illustration

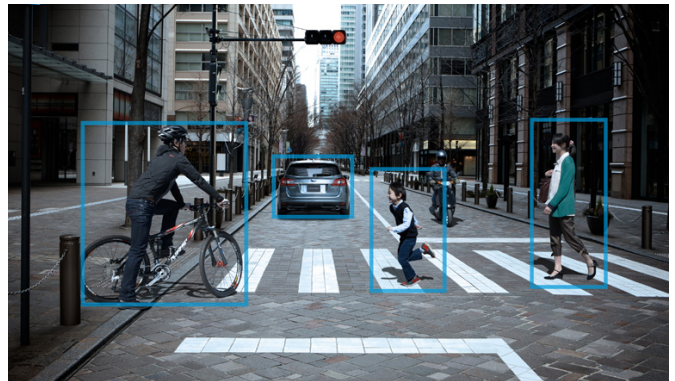


Image perceived by stereo camera

Click here for more details.

<http://www.subaru-global.com/technology/safety/preventivesafety.html>

Thoughts on Passive Safety

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

SUBARU promotes development informed by safety ideas that take in all aspects of the 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 SUBARU also considers collision with pedestrians in its safety system, for which it is highly acclaimed, not only in Japan but also throughout the world.



Image of Legacy Outback JNCAP Frontal Offset Crash Test
Photo courtesy of the National Agency for Automotive Safety & Victim' s Aid (NASVA)

Click here for more details.

<http://www.subaru-global.com/technology/safety/passivesafety.html>

FY 2016 Car Assessment Results

SUBARU undergoes safety performance testing and assessment by JNCAP*1 in Japan, IIHS*2 in the U.S., EuroCAP*3 in Europe and ANCAP*4 in Australia, public organizations inside and outside Japan, and gains the highest rank of assessment in many of them.

In FY2016, all the models assessed in the new rear visibility assist device assessment commenced by JNCAP received a high rating. In addition, all the models assessed received the top rating of Advanced Safety Vehicle - Plus (ASV+) following on from FY2015.

*1 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 Insurance Institute for Highway Safety.

*3 European New Car Assessment Programme: a program for publishing vehicle safety information conducted in Europe.

*4 ANCAP is an independent organization composed of the transportation authority of Australia and New Zealand that has been providing safety assessments since 1993.

FY 2016 Commendations

Japan JNCAP

- ASV+:
EyeSight-equipped Legacy/Outback,
Levorg/WRX, Impreza/XV/XV Hybrid,
Forester, Exiga Crossover 7



U.S. IIHS

- 2016 TOP SAFETY PICK+ awards*5:
EyeSight-equipped Legacy, Outback,
Impreza, XV Crosstrek, Forester, WRX



*5 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, Roof Strength Test and at least Basic in the Front Crash Prevention Test. In addition to these conditions, a vehicle that is rated Advanced or higher in the Front Crash Prevention Test is awarded TOP SAFETY PICK+ (TSP+).



Approach 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 Standard-sized 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 FY2016, we added the Legacy and the Crossover 7 to the TRANSCARE series to enhance the lineup as well as posting videos of the TRANSCARE series on our website.

In October 2015, we exhibited at the 42nd International Home Care & Rehabilitation Exhibition, Japan’s largest comprehensive exhibition of welfare equipment, presenting the Levorg and Legacy Outback based around the theme: “You’ll like getting out.” Our booth was visited by many people.

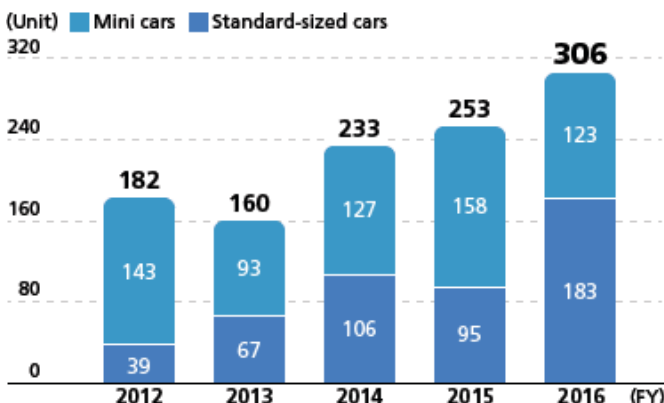
In FY2017, in addition to adding the new model Impreza to the lineup, we plan to increase the number of opportunities to view the TRANSCARE series in dealerships and to go for a test drive in a demo car.

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.

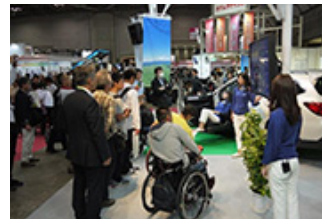
See videos for the TRANSCARE series here.
(Available only in Japanese)

<http://www.subaru.jp/transcare/wingseat/index.html>

Number of TRANSCARE Series Sold



SUBARU Exhibit Booth at the 40th International Home Care & Rehabilitation Exhibition



Providing customers with explanations



Providing customers with explanations



Levorg TRANSCARE Wing Seat (Lift type)