

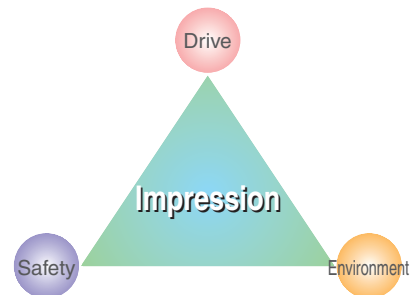
Relationship with Customers

Developing Safe Automobiles

Policy of Developing Safe Automobiles

When developing automobiles, Subaru makes safety number one on our priority list. On the basis of our philosophy, "Think. Fee. Drive." we aim to succeed in developing human-friendly cars. Subaru has established its own safety standards based on our policies: 1) active adjustment to the social environment, 2) investigation of accidents and customer needs, and 3) pursuit of state-of-the-art safety technologies. With these policies, we approach development of safety systems from both the standpoint of active safety to avoid accidents and the standpoint of passive safety to minimize damage.

Subaru's Development Philosophy



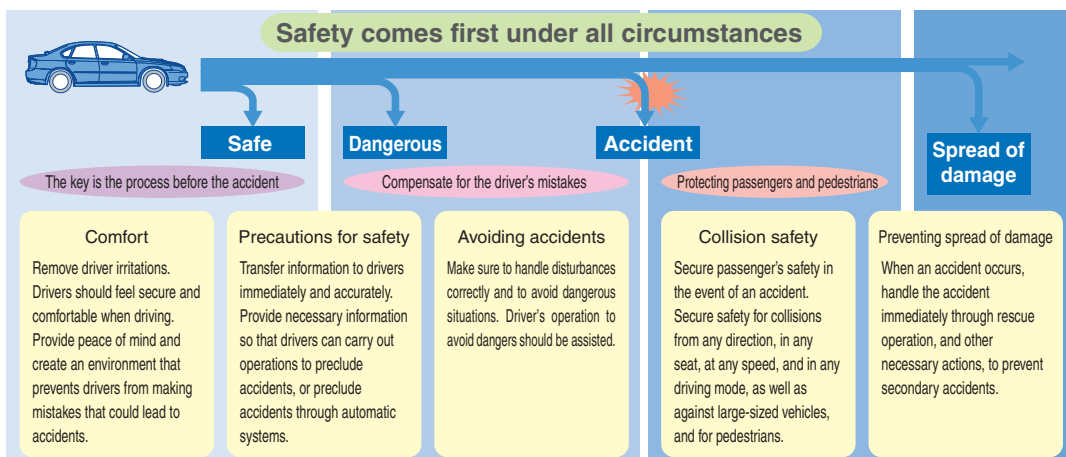
High-level integration of "drive," "safety," and "environment" will create a product that will touch your heart.

Pursuing the Development of Safe Automobiles

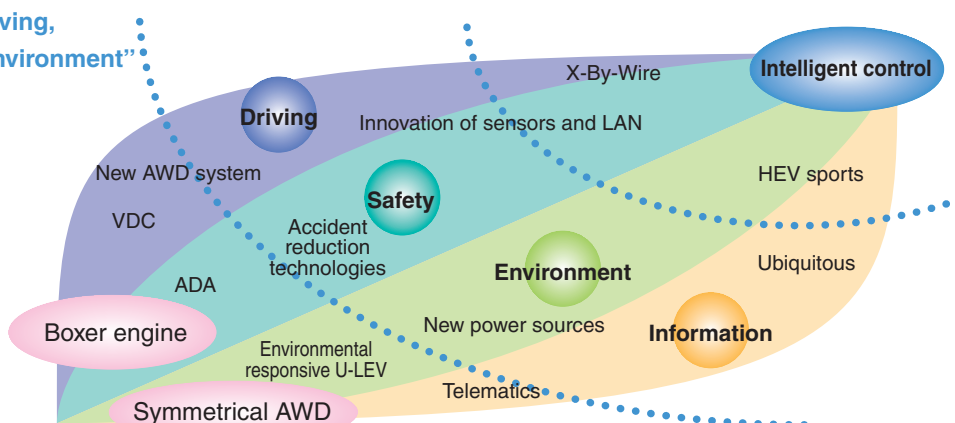
With the concept of "active driving, active safety," Subaru has been advancing high-performance AWD that can provide drivers with safe, comfortable, and fun driving on any road. With our belief that attaining ideal driving dynamics will lead to safety, Subaru has developed passive safety technologies to ensure safety in the event of an accident, as well as sophisticated active safety technologies to prevent accidents.

With its state-of-the-art technologies, Subaru is pursuing development of automobiles, aimed at enhancing total safety performance through working on both environmental conservation and safety issues.

Subaru's Concepts of Safety



"Subarus' Driving, Safety, and Environment" Road map



Active Safety

Subaru values driving dynamics, not simply because we want to drive faster, but because we aim to improve the driver's ability to avoid accidents and preclude accidents by improving on our automobile's basic performance: drive, turn, and stop. With our own technologies, such as ADA, Subaru is working to develop systems that will contribute to reducing accidents, through which the automobile warns the driver to watch out for imminent danger. Thus, Subaru offers performance called "safety" to our customers, through our continued efforts to improve the basic performance of automobiles and through active pursuit of advanced technologies.

● Subaru ADA*1

The Subaru ADA, an integrated system consisting of a stereo camera and a millimeter wave radar, recognizes a wide variety of traffic conditions in front of the driver, even in bad weather.

The ADA provides on-target assistance to the driver's recognition and judgment, and helps the driver feel more comfortable and less fatigued.



Millimeter wave radar



Stereo camera

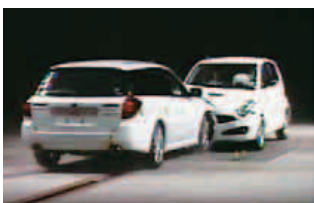
*1. ADA: Active Driving Assist

Passive Safety

Subaru's concept of passive safety is to help ensure passenger safety inside the car, and also to minimize the damage that automobiles inflict on society. Giving extra consideration to protecting oncoming cars, bicycles and motorcycles, and pedestrians, Subaru develops cars on the basis of our safety concept of "Compatibility," allowing Subaru's automobiles to attain safety in a wide range of aspects.

● Frontal Collision Compatibility

If your vehicle crashes with a larger or heavier vehicle, your car tends to receive greater impact. To ensure safety for both sides even in such a case, Subaru has been developing automobiles from broad perspectives: a body structure that effectively absorbs impact, a strongly constructed cabin that protects the passenger compartment, and a restraint system that safely restrains passengers.



Frontal collision compatibility



Frontal collision compatibility (overhead photograph)

● Pedestrian Protection

Pedestrians are in the vulnerable position in the automobile-dependent society. Subaru first recognized this issue, and has been pursuing the development of vehicles, especially bumpers, hoods, and fenders, that take pedestrian safety into consideration.

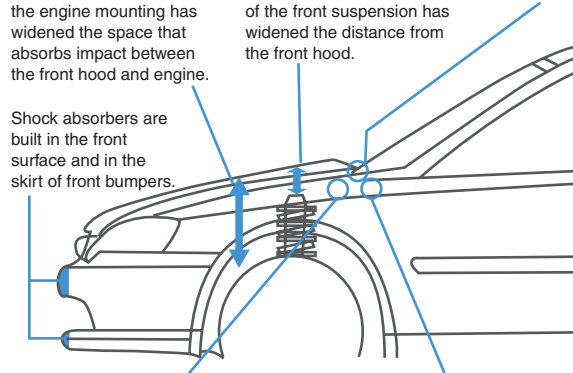
▶ Consideration for Pedestrian Safety

Changing the location of the engine mounting has widened the space that absorbs impact between the front hood and engine.

Raising the top of the strut of the front suspension has widened the distance from the front hood.

Collapsible wiper

Shock absorbers are built in the front surface and in the skirt of front bumpers.



Shock absorbing Structures are built into the upper parts of fenders.



The front hood hinges are designed to absorb shocks.

Development of Human-Friendly Automobiles

TransCare Series

Subaru has been manufacturing and selling vehicles called "TransCare," vehicles for the disabled, since 1982. "TransCare," a word coined from "Transportation" and "Care," was registered in 1997 as the trademark for Subaru's vehicles for the disabled. Subaru will focus its effort to develop labor-saving devices that can be easily used by both caregivers and care-receivers.

Outline of Vehicles for the Disabled

Subaru offers a wide selection of TransCare automobiles, from the zippy Sambar, a van-type minicar, to the Legacy, a standard car for enjoying long-range drives. In fiscal 2003, Subaru released TransCare Wing Seat*1 series for the Legacy and the R2 (minicar) simultaneously with launch of their new models.

*1. Wing Seat: A rotating front passenger seat to allow for easy loading and unloading of passengers.



Legacy TransCare Wing Seat: The Legacy Wing Seat and the R2 Wing Seat place emphasis on providing a comfortable seating area, with an electrically operated seat slide.

Also, in response to the increasing demand for wheelchair accessible vehicles, our van type minicar Sambar offers an electrically operated wheelchair lifter*2 that allows for loading and unloading of passengers in wheelchairs. We also offer a type equipped with a stretcher,*3 which allows for loading and unloading of passengers who are lying down.

*2. Wheelchair lifter: This is Japan's first wheelchair lift that uses the "Side-lifting System" (introduced in November 2003). This Wheelchair Lifter is an electrically operated lift that provides passengers security and safety by loading and unloading them from the side of the car, instead of from the road.

*3. Stretcher: This is a bed with wheels to carry patients who are lying down. Subaru's Sambar is Japan's first van type minicar that is equipped with a stretcher (introduced in November 2003).

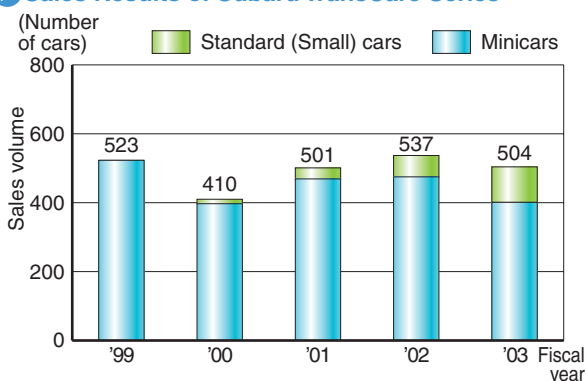


Sambar Van, Dias: Side-lifting System is used.

Sales Results of TransCare Series

With an aim of "sharing the happiness of living with cars with all people," Subaru develops and distributes vehicles for the disabled so that disabled and aged people can enjoy a safe, comfortable ride. Our sales results are shown below.

Sales Results of Subaru TransCare Series



For Customer Satisfaction

Subaru Customer Center is where Subaru provides customer services under FH's quality policy.

The Subaru Customer Center consists of a customer relations department where we receive questions and suggestions from customers, a CS promotion department for ensuring a high level of customer satisfaction, a service department, where a variety of service plans are developed to secure comfortable driving for customers who have purchased Subaru cars, and the Fuji Training School, which serves to provide education for Subaru dealers.

Quality Policy

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

Customer Relations Department

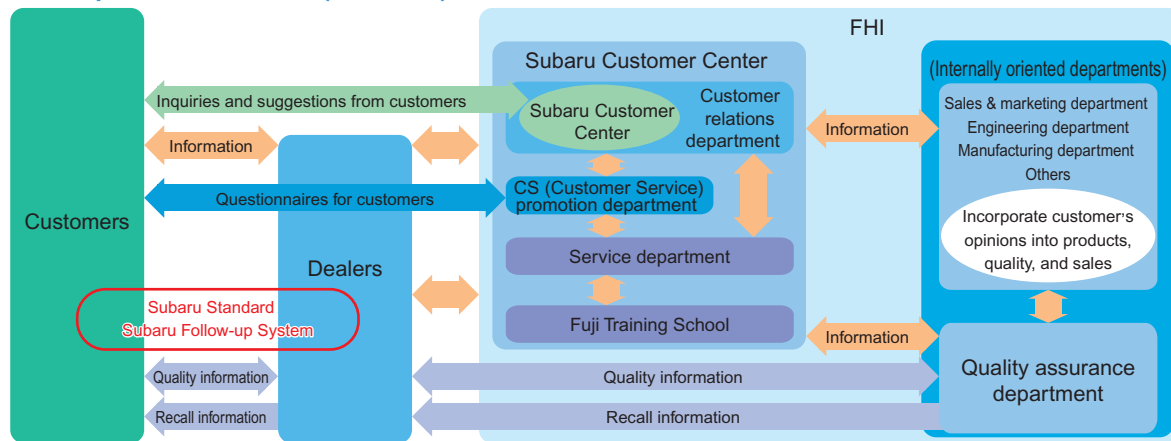
Within the customer relations department, the Subaru Customer Center has been established to gather the firsthand views of our customers. Since communication is exchanged mainly by means of telephone and letters, we ensure quick and on-target responses to inquiries and consultations from our customers, based on our action policy of promptness, sincerity, attentive listening. In the case of questions that cannot be handled immediately, we provide responses after consulting with related departments and Subaru dealers.

Market phenomena and requests and suggestions from our customers are released in internal reports issued weekly/monthly/semi-annually/annually. We believe that making use of feedback from our customers for corporate activities eventually leads to development of products and services that satisfy our customers. We believe that customers' voices represent their expectations for Subaru. Therefore, we would like to continue to serve our customers through good communication with each one and to be a company that makes our customers feel great about our relationship.

Results of Fiscal 2003 Activities

The team dedicated to customer consultation services has been providing services since its establishment in May 1982. In fiscal 2003, the number of consultations we received drastically increased, due to introduction of the new models of Legacy and R2 into the market. We received a total of 46,000 inquiries, and among them, 5,600 items were problems that were pointed out. A total of 42,000 inquiries (90%) were made by telephone, and 2,000 (5%) were made through letters. Since we began receiving inquiries by e-mail this May, 2,000 (5%) inquiries have been made by e-mail.

▶ Relationships with Customers (Domestic)



CS (Customer Service) Promotion Department

We, as the Subaru team that includes dealers, as well as all divisions and departments within the company, aim to provide the highest level of satisfaction to our customers. Customers' opinions that we have received through dealers and market trend surveys are incorporated into products, quality, and sales via related departments. When we receive particularly notable opinions through surveys on products and quality, we may send engineers to visit the customer to gather more details in an interview.

Fiscal 2003 Results of Activities

● Domestic Dealers

Immediately after the Legacy was launched, we began to conduct customer satisfaction surveys every year to listen sincerely to the voices of our customers, and we have incorporated the results of the surveys into the improvement activities of customer services and equipment at dealers. In response to establishment of the Subaru Standard, an action standard for dealers, all dealers are committed to providing equal quality services with customers, anytime and anywhere. The results of surveys that have been conducted for more than ten years show that we have steadily increased customer satisfaction. After the launch of the new models, Legacy and R2, in fiscal 2003, we conducted surveys among an extensive scope of customers who bought minicars and customers who went through the first car inspection, and as a result, we found new challenges.

Also, in order to further enhance our customer services, we are providing all dealers with educational activities through an information journal "COMPASS," and are developing the Good Smile CS Campaign.

● Dealers in the U.S.

In order to raise the service level of dealers, Stellar Performers have been developed, which is a system for evaluating the performance standards that each dealer has established for items in categories such as sales, services, and facilities. FHI has been conducting its own customer service surveys in order to enhance improvement activities at each branch and providing customer service training for employees of dealers.

From the Information Journal COMPASS

Report from the Branch That Came Out on Top in Customer Satisfaction Surveys ~ Nagoya Subaru Odaka Branch ~



Our turning point was a meeting that we held after receiving severe evaluations;

"What was wrong?" As we were talking about it, we were all blaming other people or the work environment. After the branch manager said, "It's not that. Customer service equals people. We are to blame for this!" we started openly discussing "what we have to do now," and continued through the middle of the night.

Good Smile CS Campaign

From the moment we welcome customers to the moment we see them off, Subaru staff serves our customers in a cheerful and brisk manner.

CS Action Card

We carry the CS Action Card, which contains seven basic action items. We always keep these action items in mind when serving our customers.

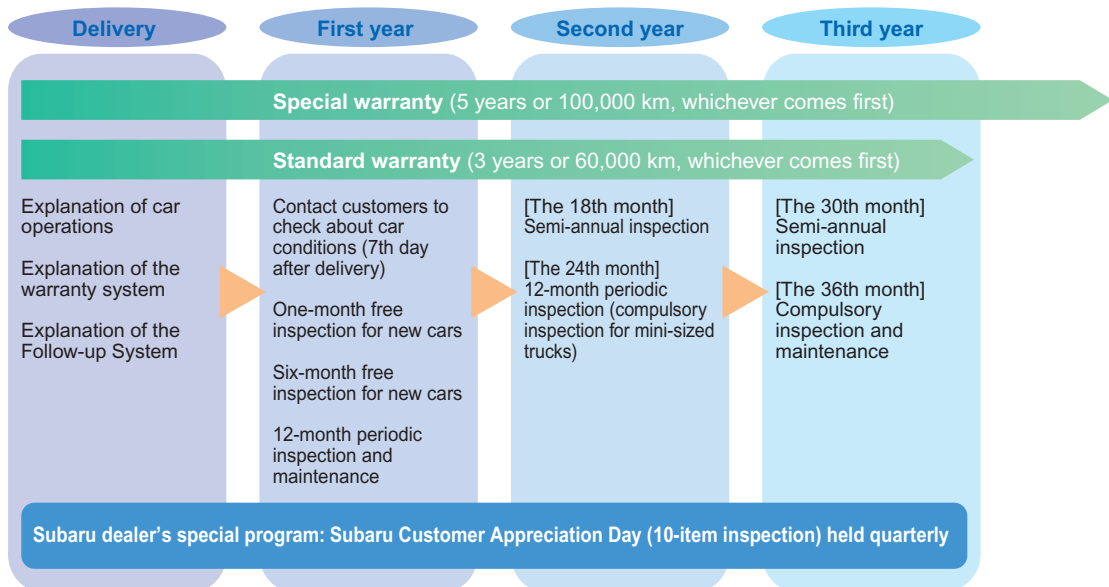


Service Department

Follow-up Service Program Including Inspections (Domestic)

●Subaru Follow-up System

Subaru Follow-up System is our service system that ensures a safe, secure, and comfortable life with your car, with coverage from the delivery of the car to the third-year compulsory inspection.



●Subaru Customer Appreciation Day

The most popular event in the Subaru Follow-up System is Subaru Customer Appreciation Day, which 53 Subaru dealers in Japan have held simultaneously each quarter for more than ten successive years. Four times a year, all employees in the sales, service, parts, and administrative departments make combined efforts to prepare for this event. During the event, we thank our loyal customers by providing an enjoyable time and space for all our customers to share, including children, women, and the aged.

Subaru strongly supports our customers' lives with cars by providing a variety of service programs, including Subaru Customer Appreciation Day, in the hope of hearing our customers say, "I'm happy that I chose Subaru," or "I'm happy that I drive Subaru."

●Approaches to Product Recall

Our efforts to improve the quality of Subaru products based on the information from customers all over the world can contribute to product improvement and can further polish the Subaru brand. Quality information about Subaru automobiles is collected from global dealers through our dedicated Internet network, by fax and phone. Based on the information collected and investigation on vehicles and parts, we handle problems as follows:

- (1) Our number one priority is to provide customers with security while driving their cars. Problems are handled in accordance with domestic and overseas laws and regulations.
- (2) Announcements of product recall are made to customers through newspapers, direct mail, and the FHI website*1.

*1. FHI website: <http://www.fhi.co.jp/recall/main.htm> (for domestic customers)