Our corporate philosophy regarding Subaru's customers and products: Customer satisfaction is our first priority; we provide the highest quality products and services, as well as contributing to improvement in the economy and society.

Subaru established the Subaru Call Center to provide customer service and developed an in-house quality assurance system based on the above philosophy. The Subaru Customer Center consists of a Customer Relations Department where we receive questions and suggestions from customers, a CS Promotion Section for ensuring a high level of customer satisfaction, Domestic and Overseas Service Departments where we develop a variety of service plans to ensure comfortable driving for our customers, and the Subaru Academy, which serves to provide education for domestic and overseas Subaru dealers.

#### **Customer Relations Department**

Subaru established the Subaru Customer Center (operated by the Customer Relations Department) as a point of contact for customer inquiries, requests for assistance, demands and suggestions. Since communication is exchanged mainly by means of telephone and e-mail, we ensure quick, on-target responses to inquiries and requests for assistance

# **CS Promotion Section**

We at the Subaru team, which includes dealers and all the divisions and departments within the company, aim to provide the highest level of satisfaction to our customers in each area. We incorporate the customers' opinions we receive through dealers and Subaru customer questionnaires into products, quality and sales via the related divisions and departments.

#### Fiscal 2005 Results of Activities

Unfortunately, FHI was ranked last in successive years, 2004 and 2005, in the JD Power Sales Satisfaction Study. By taking these results to heart, we have been conducting the following activities in order to significantly improve customer satisfaction by accelerating quality improvement in customer relations: 1) We modified our customer satisfaction survey method in order to seriously listen to customers' opinions

# **Service Department**

Subaru has adopted the Subaru Fureai Followup Program<sup>\*1</sup> as our service system to ensure customers have a safe, secure and comfortable experience with their cars, with coverage lasting from the delivery of the car to the third-year compulsory inspection. Subaru also holds nationwide service skill competitions in an effort to improve the technical skills of dealers' service technicians.

#### **Approach to Product Recalls**

Our efforts to improve the quality of Subaru products based on information from customers all over the world contributes to product improvement and to the further refinement of the Subaru brand. Quality information about Subaru automobiles is collected from global dealers through our dedicated Internet network as well as from our customers based on our action policy of promptness, sincerity and attentive listening.

In fiscal 2005, we dealt with approximately 59,000 (99.7% compared to the previous year) requests for assistance from customers. We feed the invaluable opinions, demands and suggestions from customers back to the relevant departments/divisions to increase customer satisfaction by improving quality, developing products and improving sales and services.

We believe that customers' voices represent their expectations of Subaru. Therefore, we would like to continue to serve and give satisfaction to our customers through good communication with each and every one of them.

immediately after purchasing Subaru products, to reflect the opinions by improving dealership facilities and customer relations and to achieve the highest level of customer satisfaction in each area. 2) We formed the Customer Service Quality Improvement Project with approximately 35 managerclass employees from Subaru Japan Sales & Marketing Div., Subaru Parts & Accessories Div. and Subaru Customer Center in Japan and had this team work on improving, based on the customer's perspective, new car dealerships by visiting the dealerships across Japan. 3) We instituted "the mystery shopper" (undercover shopping) survey across Japan, conducted by a third party, in order to increase customer satisfaction by better understanding the customer's viewpoint.

In addition, we issue "COMPASS," Subaru's customer

by fax and telephone. Based on the information collected and investigations of vehicles and parts, we determine and announce recalls as follows: (1) Our number one priority is to provide

- customers with peace of mind owning Subaru cars. We determine whether or not problems warrant product recalls in accordance with domestic and overseas laws and regulations.
- (2) Product recall announcements are made to customers through newspapers, direct mail and the FHI Web site (http://www.fhi.co.jp/).

We had four recalls<sup>\*2</sup> (three for Subaru automobiles and one for refuse collection vehicles) in fiscal 2005. We sent direct mail apologizing to customers and informing them about no-charge repair services and placed the recall announcements on the Web site. service magazine for all dealerships, every other month six times a year, in order to raise the awareness of the dealership personnel who directly serve customers and to share case studies regarding customer service at other dealerships so that ideas may be implemented at all dealerships.



"COMPASS," customer service magazine for dealerships

# Subaru Academy

In order to enhance our global sales network, FHI opened Subaru Academy in January 2005 at the Subaru Training Center, an educational facility located in Hachioji, Tokyo. The Academy provides a two-level of educational programs that systematically trains personnel from recruits to management.

The Business School of Management accepts dealer management and managers in sales and service from Japan and overseas, with the aim of strengthening the sales efficiency of the entire Subaru group.

The Training School accepts employees from sales, parts, customer service, and technicians to improve their skills and abilities to comply with customer expectations.

In fiscal year 2005, the Academy accepted about 10,000 trainees.

\*2 : We place recall announcements on FHI's Web site: http://www.fhi.co.jp/

Environmental Report

<sup>\*1:</sup> The Subaru Fureai Follow-up Program is an after sales service provided by Subaru dealers across Japan to support our customers. It includes such benefits as "Free maintenance service for one month after registration."