Our Approach to Quality

Subaru actively delivers 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. Subau has 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

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

Established November, 1994

Product Quality Management System

1. Establish Quality Management System (QMS) based on the Quality Policy and ISO9001 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, Subaru works 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, Subau strives to work through this cycle swiftly in order to meet customer needs without any delay.

Quality Management Cycle

- **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 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 SUBARU Customer Center and prompt implementation of quality improvements.

Creating a System Aimed at Improving Quality

Subaru has 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. Subau collects customers' opinions from around the world and identify quality issues. In addition to investigating the cause of the quality issues, Subau frames countermeasures, which Subau deploys to the relevant in-house departments and/or suppliers.

In FYE2018, Subau has enhanced our efforts towards type designation operation by newly establishing the COP* Supervision Section to prevent the recurrence of the Final Vehicle Inspection Issue.

*CONFORMANCE OF PRODUCTION (COP)
Implementing Quality Control Training

Subaru has developed a curriculum around quality control as part of employee education with the aim of upgrading the level of quality assurance and control. Subaru not only provides 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)
- Other employees: open classes at each workplace
Response to Recalls

Subaru is taking measures to cope with recalls in order to prevent accidents and protect customers.

In the event of product defects, not only do Subaru respond properly based on the laws and regulations of each country, but Subaru also determines 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, Subaru sends direct mails from our dealerships to affected customers to inform them that they can have their cars repaired free of charge.

In FYE2018, Subaru had no cases of violating rules and regulations in regard to information provision on quality and safety.

Related information

Recalls of Subaru Cars (Japanese version only)

Number of Recalls and Improvements (Japan)

<table>
<thead>
<tr>
<th></th>
<th>FYE2015</th>
<th>FYE2016</th>
<th>FYE2017</th>
<th>FYE2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recalls</strong>(^1)</td>
<td>4</td>
<td>5</td>
<td>15(^{*4})</td>
<td>9(^{*4})</td>
</tr>
<tr>
<td><strong>Corrective Action</strong>(^2)</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td><strong>Service Campaigns</strong>(^3)</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

*1 Recall: Corrective action implemented by automobile manufacturers, etc. for a specific range of automobiles of a similar type, or for tires or child car seats, to bring the product in question into compliance with the Safety Regulations for Road Vehicles when vehicles, etc. are in a condition that suggests that they may cease to conform or that they do not conform to those safety regulations, and when the cause for such non-conformity lies in the design or manufacturing process.

*2 Corrective action: Corrective action implemented by automobile manufacturers, etc. in respect of matters which, although not specified in the Safety Regulations for Road Vehicles, cannot be overlooked from a safety or environmental conservation perspective in the event that a defect should arise, where the cause lies in the design or manufacturing process.

*3 Service campaign: Corrective action relating to merchantability/quality in respect of a defect that is not subject to a notification of recall or corrective action.

*4 The figure for FYE2017 is nine because there is one recall relating to Takata airbags, in which recall notifications were submitted on the basis of individual models (three models). (So based on in-house consultation, the number is seven.)
## Efforts at the Aerospace Company

### Quality Management System Based on Aerospace Industry Standards

The Aerospace Company’s 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, Subaru has built and act under the latest quality management system that conforms to the latest JISQ9100:2016 quality management system requirements for Aviation, Space and Defense Organizations.

In addition, Subaru has quickly incorporated into our Aerospace Company’s quality management system the Supplements to JISQ9100 (SJAC9068) that are 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 on quality, commendation of employees contributing to quality improvement and distribution of educational pamphlets to all employees.

The lecture on quality for FYE2018 entitled Communication Skills that Motivate Everyone to Work was presented by Kumi Toda, who is the President of A-dot Communication. More than 500 people attended the lecture including the company president, employees 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.