

Quality: Automotive Business

Our Approach

Quality is the foundation of “Enjoyment and Peace of Mind,” SUBARU’s core value, and delivering quality is one of our most fundamental responsibilities to our customers. Quality reforms are the most important theme in mid-term management vision “STEP,” and we are reviewing all business processes, from product planning and parts procurement by suppliers to production and shipping at our plants, and implementing reforms.

To ensure that we become a company that resonates with and inspires trust in our customers, under the banner of our new quality policy, all employees are making “quality first” their slogan as they work hard to provide high-quality products and services that will impress customers. SUBARU 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.

In FYE March 2021, we established the Quality Assurance Management Office to supervise quality assurance across the entire Subaru Group, including the Aerospace Company. The roles of this office will include developing and managing the Subaru Group’s organizational structure and systems required to assure quality, maintaining their effectiveness, and continually improving them

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. Aim to improve customer satisfaction by assuring that products will comply with both customer requirements and applicable statutory and regulatory requirements.
3. Strive to continually improve the QMS through operational improvements.

With its QMS, 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, SUBARU strives to work through this cycle swiftly in order to meet customer needs without any delay.

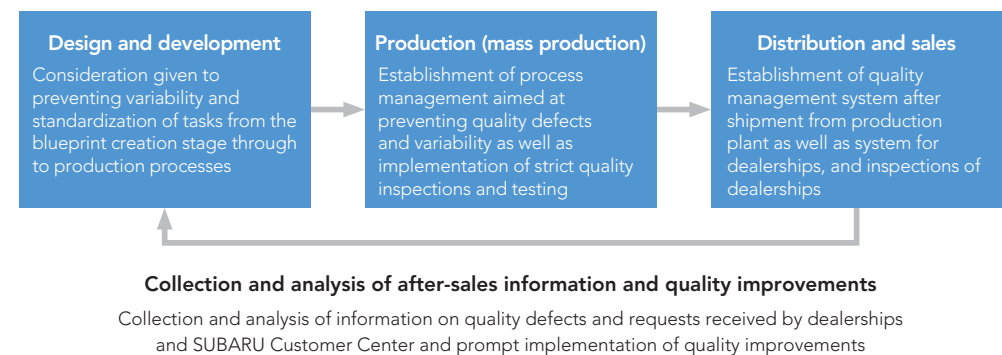
Quality Policy

At Subaru, quality is our highest priority as we earn the trust of our customers.

1. We will deliver long lasting products that our customers can use with peace of mind.
2. We will continually improve our products and services by always listening closely to our customer’s voice.
3. We will be a good corporate citizen in all markets where we do business by ensuring compliance with all internal rules, local laws, regulations and social norms.

Revised in April 2019

Quality Management Cycle



Respect for
Human Rights**Quality:
Automotive Business**Quality:
Aerospace BusinessMaking Safe
VehiclesHuman
Resources

Customers

CSR
ProcurementCommunity
Engagement

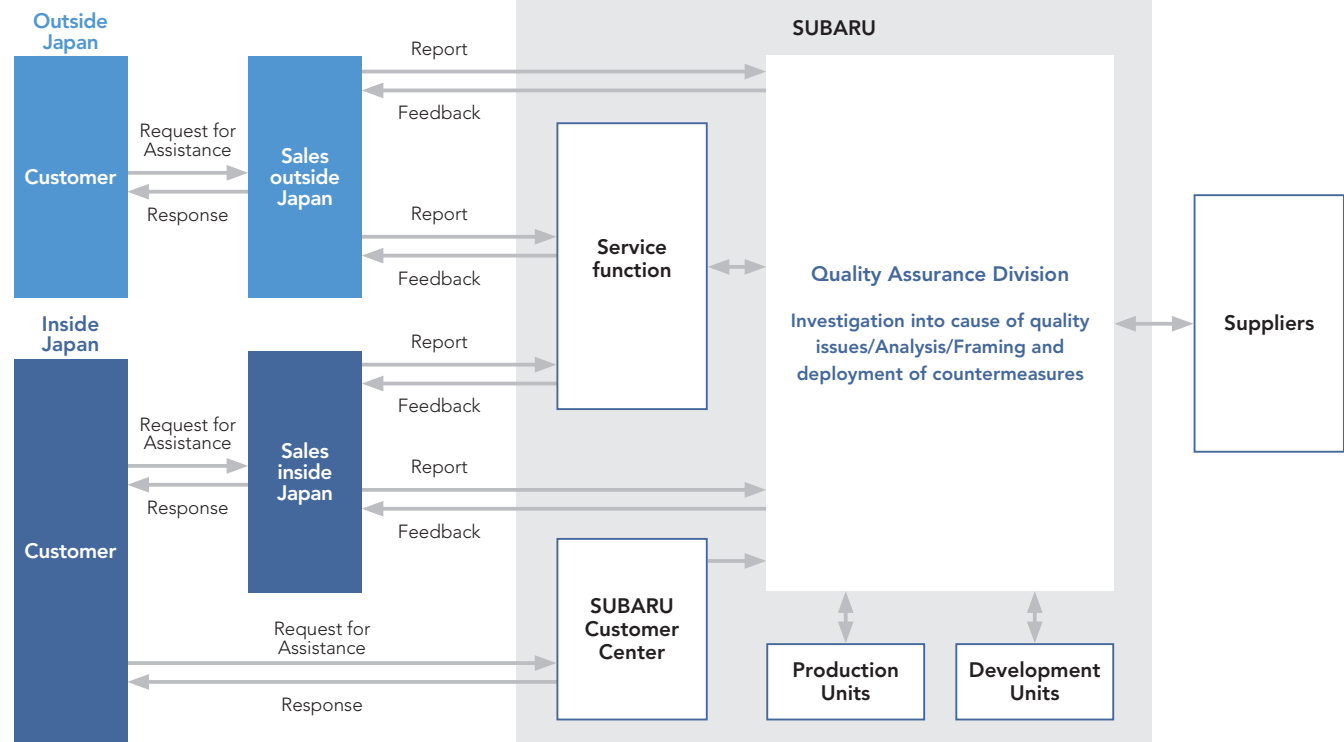
Management System

SUBARU has established a quality improvement system with the Quality Assurance Division at the heart of efforts in order to analyze after-sales quality defects and customer requests to realize higher-quality development and production. Based on customers' opinions collected from around the world, SUBARU works with the relevant in-house departments and suppliers in identifying quality issues, investigating their cause, and planning countermeasures.

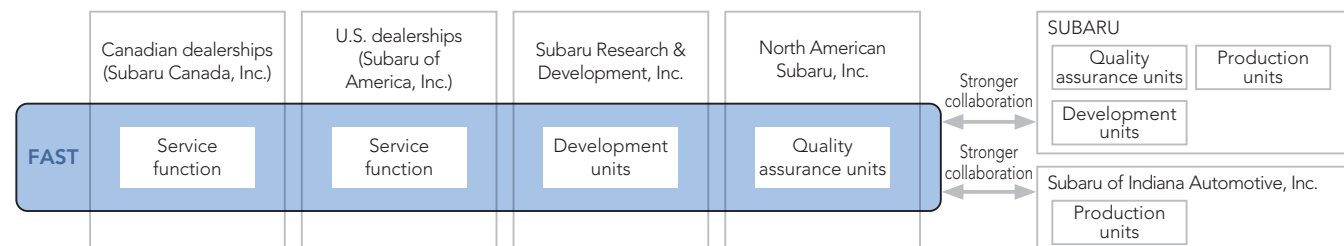
In January 2021, we established FAST*, a North American quality improvement team where quality assurance and development units at local affiliated companies in the U.S. work together with service units at dealerships in the U.S. and Canada. By cutting across divisional borders and strengthening collaboration, we have been able to more rapidly and accurately obtain market information, launching activities to use these in resolving issues.

* Fast Action & Solution Team

Quality Improvement System



Structure of the FAST North American Quality Improvement Team



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Initiatives

Quality Control Training

We provide quality training as part of our employee training program to enable employees to learn basic QC^{*1} and problem-solving techniques tailored to their year of entry into the company and their qualification requirements.

Main curriculum for quality

- Quality control training (Introduction/Intermediate/Advanced)
- Lectures to foster quality awareness

*1 QC: Quality control

Global Quality Meeting

Aiming to ensure that the customer-first mindset runs through our quality, SUBARU attaches great importance to dialogue with dealers, as they are responsible for dealing with customers across the globe. We participate in technical liaison meetings held twice a year for the Japanese market, while in overseas markets, we take part in twice-yearly main dealerships (G8) service meetings and block conferences held in six regions.^{*2} We take in the views of dealers expressed at these meetings to make decisions on the optimum means of addressing product issues that inconvenience our customers. (In FYE March 2021, these were held as web conferences both for Japan and overseas.)

*2 Block conferences are held in a country in each of the six regions—the CIS, Central Europe, Northern Europe, Southern Europe, Oceania, and Central and South America. Their participants include representatives from dealerships and expatriates working in the region.

Quality Caravan

Since FYE March 2019, we have been holding an event called the Quality Caravan at all our business sites to inform

participants of customer feedback and the quality status of SUBARU products. Our aim in doing so is to provide each and every employee with an accurate understanding of the current state of SUBARU and create an environment in which they are conscious of putting quality first at all times and approach their work in that mindset. In FYE March 2021, we also held online events to address COVID-19. In addition to employees, we also receive a large number of participants from suppliers. Subaru of Indiana Automotive, Inc., SUBARU's production base in the U.S. has also been organizing events to raise global awareness of quality.

Going forward, we will continue to engage in awareness activities, while enhancing the program and extending the duration, among other improvements.



At the Global Quality Meeting



At the Quality Caravan

Response to Recalls

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

In the event of product defects that can infringe safety and the laws and regulations, SUBARU promptly establishes a committee structure of staff from departments involved in quality to investigate, and determines the specific details of our response based on the laws and regulations of each country. Moreover, SUBARU sends direct mails from our dealerships to affected customers to inform them that they can have their cars repaired free of charge.

As of April 2021, SUBARU had no cases of violating laws and inhouse regulations in regard to information provision on quality and safety.

 Recalls of SUBARU Cars (for Japan only)

Number of Recalls and Improvements

Number of Cases	(FYE March)			
	2018	2019	2020	2021
Recalls ^{*1}	9 ^{*4}	11	13 ^{*4}	8
Corrective Action ^{*2}	1	1	1	0
Service Campaigns ^{*3}	3	6	3	6
Total	13	18	17	14

*1 Corrective action implemented by automobile manufacturers, etc. for a specific range of automobiles, or tires or child car seats, of a similar type 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 do not conform to those safety regulations, and when the cause for such non-conformity lies in the design of the vehicles, etc. or their manufacturing process.

*2 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 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 includes one recall relating to Takata airbags, in which a recall notification was submitted on the basis of individual model.