

Relationship with Customers

FHI strives to provide products with good environmental and safety performance and actively promotes the development of human-friendly, impressive products, aiming for harmony between automobiles, people, and society. In order to guarantee that customers are fully satisfied, FHI also values communications with each of our customers and makes Subaru team-wide efforts to meet customer expectations.

Creating Safe Automobiles

The fundamental philosophy behind "Creating Safe Automobiles"

With the aim of harmony between automobiles and society, Subaru is making great progress in achieving excellent environmental and safety performance and is pursuing improvement in total safety using state-of-the-art technologies while trying to provide human-friendly automobiles.

Subaru has been making advances in high-performance AWD*1 that can provide drivers with safe, comfortable, and fun driving on any road. In accordance with our belief that attaining ideal driving dynamics will lead to safety, Subaru has been focusing on development of sophisticated active safety technologies to prevent accidents, as well as passive safety

technologies to ensure safety in the event of an accident.

Subaru is proactively involved in development of both active and passive safety features, in an effort to achieve harmony with both environmental protection and energy saving.

High-level integration of driving, safety, and environment will create a product that will move you.



Efforts to Create Safe Automobiles

Subaru continues to progress in developing superb vehicles with the following two safety features:

- Active Safety for improving performance of our automobile's basic drive, turn, and stop functions and to prevent accidents using advanced safety systems; and
- Passive Safety to protect passengers from collisions and to pay due consideration to and coexist with pedestrians and small vehicles.

In accordance with Subaru's concept of safety, that vehicles should be safe in any situation, and through the proactive utilization of state-of-the-art technology, Subaru is able to offer that vital capability, safety, to its customers.

Development of Driving and Safety Technologies

True mobility demands that cars be able to drive freely anytime, anywhere, in any environment, according to the driver's will. In order to ensure compatibility between people, vehicles and society, Subaru is promoting research and development of the Subaru IVX*2 as a vehicle for research on autonomous automatic operation, with the idea that avoiding accidents altogether would be ultimate safety.

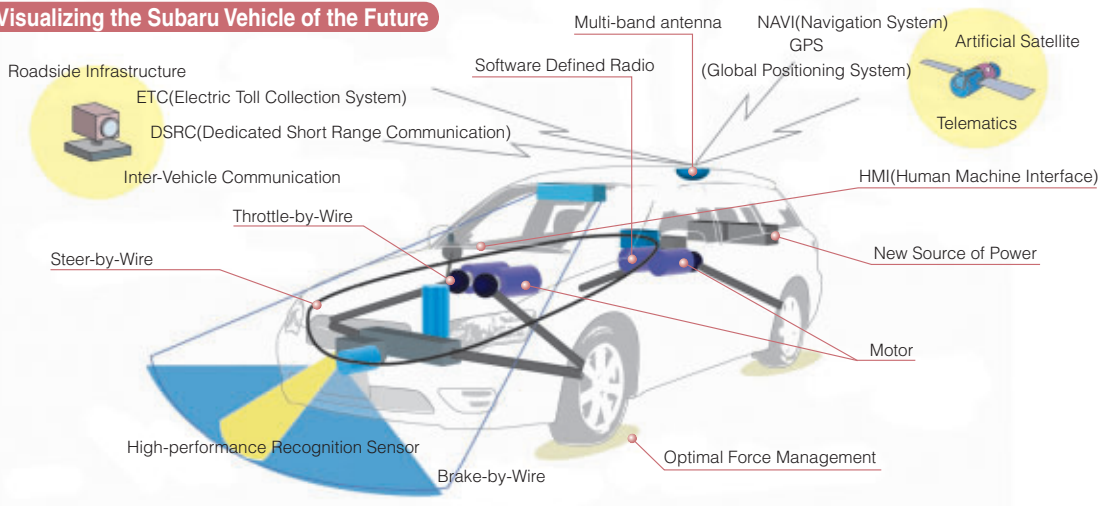
The IVX is an autonomous automatic operation vehicle that combines the Subaru core technology of forward recognition using stereo cameras with automatic guidance technology using high-precision GPS.

Subaru used ADA (Active Driving Assist), which was commercialized through

Philosophy of Subaru's Intelligent Vehicle Development

Our philosophy is intended to provide the market with an original, innovative system resulting from our research activities that will allow vehicles to have more sophisticated and streamlined features, with the aim of compatibility between ultimate drivability and active safety.

Visualizing the Subaru Vehicle of the Future



*1 AWD : All Wheel Drive
*2 IVX : Intelligent Vehicle X

image recognition technology with a stereo camera, to achieve these functions: the lane deviation alarm, the following distance (proximity) alarm, cruise control to



Subaru ADA

maintain following distance, and the curve alarm. 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 awareness and judgment and helps drivers feel more comfortable and less fatigued.

improvement in safety performance so that everyone can be relaxed and safe while driving.



Car-to-Car Collision Test Facility

Collision Safety

Subaru is always pursuing rational car body construction on which safety, lightweight chassis, and driving are based and employs an original lightweight, high-strength, safe chassis, the ring-shaped reinforcement structure, for various models such as the Legacy and the mini cars.

The latest mini cars, the R2 and the R1, have also been designed to guarantee safety, precisely because they are small. Each of them fuses the high level of collision safety ensured by the new rib-like frame chassis with weight reduction in a well-balanced combination, making drivers feel more relaxed and letting them achieve maximum safety in case of an emergency.

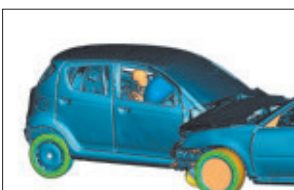


We at Subaru feel we must make every possible effort in order to minimize damage to the automobile-oriented society by taking into account patterns of accidents that may occur in actual traffic situations.

Subaru is striving to give sufficient attention to expansion of safety equipment, such as air bags and seatbelts, and adoption of a seat structure to reduce whiplash injuries, which accounts for a substantial share of injuries in accidents, as well as protection of the automobiles, motorcycles, and pedestrians with whom drivers may collide. Subaru is involved in the development of automobiles under the principle of safety called compatibility (or mutual safety), striving to complete automobiles with a wide variety of safety features.

In order to efficiently develop many of these collision safety features, Subaru uses CAE simulation technology, the all-weather car-to-car collision test facility, and the latest whiplash measurement tool, a human dummy, to develop state-of-the-art safety technologies.

Safety levels can never be too high. Thus, Subaru is tirelessly pursuing



CAE Simulation Technology



The latest whiplash measurement tool, a human dummy

Making User-Friendly Automobiles

About the TransCare Series

FHI has been manufacturing and selling vehicles in a series called TransCare, vehicles for the disabled, since 1980. TransCare, a word coined from "Transportation" and "Care," was registered as a trademark for Subaru's vehicles for the disabled. Subaru is now focusing its efforts on developing laborsaving 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 mini car, to the Legacy, a standard-sized car for enjoying long-range drives. In fiscal 2004, Subaru installed the TransCare Wing Seat*1 to the new R1 (mini car) simultaneously with its launch.



R1 TransCare Wing Seat

Also, in response to the increasing demand for wheelchair accessible vehicles, our Sambar mini car 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.



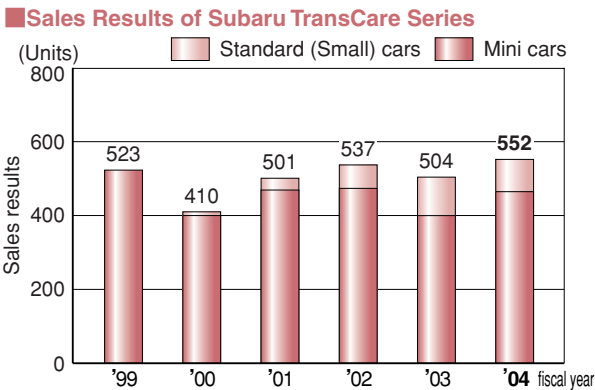
Sambar Dias Wagon TransCare Electrically Operated Lifter

*1 Wing Seat: A rotating front passenger seat to allow for easy loading and unloading of passengers. *2 Wheelchair Lifter: This is Japan's first wheelchair lift that uses the Side-lifting System (introduced in August 2004). This wheelchair lifter is an electrically operated lift that provides passenger security and safety by loading and unloading 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 mini car that is equipped with a stretcher (as of August 2004).

Sales Results of TransCare Series

With the 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.

Furthermore, we have been working on the expansion of the software for the sales of the vehicles for the disabled, promoting the acquisition of the certification of Service Care Attendant for Sales since 2004.



For Customer Satisfaction

The Subaru Customer Center is where Subaru provides customer services under FHI'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 Subaru Academy, which serves to provide education for Subaru dealers both domestically and overseas.

Quality Policy

FHI considers customer satisfaction 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, and 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/se mi-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 of 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 2004 Activities

The team dedicated to customer consultation services has been providing services since its establishment in May 1982. In fiscal 2004, the number of consultations we received drastically increased, due to the increase in the standards of customer demands and the establishment of consultation by e-mail. We received a total of 60,000 inquiries (129% compared to the last year), and among them, 7,000 items (126% compared to the last year) were problems that were pointed out. A total of about 56,000 inquiries (93% of overall) were made by telephone, and 3,200 (6% of overall) were made by e-mail, and about 500 (1% of overall) were made through letters.

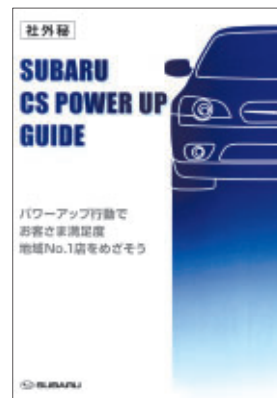
Furthermore, we created the manual for customer relationships. Thus, we enhance total quality by improving customer satisfaction by high-class customer relationships including dealerships, increasing Subaru fans through communication of Subaru's views, and reflecting customer's voices in products, quality, sales, and service of customer relationships.

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 Subaru questionnaires for customers are incorporated into products, quality, and sales via related divisions and departments.

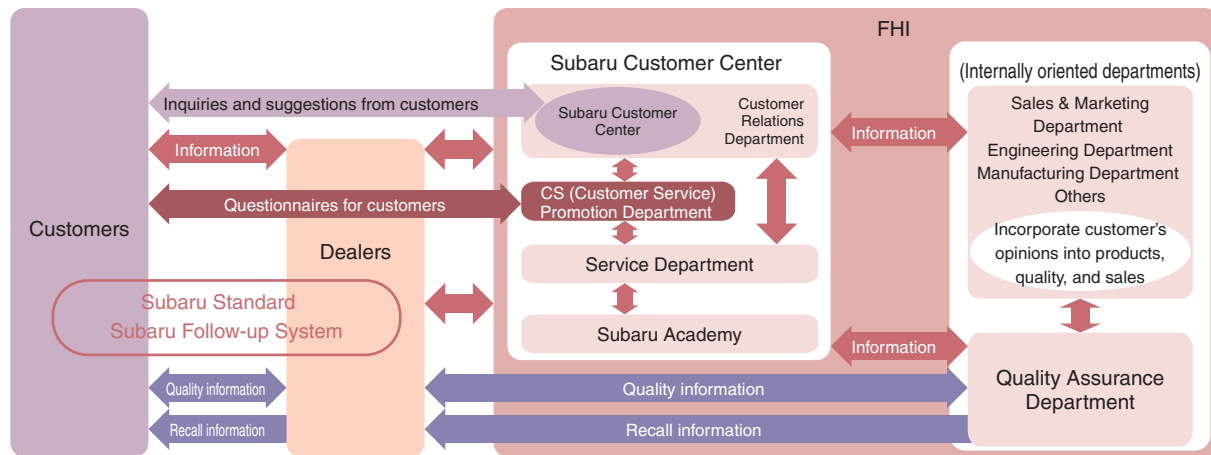
Fiscal 2004 Results of Activities

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 addition, providing the Subaru CS Power Up Guide for the communication of hospitality to customers, all staff at dealers strive to create Subaru shops supported by customers.

Relationships with Customers



Service Department

Subaru has adopted the Subaru Follow-up System*1, our service system that ensures a safe, secure, and comfortable experience with your car, with coverage 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 mechanics.

Service Mechanics' Entry for WRC Rally

Since 1990, Subaru has sent mechanics selected from nationwide dealers to the WRC (World Rally Championship) regarded as the summit of motor sport competition. In 2004, Subaru participated in Japan's first WRC Rally Japan as the Subaru Rally Team Japan, which entered Group N, the class nearest to mass-produced cars, and let two cars complete the race. Again in 2005, 14 select drivers plan to join the WRC rally scheduled for September.

These mechanics set entry for a WRC rally as one of their goals and hone their technical skills in routine work every day. In addition, they learn a real sense of judgment, skills,



Selected mechanics maintaining an Impreza in the WRC Rally Japan

and teamwork in the harsh conditions of the rally they experienced. These experiences lead to exact, quick maintenance for customers' precious cars.

Approaches 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 further polishes 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 investigations of 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 recalls are made to customers through newspapers, direct mail, and the FHI website*2.

Subaru Academy

In response to the enhancement of the global sales network, FHI opened the Subaru Academy in January 2005 at the Subaru Comprehensive Training Center, an educational facility located in Hachioji, Tokyo. The Academy provides a two-level hierarchy of educational programs that systematically trains personnel from recruits to management. First, the Business School for Management accepts dealer management and persons in charge of administering sales and service at home and abroad, with the aim of strengthening the sales force of the entire Subaru group. Second, the Training School accepts young personnel from sales, the service front, and mechanics in an effort to improve technical skills and abilities to respond to customers. The newly established Subaru Academy is expected to accept about 12,000 trainees per year.

Education and training for domestic Subaru dealers have been previously provided in the Fuji Gakuen in the Tokyo Office located in Mitaka, Tokyo. In order to further improve customer satisfaction, however,



Appearance of Subaru Comprehensive Training Center

the name Fuji Gakuen was changed to Subaru Academy and renewed as a facility for human resource development for both domestic and overseas Subaru dealers.

*1: For the Subaru Follow-up System, please see page 57 of the "2004 Environmental & Social Report."
 *2: FHI website: <http://www.fhi.co.jp/recall/main.htm>