



Subaru of America, Inc.

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Takata Air Bag Inflator Recall Update

September 1, 2016

Dear Subaru Retailers:

The following information is provided to give you an update on the current status of the WQR53, TKA16, TKB16 and TKC16 recalls.

The good news is that for the following applications we currently have a very good supply of parts, with sufficient additional incoming quantities:

<u>Application</u>	<u>Part Number</u>	<u>On Hand as of 8/31/16</u>
2004-05 Impreza / WRX / STI	98279FE070	46,479
2005-09 Legacy / Outback	98279AG00A	27,233

For the other impacted applications, we will begin to get an initial supply of parts this month (Sept.), with increasing quantities in subsequent months. For the Tribeca application, we are not scheduled to get parts until December. We are working to improve these ETA schedules.

However, we are very concerned that the recall claims activity is not keeping up with the parts supply as follows:

	<u>June</u>	<u>July</u>	<u>August</u>	<u>Total</u>
Parts received	57,680	35,920	12,301	105,901
Claims paid on inflators	17,029	19,951	17,615	54,595

We currently have over 800,000 vehicles in service with open Takata recalls. At the pace of claims paid recently, it would take almost four years to get these cars completed. Plus, we will be adding another 1.5 million more cars over the next three calendar years.



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Within the next ten days, SOA intends to send a second round of mailers to the oldest group of customers for whom we have an adequate supply of parts. We will also follow up those mailers with a reminder post card. During the fall months, a continual stream of second mailers will be deployed as parts supply continues to improve.

Our request to each retailer falls under two captions – “gear up” and “set ‘em up”:

1. **“Gear Up!”** We need each retailer to study their current shop capacity and make adjustments in staffing and shop hours wherever possible to get more of this work completed. This could include the use of overtime, part time hours and student technicians. SOA will be providing a training video on inflator replacements by the beginning of Oct. to assist in the training.
2. **“Set ‘em up!”** Each retailer should begin to actively solicit these customers to set up their appointments for this recall work. Detailed customer lists were provided to each retailer when these recalls were announced (based on available parts supply) and new lists will be provided to coincide with each second mailing. And when these customers come in, let’s give them a great service experience that reflects The Love Promise!

We really need each retailer’s assistance to pick up the pace on these Takata recall repairs. As you know, NHTSA is watching each manufacturer’s completion rates very closely. This will be a marathon, not a sprint like the recent steering columns. The increased service capacity and the additional customer solicitation is essential to getting this job done.

Thanks very much for your support.

Gary Palanjian
Vice President – Parts & Service