



# INTEGRATED REPORT 2024







I named my beautiful Subaru Ascent "Avalanche" because she's white like snow and has never hesitated in any weather conditions. She has taken me on a number of trips and kept us safe when I was involved in a crash.



Subarus have been in my life for as long as I can remember. Currently, I have an STI and I recently picked up a Forester, but I know these won't be the last Subarus I own!



We don't just see our cars as a means of transportation. Subaru is a part of the family.



SUBARU owners like to park next to another SUBARU in the parking lot. Of course, I am no different...  
  
I'm always glad to see many SUBARU in parking.



I will no doubt buy out my leased Forester because I do not want to live without it. We will always be a Subaru family.




## INTRODUCTION


# Pursuing Our Goal of "Delivering Happiness to All"

The SUBARU Group's vision of becoming a company "Delivering Happiness to All" was inspired by the very happiness we perceived in our stakeholders' behavior and feedback, which we cherish in the deep relationships we have with them. In order to enrich people's lives and minds, we will continue to evolve the value of "Enjoyment and Peace of Mind" that we want to deliver not only through our products but also through our business activities in general. SUBARU stands committed to the happiness of all stakeholders, including customers, shareholders, dealerships, local communities, business partners, and employees as well as society and the environment.




We have collected feedback from SUBARU owners submitted via our SUBARU Group websites.

 [Subagaku \(SUBARU community website available in Japanese only\)](https://community.subaru.jp/)  
<https://community.subaru.jp/>

 [Dear Subaru,](https://www.subaru.com/owners/dear-subaru.html)  
<https://www.subaru.com/owners/dear-subaru.html>

(Some messages have been translated from Japanese to English.)

Below, we introduce SUBARU employees who are taking the initiative to deliver happiness to all.

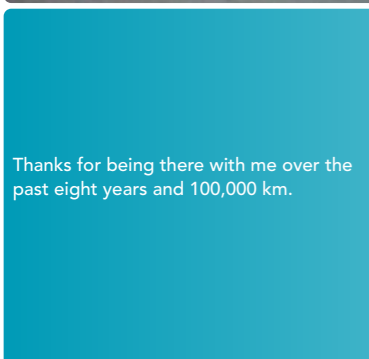
 [SUBARU People \(in Japanese only\)](https://www.subaru.co.jp/difference/subarubito/)  
<https://www.subaru.co.jp/difference/subarubito/>



After getting my Forester, I go out more. The Forester is perfect for my outdoor activities and hiking, and its usability is bar none. Subaru cars are fun to drive, and they make life more interesting and enjoyable. I look forward to many years of driving my Subaru.



When I drove on a narrow mountain road in pitch dark with no street lights, my Subaru's headlights cast a bright light on the surroundings, making the drive safer. I'm thankful to be driving a Subaru because it provides a space and time different from the mundane that really excites me.



Thanks for being there with me over the past eight years and 100,000 km.



When I was single, I used to go for drives in my Impreza. Today, though, it has become a family car that takes us on trips. Driving with my family is what I look forward to the most.



I went camping with my family for the first time in a long time. The drive to the campsite was very comfortable and less tiring, and my family smiled more.





## On Publication

Every year SUBARU publishes an integrated report that combines financial and non-financial information so that a wide range of stakeholders, including shareholders and investors, can deepen their understanding of the Group.

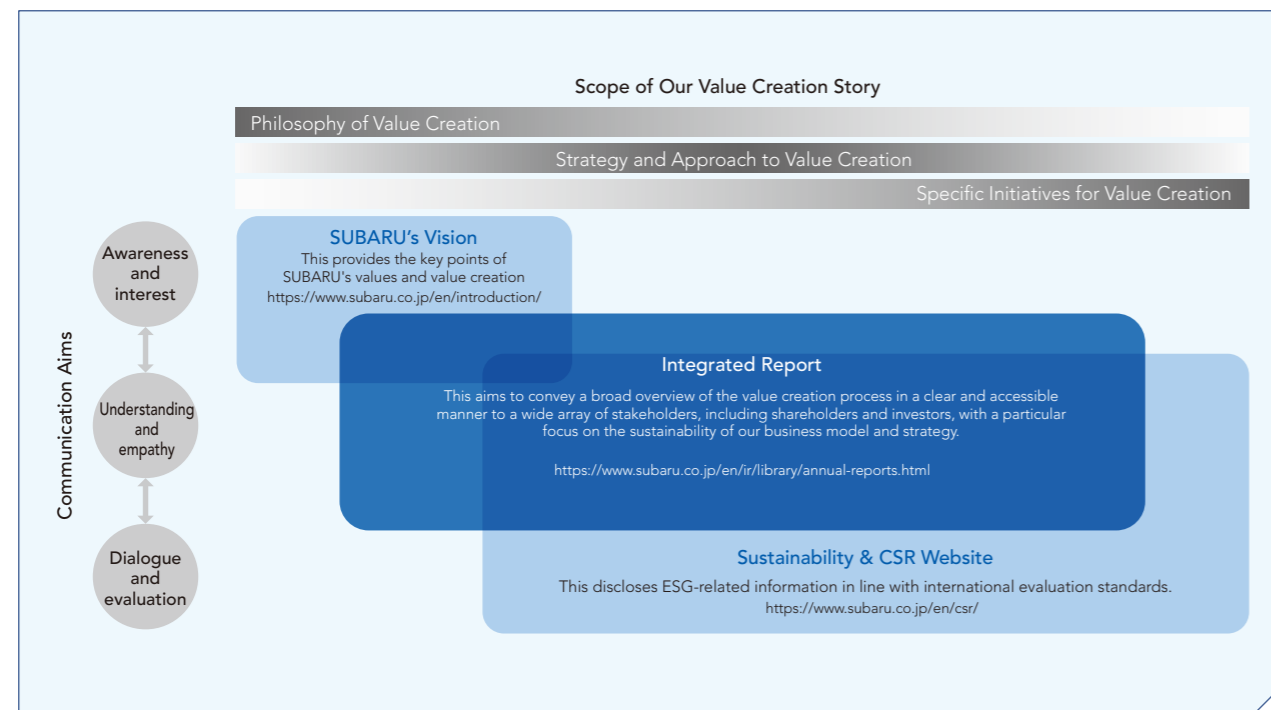
In order to realize our vision of “Delivering Happiness to All” and to achieve a sustainable society in a fun way and the sustainable growth of the Group, Integrated Report 2024 has been compiled to deepen understanding of the initiatives that the entire Group is focusing on in the face of major transformation in the automotive industry, as well as the strengths and management infrastructure that we have developed over the years.

In this report, we disclose the progress made on the SUBARU New Management Policy, announced in August 2023, and include an explanation of these initiatives and the thinking behind them, as well as messages from the five CXOs who are leading our efforts to address the priority themes. In addition to the strengths and business models that the Group has built up over the years, as well as the concept of monozukuri (manufacturing) that forms the very heart of these, through this report we strive to provide a better understanding of our value creation story by explaining the concept of enhancing relationships with customers, which forms the basis of our value creation. We are also working to expand disclosures throughout the integrated report, such as by expanding information on the six capital initiatives to enhance corporate competitiveness as well as the disclosure of our activities for governance and respect for human rights representing the management infrastructure.

We have recently evolved the Six Priority Areas for CSR to the Six Priority Areas for Sustainability. We aim to create even greater social value and economic value through the contribution to achieving sustainability of society and the SUBARU Group by further leveraging our values and strengths, not just from a CSR perspective. We will utilize this report as one of our tools for communicating with stakeholders, further enhancing our information disclosure going forward. We intend to use your frank and honest feedback in a way that benefits the sustainable growth of the SUBARU Group.

### Reporting System

The SUBARU Group discloses various information to engage in communication with all stakeholders. In addition to this report, information can be obtained from the introductory content on our website, which provides an overview of the SUBARU Group's values and value creation, as well as from the Sustainability & CSR section of our website, where ESG-related information is comprehensively disclosed in accordance with international evaluation standards.



### Scope of Reporting

#### SUBARU CORPORATION

\* In this report, the “SUBARU Group” and “the Group” refer to the SUBARU Group; “SUBARU” and “the Company” refer to SUBARU CORPORATION; “affiliated companies” and “affiliates” refer to SUBARU's subsidiaries in Japan and overseas, including dealerships in the Automotive Business; and “Group companies” refers to SUBARU's subsidiaries in Japan, excluding dealerships in the Automotive Business.

### Reporting Period

April 1, 2023–March 31, 2024

\* Some information provided may be from outside the reporting period.

\* The departments, titles, etc., of the people introduced in this report are as of the time of writing.

### Guidelines Referenced

Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, Ministry of Economy, Trade and Industry

International Integrated Reporting Council (IIRC)'s International Integrated Reporting Framework

### Terminology used in Integrated Report 2024

- SIA: Subaru of Indiana Automotive, Inc.
- SOA: Subaru of America, Inc.
- BEV: Battery Electric Vehicle
- HEV: Hybrid Electric Vehicle
- ICE: Internal Combustion Engine
- AWD: All-Wheel Drive
- CXO: Chief X Officer

### Production Process

We began issuing our integrated report in FYE March 2022, and are consistently striving for improvements in the annual publication.

1. After issuing our integrated report, we actively seek candid feedback from both internal and external stakeholders, with a particular focus on institutional investors. We also submit our report for evaluation by an outside organization.
2. Considering the feedback and evaluation, the secretariat develops the editorial policy for the upcoming fiscal year and seeks approval from the Sustainability Committee, which is composed of all executive officers.
3. Each department then collaborates with the secretariat to compile the report based on the approved strategy.
4. After compilation, the report is presented to the Sustainability Committee and the content is verified by the executive officers of each department before publication.

### Disclaimer Regarding Forward-Looking Statements

Statements herein regarding plans, strategies, and other information that are not historical facts are assumptions, judgments, and forecasts based on information available at the time of creation, and are subject to various risks and uncertainties. Actual results may differ materially from these statements due to changes in economic conditions surrounding the Company and its Group companies, fluctuations in demand and exchange rates, and other factors. Final investment decisions shall be made by investors themselves based on their own judgment and responsibility in light of the above factors. Please note that the parties providing the information in this report regarding the Company and its Group shall not be liable for any loss or damage incurred as a result of investment based on the information contained in this report.

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## At a Glance

## Our Path to Today



## Founded

Chikuhei Nakajima establishes  
Aircraft Research Laboratory

**1917**

## Paid-In Capital\*1

**153.8** billion yen

## Automotive Business

The manufacture, sale,  
and repair of passenger cars  
and their components

## Established

Establishment of Fuji  
Heavy Industries Ltd.

**1953**

## Number of Employees (consolidated)\*1

**37,693**

## Aerospace Business

The manufacture, sale,  
and repair of airplanes,  
aerospace-related  
machinery, and their  
components

## Production Sites

**Automobiles**  
**2** operating  
locations

Gunma (Japan),  
Indiana (U.S.)

**Aerospace**  
**2** operating  
locations

Tochigi, Aichi (Japan)

## Affiliated Companies\*1

**94**

## Automobile Sales Network\*2

**440** locations in Japan  
Plus locations in approximately  
**90** countries and regions



\*1 As of March 31, 2024  
\*2 As of April 1, 2024

## Performance and Financial Soundness



## Consolidated Performance\*3

Revenue

**4,702.9** billion yen

Operating profit

**468.2** billion yen

## Operating Margin\*3

**10.0%**

## ROE\*3

**16.5%**

## Equity Ratio

**53.2%**\*3

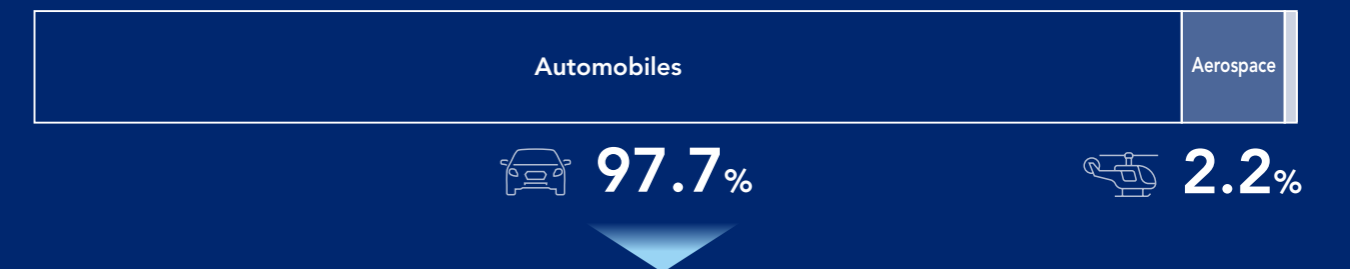
Issuer Rating

**A-**

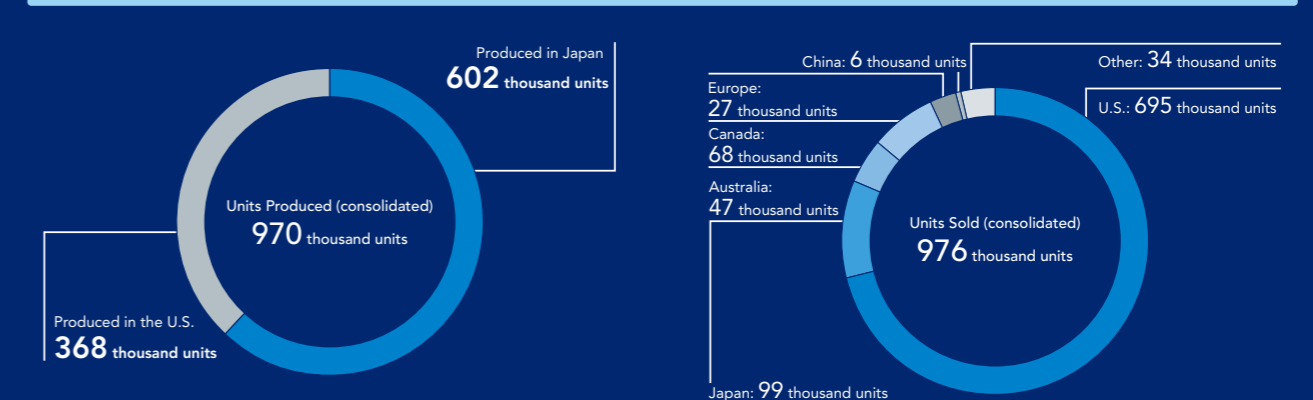
Rating and Investment Information, Inc.  
As of October 11, 2023

## Businesses

## Composition of Sales\*3



## Ratio by Region\*3



## Industry Share\*4

U.S. Market Share  
Approx. **4.0%**

Global Share  
Approx. **1.0%**

\*3 FYE March 2024  
\*4 For 2023 (calendar year)



## Message from the CEO

**We will work closely with our stakeholders to create a “chain of happiness” and realize a society that is both enjoyable and sustainable.**

**Atsushi Osaki**  
Representative Director,  
President and CEO



### The SUBARU Group Vision for 2030

Sparking movements that start from local initiatives to become a company that contributes to global solutions to social issues

We are frequently told by retailers and customers that SUBARU is different to its competitors. Despite SUBARU not having great scale as an automobile manufacturer, we have been making efforts to be close to our customers' lives through our products and services, which has created a very tightly woven community between customers, retailers, and SUBARU. We believe that this is one of SUBARU's strengths, leading to people's perception that we are different in a way not found among other manufacturers.

Our desire is for SUBARU customers to have their cars with them at every milestone in their lives, and to always be happy with smiles on their faces. Achieving this would let our Group employees actually see customers enjoying themselves on their journeys and see posts to that effect on social media, bringing them their own happiness as they strike up conversations about SUBARU with family, friends, and people they meet. Likewise, we are committed to spreading happiness with business partners who resonate with our Group's business. It is also our earnest hope that those who are value and invest in SUBARU will feel happiness as our corporate value grows. Furthermore,

we hope to create a chain of happiness in which communities formed around SUBARU will play a major role in revitalizing their respective regions and resolving social issues, bringing happiness to direct and indirect stakeholders.

We are currently developing electrification products, mainly BEVs, as a selected solution to realize a carbon-neutral society. In addition, we are developing technologies to achieve zero fatal traffic accidents in 2030. These are activities that resolve social issues through direct means centered on products. On the other hand, in the sales field for each region, there is a growing momentum to team up with customers to contribute to local communities and help solve social issues. In the U.S. market, we have been continuously conducting various activities focusing on the five areas of Earth, Care, Help, Learning, and Pets, areas of great customer interest, to realize a better society, and these activities are beginning to spread to Japan as well. The Cherishing Every Life Project\*, launched in October 2023, is symbolic of this.

In the many years leading up to our 70th anniversary in 2023, we have responded to the diversifying needs of the changing times with our products at the core, a consistent attitude we have maintained to this day. The monozukuri at the very core of this attitude is founded in the concept of safety. We have built relationships of trust with many customers by continuing to provide products and services that offer enjoyment and peace of mind. This will continue to be an important and constant initiative of SUBARU's and will continue to build up and evolve over the years. In addition, we would like to promote business that resolves issues common to all people and local issues, such as reducing environmental impact and eliminating fatal traffic accidents, through



collaboration between customers, retailers, and SUBARU, with products at the core. By doing this, we hope to build resonance with SUBARU and achieve a positive flow where we create more people who like SUBARU and want to join in its activities, or even work for SUBARU. In other words, we will create a “spiral of happiness” by increasing the number of people who are working toward the realization of a better society with our products as the starting point. I firmly believe that by deepening the understanding of Group employees about the direction of these unique SUBARU sustainable initiatives, we can further boost morale on the front lines, deepen and solidify the connection between employees and SUBARU, and further accelerate the implementation of each initiative. Furthermore, we will continue to move forward to become a company that can contribute to sustainable growth and global solutions to social issues, as initiatives started in each region become a great swell of momentum for the entire Group.

Note: For details on activities by SUBARU alongside customers, dealerships, and local communities under the two project themes of human life, which is irreplaceable, and natural life, such as rich forests and plant and animal life, please see page 54.

### Reflection on the first year as CEO

## Building Foundations for Achieving Our Vision for 2030

It has been a little more than a year since I was appointed the new Representative Director, President and CEO of SUBARU in June 2023. In that time, the automotive industry has been in a once-in-a-century period of major transformation, where each automaker has been seeking optimal solutions from product planning and production to sales and services. Amid these circumstances, in August of the same year, we announced our vision for 2030 and our Determination for 2028, and announced our policy to concentrate and invest management resources toward these goals. While some were puzzled by our clear statement of direction amid such uncertainty about the future, my focus in my first year as CEO has been to, with firm conviction, build the foundation of a SUBARU Group for the new era in order to execute strategies in line with this policy.

In order to drive transformations to quickly put the EV business on track without being bound by conventional car manufacturing concepts, we first established five priority themes and appointed a CXO (Chief X Officer) to create a system delegating this officer with strong authority to act across organizations. In addition, we have selected partners for the procurement of batteries, an essential driving force determining performance, the development and production of the eAxle, both symbolic and the heart of EVs, and the development of system-on-chip (SoC) that will enable further evolution of our core system, EyeSight. With this, we have put all the important pieces in place for the development of BEVs.

Even before I became President, I thought it was important to visit workplaces to observe actual goings-on, and this year has reminded me that all answers lie in the field. When I took up my post, I went out into the field to listen to feedback directly, and my sense was that people had not yet developed the right sense of urgency about the major changes taking place in the industry. There is no way for us to overcome this period of great transformation if we continue doing our jobs like we always have; this will leave us unable to envision a future beyond 2030. With this in mind and a strong resolution to start over from scratch with our businesses, I have been bringing to my colleagues a message that we need to tackle “monozukuri innovation” and “value creation.” Furthermore, we have established the Innovation Hub within the Gunma Plant, a hub where all departments related to product planning, design, and production, as well as partner companies and suppliers, can come together in a way that spans company and organizational boundaries. By doing this, we have created an environment where a wide range of stakeholders can engage in development with an approach different to that of conventional ICE vehicles. We have also reviewed our human resources system to ensure that this development can be carried out with high motivation and enthusiasm. Even so, the fact that we have been taking on the challenge of building cars that have never been built before has likely led to a lot of confusion among SUBARU employees. That is why I went to each site in the field, held a series of meetings with employees to hear their feedback, and at the same time, I encouraged them to take action and take on the challenge of transformation. Now, I have more opportunities to see how like-minded colleagues have come together to form

Scrum teams and are working to help us become “One SUBARU” and bring about major transformation, and I feel that awareness of work, with a focus on development the Development Division, is changing. My visits have not been limited to development teams; I have also visited manufacturing and sales sites in Japan and overseas to hear employees’ feedback, which I have used to help build better systems and environments. In fact, this initiative to become “One SUBARU” began in the Aerospace Company, and I have already heard a number of comments that people have noticed improvements in communication and a sense of speed at the company’s new administration building completed last September, designed to adapt to changes in the way we work and improve the workplace environment. It will take time for these transformations to permeate the entire Group, but we will support these movements in each region and workplace and create a swell of momentum that will shape the future of the SUBARU Group.

### Toward sustainable growth

## Strengthening Management Infrastructure to Enhance Competitiveness

So far, we have talked about the vision we seek to achieve in 2030 and the results of the past year, but I believe it is also important to strengthen our management infrastructure and enhance our competitiveness in order to achieve sustainable growth.

With regard to corporate governance, the business execution side holds in-depth discussions on the management and operation of our business organizations on a regular basis. While respecting the results of the discussions of the executive side at meetings of the Board of Directors, there are many cases where it is pointed out that some elements have been missing when deciding important matters. In addition, our outside directors have a strong grasp on our businesses, and they make recommendations without reservation, even if their statements may not be what we want to hear. While my awareness is that our corporate governance is functioning effectively in its current state, I feel that since SUBARU’s environment is experiencing disruptive and non-linear changes at an unprecedented pace, the Board of Directors needs to continue to actively discuss medium- to long-term strategies. Furthermore, the expectations of our shareholders and other stakeholders have been increasing year by year recently. In order for the SUBARU Group to achieve sustainable growth, I believe it is necessary to continue to deepen our discussions, such as identifying the skills that will be needed in the future and fostering executive talent from an early stage, by utilizing a long-term succession plan.

With regard to risk management, we took the opportunity of formulating the New Management Policy to ensure that this was carried out, and we held numerous discussions at the management level about the risks and opportunities presented by external changes and the current environment surrounding our Group, and we updated the Risk Map to include the risks that each department and division was aware of. Going forward, we will use this to strengthen cross-cutting risk management in the entire Group, and will create a solid management infrastructure with robust support for sustainable growth, even in situations of future unpredictability.

## To Our Stakeholders

For me, the field is also a place for dialogue with stakeholders such as our shareholders and investors. My desire is to place great value on my connections with those people I meet in the field, and furthermore to bring them happiness. Among the opinions and suggestions I hear from all of you, I know there will be hints that will help us overcome challenges and lead us to growth. The lesson that I have learned since becoming President, that all answers lie in the field, also applies to dialogue with stakeholders. This is why I will continue to maintain close communication with you all going forward. As we take these steps forward, I humbly ask for your ongoing support and understanding.

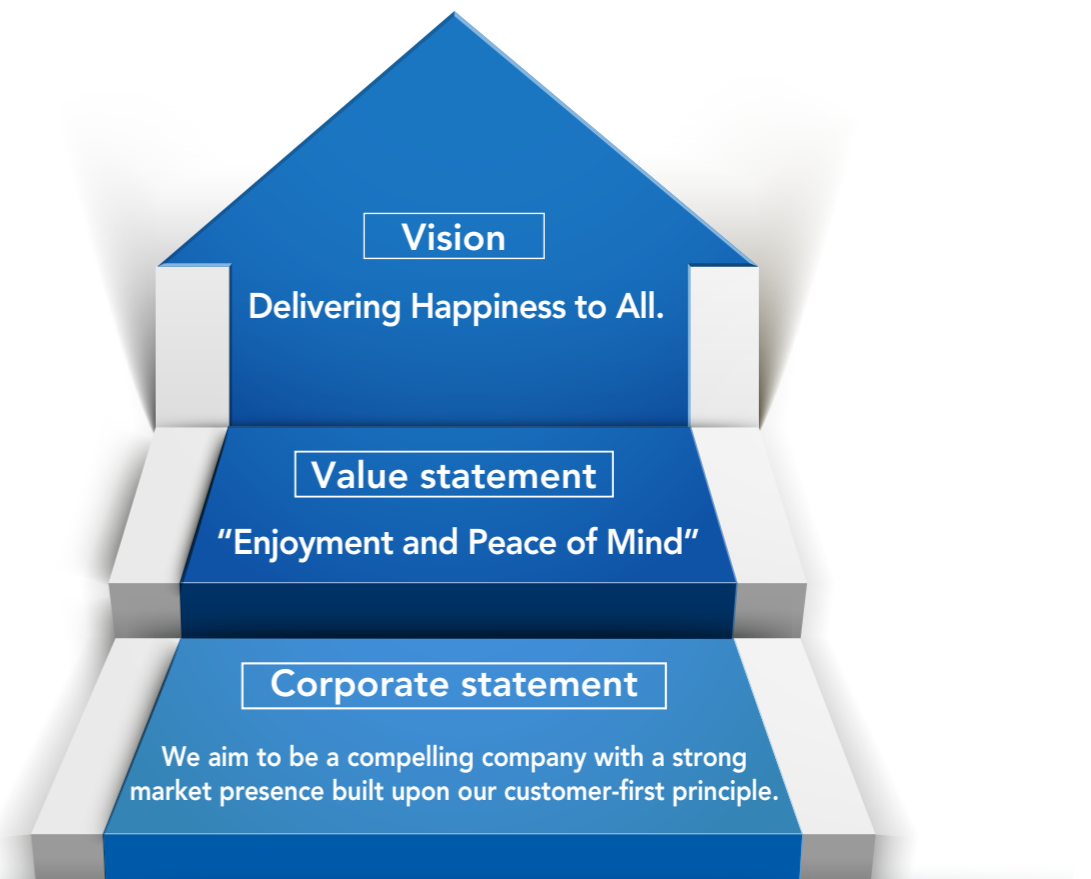




## Delivering Happiness to All

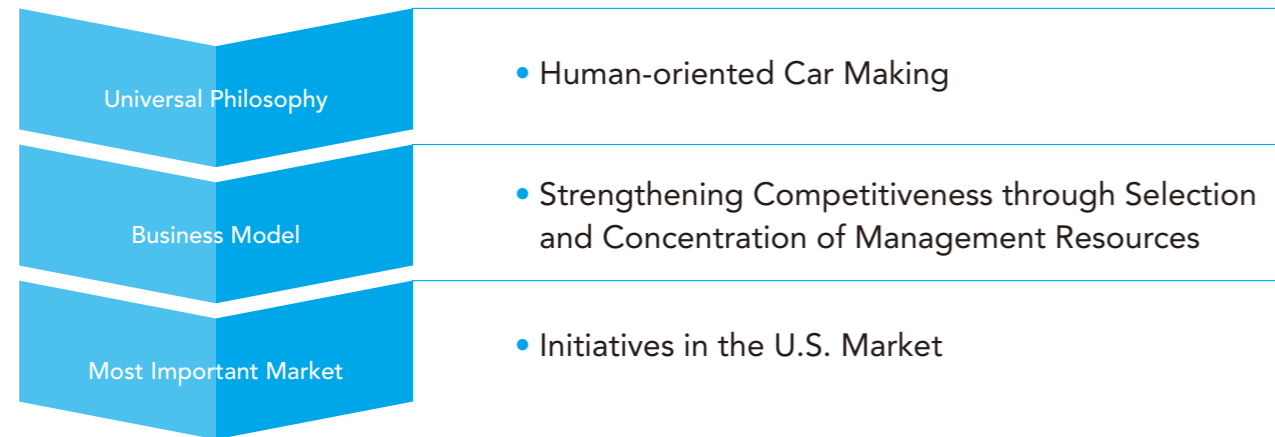
The SUBARU Group, by no means a large automaker, concentrates its limited management resources in pursuit of “Delivering Happiness to All,” its unwavering vision in any business environment, and “Enjoyment and Peace of Mind,” the value it provides to its customers.

Our vision of becoming a company “Delivering Happiness to All” was inspired by the very happiness we perceived in our customers’ behavior and feedback, which we cherish in the deep relationships we have with them. To enrich people’s lives and minds, we aim to evolve what it means to provide “Enjoyment and Peace of Mind” in all our business activities, not only in our products, and seek empathy from our customers, retailers, local communities, and all other stakeholders. By doing so, we strive for the sustainable growth of the SUBARU Group and the realization of an enjoyable and sustainable society.





## Accumulated Strengths and Business Model



### Universal Philosophy

### Human-oriented Car Making

SUBARU has defined its value statement for customers as “Enjoyment and Peace of Mind.” We believe that peace of mind is realized only when a function of safety and trust in the brand is achieved. Enjoyment is built on peace of mind, and represents the enjoyment of driving as well as the enjoyment of travel by car and the enjoyment of life in general with a car. We also believe that the SUBARU brand’s promise to customers is to provide enjoyment and peace of mind even in the age of electrification. With this in mind, we continue to evolve our safety technologies.

The universal philosophy underpinning our car-making is to focus on people and pursue safety. This idea can be traced back to our DNA and origins as an aircraft manufacturer. The most important aspect of aircraft development is safety. The required safety performance and technical standards to avoid any possible emergency are extremely high, and we took the approach of pursuing people-focused aircraft design to achieve this. This philosophy of prioritizing safety above all else has been passed down from generation to generation in our development of vehicles. SUBARU’s DNA is the consistent pursuit of high levels of safety, excellent driving performance, and rational design in every era.

#### Constant Refinement of Safety Technologies

Ever since before the SUBARU 360 was released in 1958, we have dedicated ourselves to developing vehicle bodies for collision safety in order to effectively absorb shock from collisions in all directions and protect the driver and passengers with a cabin structure of robust strength. At that time, safety was not yet considered an important value of vehicles, and even the concept of Passive Safety was not common. Yet, we voluntarily began frontal collision tests in 1965. Even without crash test dummies, our engineers conducted their own research on the vehicle’s body structure and the impact of collision on the human body, pursuing better Passive Safety through trial and error, one step ahead of the time. Since then, based on the safety concept of protecting not only the driver but also passengers and pedestrians, we have continued to develop proprietary Passive Safety technologies. In this process, we have accumulated various types of Passive Safety data, including overturn and rear-end collisions, as well as designed vehicle structures that prevent the engine from penetrating the cabin in a frontal collision and have a space to absorb impact if a pedestrian were to come into contact with the hood.



Moreover, under our overall safety philosophy, we are continuously pursuing innovations in the basic design of vehicles to provide a clear, useful, and comfortable space where the driver can concentrate on driving easily, as well as basic performance in terms of driving, turning, and stopping. Performance in driving means more than simply delivering enjoyment. It is an important factor in increasing safety. It enables safe hazard avoidance in the event of an accident and stable, normal operation in various weather and road conditions.

Universal Philosophy / People-Focused Monozukuri

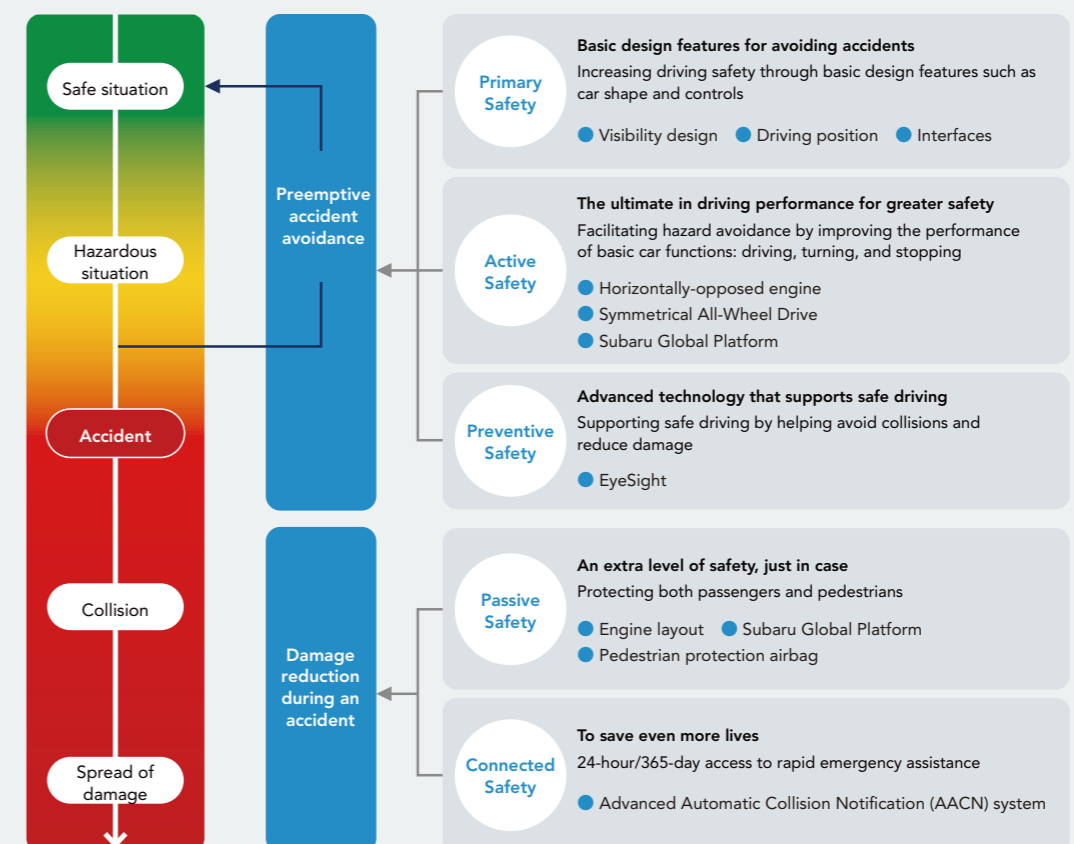
In addition to these efforts, we have been developing driver assistance systems using stereo cameras and radar for more than 30 years, culminating in EyeSight and other advanced safety technologies. EyeSight uses recognition and control by stereo cameras to achieve its primary functions. The cameras constantly monitor the road ahead and can measure distances just like a person’s eyes. It offers superior recognition capabilities, identification of vehicles, pedestrians, and lane markings, while providing wide viewing angles, long detection ranges, and precise brake lamp identification through color imaging. The software, which functions as the “brain” of the system, takes this information and the state of the vehicle’s operation to determine the necessary controls, resulting in the execution of these in a manner that fits the situation like the “hands and feet” of each vehicle unit. The new-generation EyeSight uses newly developed stereo cameras with a much wider field of view and enhanced software to enable more precise recognition of the traffic conditions and a wider range of responses in various situations at intersections. Models equipped with a wide-angle single lens camera, electric brake booster, and four front and rear radars provide 360-degree sensing to support collision avoidance in a wider variety of situations, including in areas with poor visibility. Furthermore, the acceleration or deceleration function for following a vehicle ahead and steering assist have been refined for smoother and more natural control. This has evolved EyeSight into a driver assist system that can be used with even greater confidence.

#### Achievement of Zero Fatal Traffic Accidents in 2030

SUBARU is working to achieve zero fatal traffic accidents\* in 2030. We will enhance the safety performance of our cars from every perspective for our aim by making the five areas of Primary Safety, Active Safety, Preventive Safety, Passive Safety, and Connected Safety even better.

\* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

#### SUBARU’s All-Around Safety



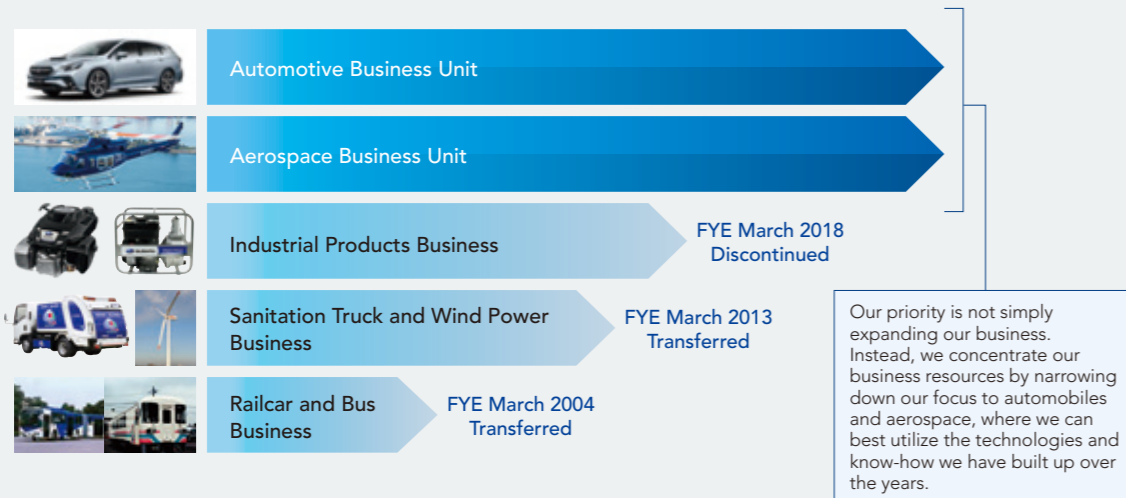


Business Model

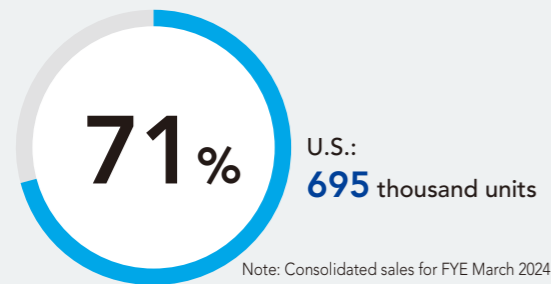
Strengthening Competitiveness through Selection and Concentration of Management Resources

To maintain our earnings power and achieve sustainable growth in a severely competitive environment, it is of utmost importance that customers recognize SUBARU's unique value. It is also vital to implement detailed strategies for differentiation and adding value. By focusing on fields and markets where we can demonstrate our strengths and by promoting selection and concentration in the allocation of limited management resources, we have increased added value and strengthened our competitiveness, while at the same time refining the SUBARU brand.

Business Focus Areas

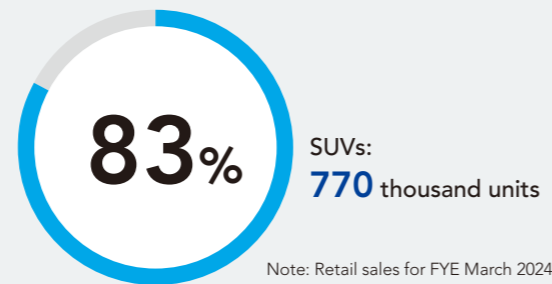


Market Focus



We consider the U.S. as our most important market and concentrate on other developed countries with mature motorization.

Product Focus



Development and production of minicars ended in 2012. We are leveraging our technological strengths to enhance size and design, concentrating on the SUV segment, which is convenient for daily life as well as active life and has a high affinity with customers, especially in the U.S. market.

Development Focus



Most Important Market

Initiatives in the U.S. Market

In the U.S. market, our most important market, retail sales exceeded the previous year's results for 12 consecutive years from 2008 to 2019, while sales volume grew rapidly by about 3.7 times over this same period. This is largely due to our initiatives focused on products tailored to the needs of the U.S. market, which led to the establishment of a strong sales foundation.

In 2024, our goal is to reach sales of 680,000 units (up 9.6% year on year), and over the medium to long term, we will work to grow our market share to 5%.

1 Love as a Key of Communication

SUBARU's unique AWD technology has established our reputation for cars that are capable enough to drive on snow-covered roads in the snowbelt. In addition, the functionality of EyeSight and the high praise of its Passive Safety performance by third-party organizations have helped SUBARU to gain a reputation for its safety. This safety as well as handling and stability that is faithful to the driver's intention, under all road conditions from ordinary roads to unpaved roads and wet roads, and in a variety of weather conditions, have resulted in widespread recognition and trust for SUBARU's safe and enjoyable cars. The situations in which customers experience this safety feature and the points at which they perceive the value of our cars vary, but the fact that many of customers express their "love" for their SUBARU is something unique about the SUBARU brand. Based on this recognition, we have implemented the Love Campaign, which is a marketing campaign that asks customers about life with their SUBARU. It has created a story within each customer who has chosen SUBARU not simply as a means of mobility, but also because they value the product and its functional value based on their own values and beliefs. The campaign invites customers to evolve their attachment to their SUBARU as the one and only expression of personality and passionately express this love to others. As our products have improved, we have gained the support of many people who lead active lives, i.e., going out on weekends and enjoying sports and outdoor activities. At the same time, the presence and value of SUBARU have become more important to these customers as they tell their own story. These have led to SUBARU's robust brand power.

2 The SUBARU Group's Strong Sales Network

We refer to the businesses who actually meet customers in-person and provide our products and services as "retailers" instead of "dealers." As representatives of the SUBARU team, they work with each customer in each region according to their feelings and values. Since retailers are important partners to us, we have focused on supporting their activities in all areas, from new car sales to after-sales service, and have grown together with them. This has built a relationship of trust and deepened the bond with those who share SUBARU's direction, resulting in our current competitive advantage in the U.S. market. As of March 31, 2024, we have a total of 640 retailers, with plans to increase this number to approximately 650 in the future. We do not intend to simply increase the number of retailers at random, but rather to grow together by first improving their profitability by increasing same-store sales and then by implementing a cycle of further investment in the SUBARU business.

3 SUBARU's Unique Activities Close to Customers and Local Communities

We believe that the rooting of each retailer, in addition to products, in the local community and the relationships that each staff member builds with customers will foster trust, empathy, and love for the SUBARU brand among customers and lead to SUBARU's growth. Our vision is that everyone involved with SUBARU will feel love and respect, and we are continuously promoting Love Promise, a support activity that is tailored to each region to realize a better society together with our retailers. This initiative demonstrates the retailer's attitude and thoughts toward the community and promotes the understanding of each staff member's personality and values, fostering a stronger and deeper relationship of trust with our customers. Since actual participation helps to motivate each staff member and to recruit and retain excellent human resources, more than 630 retailers have now signed on, resulting in even larger activities that utilize local networks.

Love Promise has become a more meaningful activity and generated more significant impacts both internally and externally. One significant result has been SUBARU's high rankings in all industry brand evaluations targeting general consumers. The relationship between SUBARU, retailers, and customers is one of the most important elements in fostering a different presence and SUBARU's uniqueness that sets us apart from other brands.



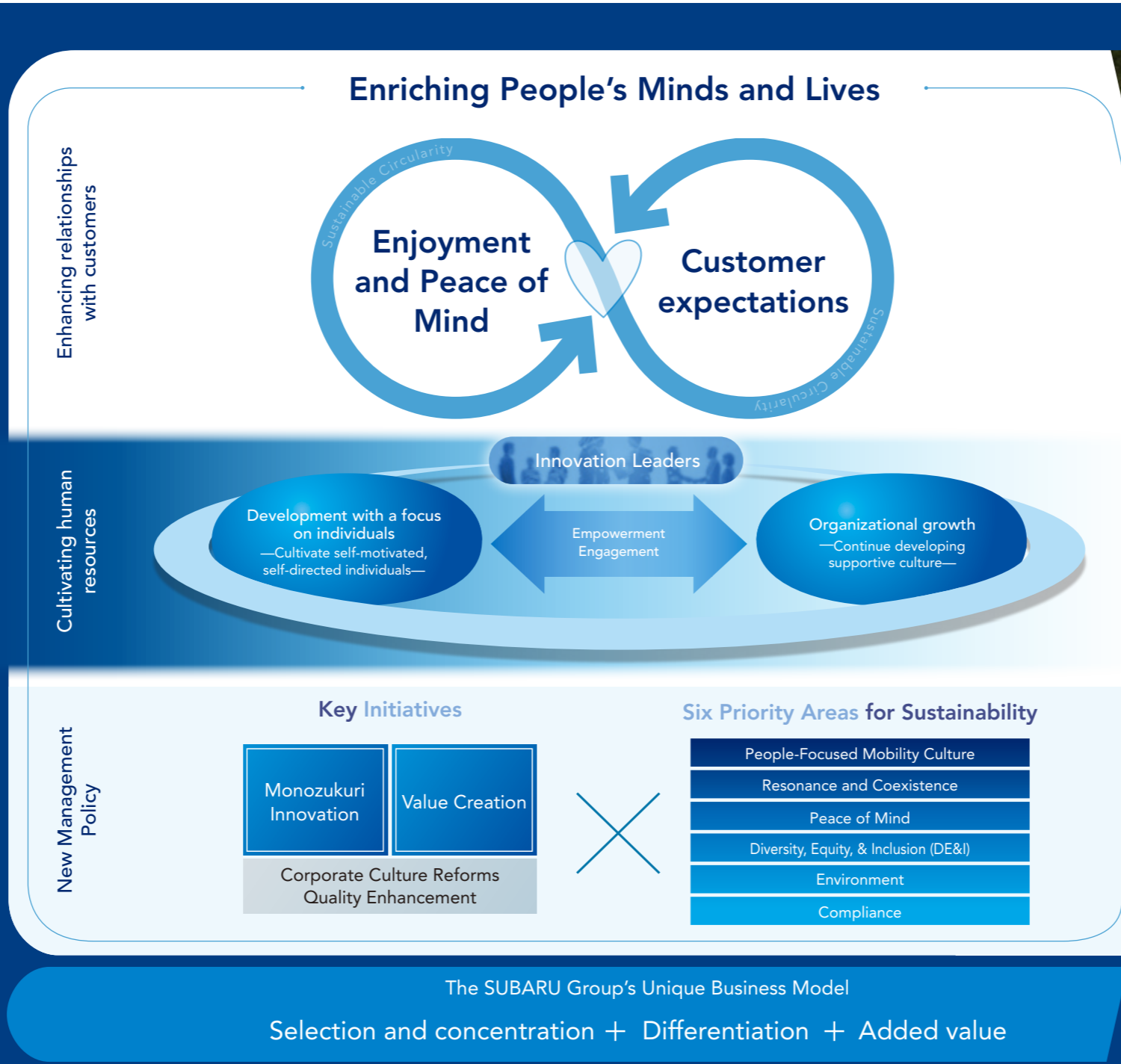
# Value Creation Process

At SUBARU, we hope to enrich the lives and minds of all people connected to our Group, with a vision of becoming a company “Delivering Happiness to All.” With our DNA as an aircraft manufacturer and based on our human-oriented approach to monozukuri, we provide product value that embodies the SUBARU Difference, and by continuing to meet the various expectations of our customers who share these values, we will enhance in order to achieve this, we are encouraging the growth of the individual and harnessing and aggregating the power of all employees, including innovation leaders and those who will support them to achieve growth of the organization. In addition, we will aim to achieve both the sustainable growth of the SUBARU Group and the realization of an enjoyable and sustainable society.

- Financial capital
- Manufacturing capital
- Intellectual capital
- Human capital
- Social capital
- Natural capital



# Delivering Happiness to All



**Corporate Statement** We aim to be a compelling company with a strong market presence built upon our customer-first principle.



**Achieving an Enjoyable and Sustainable Society**

**Sustainable Growth of the SUBARU Group**







We will deepen our relationships with customers and enhance our corporate value as “SUBARU One Team”

Representative Director, Executive Vice President  
Fumiaki Hayata

## Key Initiatives: Enhancing Relationships with Customers and Cultivating Human Resources

We believe that the key to overcoming this once-in-a-century period of transformation and sustainably increasing our corporate value will be through our relationships with customers and communities that are unique to SUBARU. Furthermore, we believe that these relationships must be built up through the united efforts of all Group employees involved in all areas, from product planning to manufacturing, sales, and service. The common thread in the two key initiatives here, enhancing relationships with customers and cultivating human resources, is people, and the connections between them. With technological innovation and changes in the social and business environment, customers’ expectations of automakers and the values they seek in cars and services are also changing. However, we will continue to place importance on people and connections as a timeless essential element, as we strive to achieve an enjoyable and sustainable society and the sustainable growth of the SUBARU Group.

### SUBARU’s Unique Relationships with Customers

In our business so far, we have formed deep relationships between SUBARU and its retailers and customers that makes us different from other brands. Though it is very difficult to put these relationships into words, many of our

customers have expressed the word “love,” a concept that is key to our communications in the U.S., and I believe it is a word that expresses the essence of the relationship with our customers.

One moment I saw particularly struck me as being especially indicative of SUBARU; at an auto show in the U.S., a father smiled as he looked at one of our engine displays and explained it to his elementary school-aged son. There are other examples we have brought up that are often encountered by our employees, and I myself have had similar experiences many times, meeting people who speak enthusiastically about SUBARU in various situations, places, and occasions. In Japan you might see SUBARU drivers park next to each other at a supermarket, give way at intersections, make respectful eye contact when passing each other, or travel together on the highway. Not only in Japan but also in the U.S. I have seen and experienced this kind of courtesy while driving, as well as observed posts on social media. This emergent behavior comes from the great appreciation customers have for our products, mutual trust and respect based on the impression that SUBARU owners will take good care of their cars, and the fostering of a sense of camaraderie based on the joy of finding other SUBARU enthusiasts who love the same kind of cars, for example. Plus, the feelings about SUBARU expressed in language over social media posts build resonance and expand the circle of active SUBARU supporters.

Since our founding, we have been refining our products by staying close to customers and listening to their feedback based on our human-oriented approach to monozukuri. We have been fortunate to have earned praise and support from many customers for our products. Despite a transition to electric products, this approach will not change, and we will continue our efforts to create products that meet our customers’ expectations. In addition, we would like to create a community that is only possible because of who we are as SUBARU. In the U.S., we have been advancing community engagement initiatives for many years together with our retailers and customers who have a desire to help those in need and do something good for society and the environment. We will continue to take the initiative in transforming this desire into actions, thereby expanding our circle of people who resonate with us among customers and all other kinds of stakeholders.

## Cultivating Human Resources, the Source of Our Competitiveness

Because of our relatively smaller scale in the automotive industry, each employee is inevitably responsible for a wider range of areas than at our larger peers. However, these employees must also possess expertise to enhance our competitiveness. Under these circumstances, we believe that the human resources that have helped us to build relationships with our customers by creating SUBARU’s uniqueness through a variety of ideas will remain our most important source of competitiveness.

Many of the people who work in the SUBARU Group are themselves SUBARU enthusiasts and share a strong desire to bring “Enjoyment and Peace of Mind” to our customers and to make as many people as possible come to love SUBARU. In that sense, we share a great deal of qualities with each other as a group. This characteristic has undoubtedly been our strength, as it has enabled us to march forward with unity and haste toward our shared goals. On the other hand, we believe that this can at times present a weakness or a challenge in overcoming this once-in-a-century period of transformation in the automotive industry.

In this environment, where there is total uncertainty about the market’s future and a need for adaptation against disruptive and non-linear changes at an unprecedented pace, it is essential for us to cultivate human resources who can take on new challenges with diverse perspectives and free thinking, who can respond quickly and flexibly to any situation, and who can create new value by rapidly implementing innovative ideas that are unique to SUBARU.

As a member of the management team, I would like to drive the medium- to long-term enhancement of the Group’s corporate value by encouraging each employee to transform their mindsets and behavior, providing opportunities for capability and career development that maximize each individual’s talents, and linking individual growth to the growth of the organization.

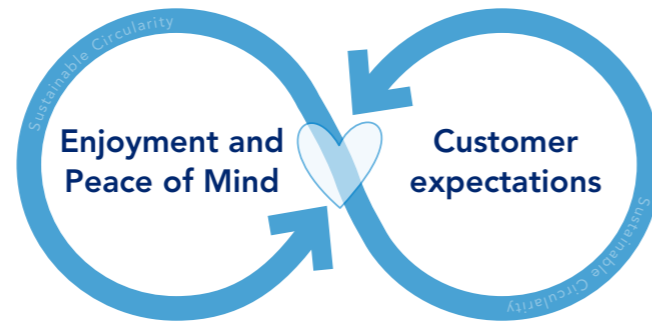


## Enhancing Relationships with Customers

SUBARU's strength lies in the deep connections it forges with customers. In addition to each customer's attachment to their SUBARU vehicles, the affinity created through the connection between the customers and retailers, as well as the connections among customers and with the local community, all based on the product and SUBARU, leads to trust and fosters deep relationships with customers that stand apart from our peers.

We have defined our value statement for customers as "Enjoyment and Peace of Mind."

"Peace of Mind" is established only when there is a sense of trust in the brand that customers feel from the quality and their experience at the retailer, as well as how the company resolves social issues and its contribution to the revitalization of the local economy, in addition to the safety of our vehicles. We believe that "Peace of Mind" is a prerequisite of "Enjoyment"—not only the enjoyment of owning and driving a SUBARU but also the enjoyment of traveling by car, the enjoyment of life with a car in general, and the enjoyment of connecting with the SUBARU brand in day-to-day life and the enjoyment of sharing this with friends. With this value statement in mind, all Group companies and employees engage in a number of initiatives in anticipation of various positions and situations while regularly asking themselves, "Do our business activities resonate with customers and do customers feel affinity?" and "What can we do for our customers, shareholders, business partners, and local communities?"



### The Starting Point of Our Relationships with Customers

Over the years, we have fostered relationships with our customers focused on our products. SUBARU, which has its roots in the aircraft business, believes that the most important basic performance of a car is safety. In the development of aircraft, "safety" was the top priority, and together with pilots as the user, we carefully created aircraft that performed according to pilot feedback and expectations. Car-making that considers the driver, meets their needs, and appeals to their emotions is a philosophy passed down from SUBARU's predecessor.

SUBARU 360, which was released in 1958, was the first mass-produced minicar to accommodate four adults, and was the starting point of the family car. It provided the "enjoyment" of going out with the family, and was more than just a means of transport. In Japan, it was a time when automobiles were still an object of adoration and out of reach of many. Yet, SUBARU pioneered the motorization of Japan from starting from zero, conceiving the ideal packaging, reducing weight to provide ride comfort and performance, and minimizing costs, leveraging technologies such as a frameless monocoque structure that harnesses aircraft technology and reinforced plastic materials.



As exemplified by the Leone, the first mass-produced AWD passenger car in Japan, the Legacy, which led the station wagon boom, the Outback and the Forester, which created a new crossover SUV category, and the EyeSight driver assistance system, SUBARU has continuously created unique new value based on innovative, free thinking, combined with the basic performance of "driving, stopping, and turning," unique proprietary technologies, mainly in safety technology and AWD, and the ability to meet customer expectations.

### SUBARU's Value Among Customers

While the values that customers hold in cars and their preferences have grown more complex with the changing times, SUBARU has always been close to its customers, understanding their driving needs and expectations in the real world, and continuing to refine its proprietary technologies and products toward these ends. By repeating the cycle of enhancing the value of products and their functions, such as "safety," "functionality," and "capability," we have gained the affinity and trust of our customers.

The long-term result of this cycle has made SUBARU an important part of our customers' lives, and they often tell us about their lifestyles, experiences, and affinity using words that describe their SUBARU vehicle as a part of their lives. For example, not just safety and peace of mind but also in the feeling of caring for important family and friends beyond that, the fact that their SUBARU vehicle is more than just durable and long-lasting, it is always there with them as well as their family and friends creating important memories in life and leisure, translates functional value into emotional value.

Survey results have shown that many customers chose SUBARU by word of mouth from family or friends. With the rise of the internet and social media, the affinity for the SUBARU brand and its products is now generated even more from the posts of each customer who praises their SUBARU vehicle not just as a means of transport but also for the product and the functional value it brings. This results in SUBARU occupying a cherished presence in the hearts of its customers.

### The Voice of Customers as Driving Force

There are many situations where our employees come into contact with the voice of customers. Why do customers have such a passion for SUBARU? It is the job of each and every employee of the Group to continuously pursue the answer. As shown below, the customer experience outside of the retailer gives each employee confidence and serves as the driving force behind our work, including car manufacturing.

#### Some Situations SUBARU Employees Have Come Across

When meeting someone for the first time



My father is on his third SUBARU.

From a research company



It's always fun to talk with SUBARU customers. Their response rate is really high.

At the immigration checkpoint



Do you work at SUBARU? My friend loves the WRX.

- People who I meet for the first time start talking about SUBARU and their memories with SUBARU.
- When research companies interview SUBARU customers, many of them speak with a passion. They often receive feedback, such as the survey response rate is high.
- When they meet a SUBARU employee at the immigration checkpoint, many examiners will take longer than normal, asking questions about SUBARU vehicles, such as "I have a friend who drives the WRX. It's a great car!" or "When will the new model come out?"

### SUBARU's "Love Promise" Initiative

In the U.S., we and its participating retailers work together to make the world a better place all year-round with our motto "Do the right things." Customers who share our values and actively support these activities will not be content with ensuring their own happiness. Instead, they are deeply concerned about society and global resources, and they are making the effort to act in an altruistic way, including helping those in need, and want to improve society and the environment. In many cases, our customers become our teachers through the various activities we implement to improve society. These ongoing initiatives allow us to build stronger and deeper relationships with them.



## Our goal of being more than a Car Company®: Love Promise® Initiatives

### Launch of Programs with Love as the Keyword

In the U.S., a key SUBARU Group market, we have been conducting our Love Campaign since 2008. Every day, SOA receives messages from customers saying things like, "I love my SUBARU." What really stands out is that so many people use the word "love" to express their feelings about their SUBARU. Launched with love as the keyword, the Love Campaign involves a variety of initiatives that are closely attuned to customer feelings and values. That approach is especially represented during the year-end holiday season by the Share the Love Event® campaign. Large discounts are the norm during the season, but the Share the Love Event® gives customers who buy a SUBARU vehicle during this period the chance to have SUBARU donate on their behalf to a charity of their choice. This program is closely attuned to the sensibilities of customers who are committed to community engagement, and has been running for the 16 years from 2008.



Amount of donations collected with retailers over the 16-year period from 2008 to 2023  
**More than U.S.\$288 million donated to around 2,300 communities**

### Evolution from Love Campaign to Love Promise—An Initiative That Makes Us More Than a Car Company

The Love Campaign began as a sales promotion initiative, and over the past 15 years has grown into a more significant activity that makes use of community networks built through collaboration with more than 630 retailers across the U.S.






SOA and retailers are participating in the Love Promise Community Commitment based on a core belief in helping those in need through charitable efforts, and the concept that everyone connected with SUBARU should feel loved and respected. Focusing on initiatives in five areas of interest, we are making the world a better place through activities for the communities and regions that each retailer calls home. Specifically, in addition to the four organizations\*1 that SOA partners with, retailers independently support community and regional organizations.

Love will guide our aspirations to transcend what it means to be an automaker with programs to link customers, SUBARU vehicles, and life and lifestyles.

\*1 SOA has partnerships with these four national charity partner beneficiaries: ASPCA® (The American Society for the Prevention of Cruelty to Animals®), Make-A-Wish, Meals on Wheels, and the National Park Foundation.

### Love Promise® Initiatives in Five Areas

<p>Subaru Loves the Earth®</p>  <p><b>Activities to protect the Earth</b></p>	<p>Subaru Loves to Care®</p>  <p><b>Support for people battling illness</b></p>	<p>Subaru Loves to Help®</p>  <p><b>Support for those in need of housing and food</b></p>	<p>Subaru Loves Learning®</p>  <p><b>Support for education</b></p>	<p>Subaru Loves Pets®</p>  <p><b>Animal welfare</b></p>
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-  Subaru Loves the Earth® <https://ourimpact.subaru.com/our-community/subaru-loves-the-earth/>
-  Subaru Loves to Care® <https://ourimpact.subaru.com/our-community/subaru-loves-to-care/>
-  Subaru Loves to Help® <https://ourimpact.subaru.com/our-community/subaru-loves-to-help/>
-  Subaru Loves Learning® <https://ourimpact.subaru.com/our-community/subaru-loves-learning/>
-  Subaru Loves Pets® <https://ourimpact.subaru.com/our-community/subaru-loves-pets/>

### The Subaru Love Promise® Retailer of the Year Awards

The Subaru Love Promise® Retailer of the Year Awards are presented annually by SOA to retailers across the U.S. that are making a positive impact on their customers and communities.

In 2023, Subaru of Las Vegas, a retailer in the city of Las Vegas in Nevada, was named Retailer of the Year, which is the most prestigious of the awards.



### Initiatives by Subaru of Las Vegas, recipient of the 2023 Subaru Love Promise® Retailer of the Year Award

At Findlay Auto Group's SUBARU retailer in Las Vegas, General Manager Burton Hughes has created an open and welcoming atmosphere for the past 18 years. Everyone who visits the retailer is treated like a family member and made to feel at home. The sense of family extends not only to staff and customers but also to the many local charities and community organizations the retailer supports.



Findlay Auto Group works with more than 50 NPOs and has donated more than U.S.\$1 million to local charities since 2021. Employees also actively volunteer to support their communities and those in need. Since 2019, Findlay Auto Group has partnered with Make-A-Wish® Southern Nevada, which has donated more than U.S.\$200,000 to help fulfill more than 20 wishes for children with chronic or life-threatening illnesses. The company has also donated more than U.S.\$64,000 to Michael's Angel Paws, an organization dedicated to training service and therapy support dogs for people facing physical or mental challenges. In addition, five Subaru of Las Vegas employees volunteered to form their own therapy dog team after a total of 500 hours of curriculum and apprenticeship with their pets. The five therapy dogs visit hospitals, veterans homes, and nursing homes throughout the community, wagging their tails and making residents smile.



2023 Subaru Love Promise Retailer of the Year | FINDLAY SUBARU OF LAS VEGAS

<https://www.subaruoflasvegas.com/2023-love-promise-retailer-of-the-year/>

### U.S. Accolades for the SUBARU Brand

Our programs, including Love Promise® initiatives with retailers and customers, rank highly in U.S. consumer brand evaluations for all industries and in U.S. customer satisfaction surveys. This has helped to enhance the SUBARU brand.



• Subaru Reviews, Safety Ratings, and Awards | Learn More  
<https://www.subaru.com/vehicles/accolades.html>

### Forbes\*2 America's Best Brands For Social Impact 2024



SUBARU was ranked first in the automotive category and second among the top 300 brands for the second consecutive year.

\*2 A leading global economic magazine based in the U.S.

### Axios Harris Poll 100 Reputation Rankings

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SUBARU was ranked in the top 20 of the 100 most reputable companies in the U.S. (based on consumer research) for the third year in a row.



### Toward Achieving an Enjoyable and Sustainable Society

At Subaru, making cars has always been about being close to our customers' lives SUBARU cars have created memories for their owners, and our customers feel "love" for their cars and for SUBARU. In the U.S., "love" has evolved into the Subaru Love Promise, the philosophy and initiatives to which Subaru and our retailers are deeply committed. Products at its core, the Subaru Love Promise creates a strong bond between SUBARU, its customers, its retailers and its communities. We believe this is a source of our value creation for society and the future, and we intend to protect and expand it.

We believe this is a source of our value creation for society and the future, and by protecting and expanding it, we will work to achieve an enjoyable and sustainable society.





## New Management Policy

### SUBARU's Business Environment

As the times have changed, they have also created a range of areas that the automotive industry has had to handle, including changes in customer preferences, the increasing complexity of cars, and stricter regulations in various countries. In addition, we have entered what is called a once-in-a-century period of profound transformation, and are facing a situation in which we must fight and outperform not only competitors within our own industry but also competitors with completely new values from other industries. Last year, growth in the rapidly growing BEVs market in the U.S. began to cool off, while the popularity of HEVs is rapidly increasing, part of a business environment for SUBARU that is changing in an even more non-linear way and at unprecedented speed.



### CO<sub>2</sub> Reduction Roadmap

SUBARU aims to reduce its well-to-wheel CO<sub>2</sub> emissions by 90% or more from 2010 levels by 2050 in working to bring about a decarbonized society. To this end, we will apply electrification technology to all SUBARU vehicles sold worldwide by the early 2030s.

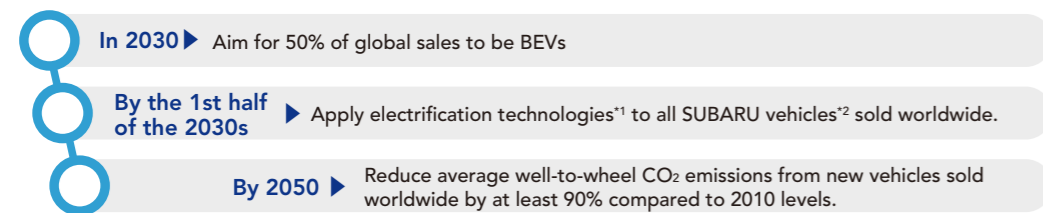
On August 2, 2023, SUBARU announced its New Management Policy. Our milestone for 2030 had previously been to shift to EVs comprising 40% or more of all vehicles sold worldwide, with BEVs and HEVs making up this 40%. In the New Management Policy, we have made a major revision to the target of global vehicle sales of 1.2 million-plus units, greatly adjusting the targeted 50% sales of BEV within this figure, demonstrating a firm resolve to achieve goals toward 2028 with an eye on 2030.

New Management Policy | SUBARU CORPORATION

<https://www.subaru.co.jp/en/outline/about/policy/index.html>

Updated New Management Policy (Announced May 13, 2024) | SUBARU CORPORATION

<https://www.subaru.co.jp/en/outline/about/policy/update/>

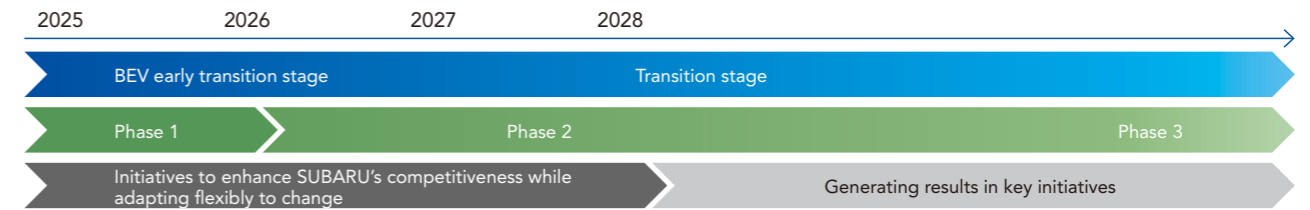


\*1 Refers to the technology used to foster the use of electricity for EVs, HEVs, and others.  
\*2 Excluding models supplied by OEMs.

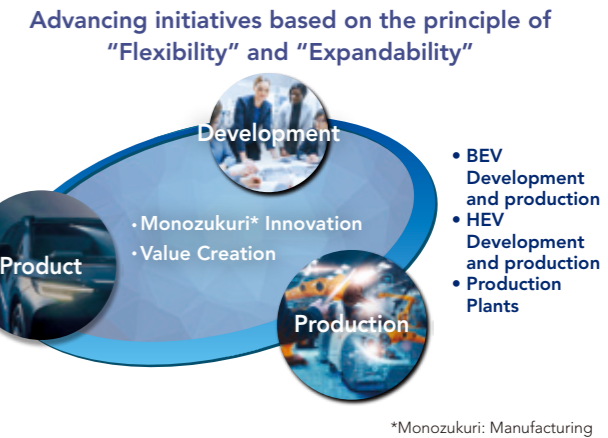
### Toward 2030 Milestones

This period of major transformation in the industry has led to uncertain futures, and the approaches and actions toward carbon neutrality, the speed of electrification, and customer preferences vary greatly depending on the market and region. In addition, as a means of achieving carbon neutrality, companies in the industry are pursuing development to unlock various kinds of potential. We have chosen the electrification of products as one of our means, and will explore various initiatives aimed at achieving our vision for 2030. These initiatives will be divided into three phases based on market forecasts in the U.S., our most important market, and will respond to the situation with flexibility and scalability while keeping a close eye on changes in the environment.

### Our Approach of Flexibility and Scalability



At a time when it is difficult to predict how the immediate future will unfold, SUBARU is paying close attention to changes in regulations in each country and changes in customer preferences. While doing this, we are taking various actions based on the recognition that it is extremely important to ensure flexibility and scalability, using this concept to adapt to such changes flexibly and to scale at once when the direction of the shift becomes clear.



### Phase 1 Flexibility in the BEV Early Transition Stage

#### Flexibility in Product Development

We have explored various options for the development of BEVs, including in-house development and alliance cooperation, but for the four BEV SUVs planned for our lineup by the end of 2026, we are developing them jointly with Toyota Motor Corporation, (TMC), leveraging the knowledge and expertise of both companies. In this BEV early transition stage, we believe that HEVs will be of extreme importance, and will install our next-generation hybrid with a horizontally-opposed engine based on the TOYOTA Hybrid System, to our mainstay Forester and Crosstrek models. Strengthening HEVs lineup will ensure product flexibility and expand customer choices.



#### Flexibility in Production System

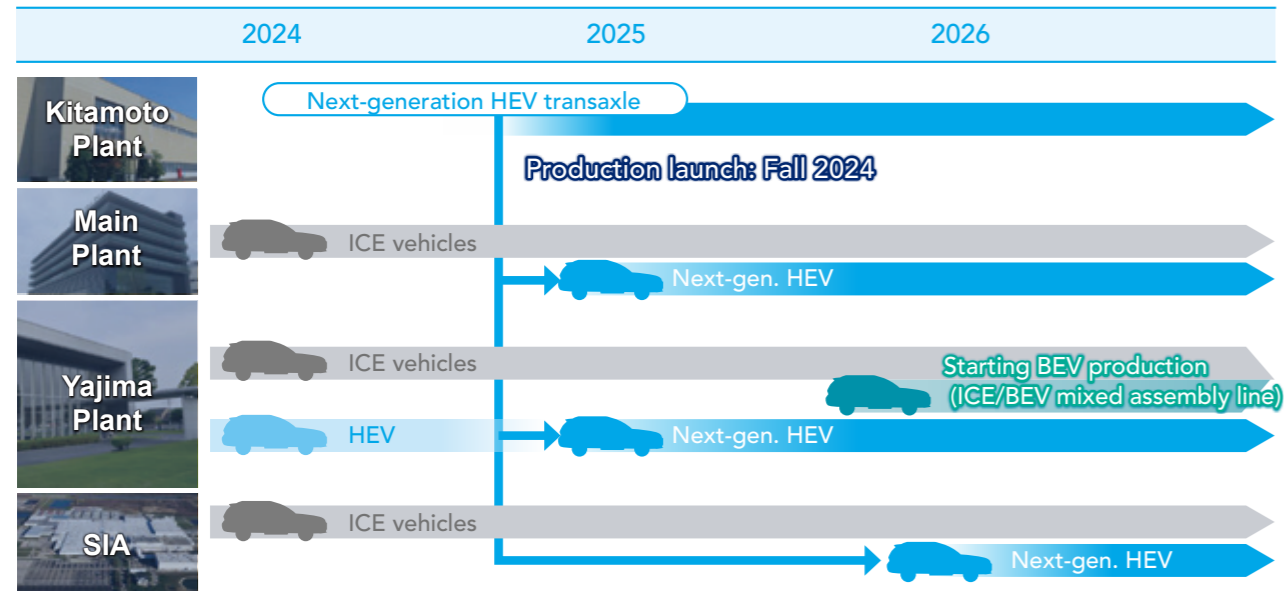
Through mutual production and supply of BEV models jointly developed alongside Toyota Motor Corporation, we will ensure flexibility in our production areas, and mitigate risks together in these times when it is difficult to foresee the future. In addition to the Solterra that has already been launched in the market, BEVs produced at Toyota Motor Corporation's U.S. plant will also be supplied to SUBARU. Furthermore, around 2025, BEVs produced at the Yajima Plant within the Gunma Plant will be supplied to Toyota Motor Corporation. SUBARU plans to practice mixed production that includes ICE products, through which we will adjust our produced models flexibly in response to demand trends, allowing us to maintain operations.

In addition, in fall 2024 the Kitamoto Plant, which was previously the production and sales base for the Industrial Products Business, will be renovated and the production of transaxles, which will be a core component of the next-generation HEV power unit, will begin there. The next-generation HEV power units will initially be installed in vehicles manufactured at our plants in Japan, but are to eventually be installed in vehicles manufactured at SIA in the U.S. as well. This approach is aimed at maximally utilizing production capacity in Japan and the U.S. by ensuring a production system that can flexibly respond to demand fluctuations and is in consideration of plans to supply BEVs produced at the Yajima Plant to Toyota Motor Corporation.



Phase 2 Determination for 2028

Even in an era where BEVs are the mainstream, SUBARU's products and the feelings we want to convey to our customers will never change. Many of our customers and shareholders have asked us how we can create the SUBARU Difference with BEVs that lack a horizontally-opposed engine, one of our core technologies. Our response is that we will continue to pursue the concept of human-oriented car making to create vehicles that are closely attuned to the customer. We believe that it is precisely because of BEVs that we will be able to expand the possibilities of our accumulated technology and expertise, and evolve the value of "Enjoyment and Peace of Mind" that we want to deliver to our customers. Accordingly, we will accelerate our efforts to realize the world-leading "Monozukuri Innovation" and "Value Creation" as our key initiatives to meet customers' expectations and enhance our corporate competitiveness in the BEV era. The reason why we have chosen these two key initiatives is that the BEV business in the future will require a completely different approach in the production and development process and product planning from that of conventional ICE products, and that the business will go beyond purely vehicular businesses to incorporate peripheral businesses as well, from procurement to after-sales service. Against this backdrop, in the SUBARU New Management Policy announced in August 2023, we expressed our resolve to bring the results of these key initiatives to fruition by steering SUBARU toward BEVs and concentrating resources in this area, starting with our own BEVs targeted for 2028.



Building Systems

In order to achieve the world-leading "Monozukuri Innovation" and "Value Creation" and get the BEV business on track, the key is to accelerate the speed of management decision making, which is not an easy task amid uncertainty over the future. Therefore, we have positioned areas that require a different approach from conventional ICE vehicles as core priority themes, and have started a system with five Chief Officers (CXOs) to whom great authority has been delegated. These CXOs are engaged in cross-departmental action to break down departmental barriers, restructure the organization, and accelerate our "Monozukuri Innovation" and "Value Creation."

CXO (Chief X Officer)	Mission
CMzO: Chief Monozukuri Officer	Lead efforts to halve the development process and lead time, halve the configuration and number of parts, and halve the production process and lead time, and drive initiatives to achieve world-leading "Monozukuri innovation," as well as to visualize information flow and connect customers and SUBARU in the shortest possible time
CBBO: Chief Battery Business Officer	Lead the overall advancement of the battery business across the entire value chain, including ensuring stable procurement, competitiveness, and business viability
CDCO: Chief Digital Car Officer	Drive initiatives to achieve world-leading "Value Creation" through the digitalization of automobiles and improvement of vehicle value through software
CCBO: Chief Connected Business Officer	Drive initiatives to achieve world-leading "Value Creation," primarily in the "out-car" domain covering experiences after delivery of a vehicle to the customer
CCIO: Chief Cost Innovation Officer	Unify all departments and lead and oversee Company-wide efforts to achieve cost competitiveness

CXO Messages

CMzO (Chief Monozukuri Officer)



The mission of the CMzO is to lead efforts to halve the development process and lead time, halve the configuration and number of parts, and halve the production process and lead time, driving initiatives to achieve world-leading "Monozukuri Innovation" To carry out this mission, we believe that we need to visualize the flow of goods and information from development to after-sales, and reduce our target amounts by half, in order to connect customers and SUBARU in the shortest possible time. Specifically, this will come in the form of new BEVs produced at a new plant, pursuing and realizing a completely new and streamlined production process that optimizes the flow of goods and information, with a focus on BEV-specific battery and software. To achieve this, we aim to create a plant that is always aiming to practice monozukuri at the cutting edge and in a continuously evolving way, with an emphasis on flexibility and scalability for the future.

Ikuo Watanabe

Managing Executive Officer  
Senior General Manager of Engineering Division and Monozukuri Division

CBBO (Chief Battery Business Officer)



The CBBO's mission is to realize a battery value chain that supports competitive EVs, through which we will contribute to our sustainable growth and increase our corporate value. The scope of the CBBO's activities is extremely broad, covering the development, procurement, production, sales, and after-sales service of drive batteries for EVs. In particular, we recognize that securing highly competitive batteries for BEVs, which we are currently developing in collaboration with Panasonic Energy Co., Ltd. is the most important issue for the time being and will determine our future. We are always looking to solve problems from the perspective of total optimization and to make speedy and sure progress toward the realization of our mission, as we are closely involved with many stakeholders, including not only related internal departments but also business partners and local communities.

Tatsuhiro Kobayashi

Managing Executive Officer

CDCO (Chief Digital Car Officer)



The CDCO, as a core promoter for digital cars, is responsible for the mission of improving the value of cars by utilizing software. I will also be working as the Senior General Manager of the Engineering Division, and will be directly involved in the development process, connecting each department and ensuring that all activities are carried out smoothly and in harmony. When EyeSight version 2 went into mass production in 2010, I felt that a turning point had been reached in the field of electronic control technology. Now, more than a decade later, the age of digital cars has arrived, and the latest digital technology is beginning to transform the value of cars. In today's era, it is difficult to predict what will happen in the future, but I am confident that we can define our own value by boldly taking on challenges, learning from our mistakes, and persevering. We will band together as a unified team to pioneer this new era.

Eiji Shibata

Executive Officer  
Senior General Manager of Engineering Division

CCBO (Chief Connected Business Officer)



The aim of connected business is to provide value to customers after the sale, in other words, to contribute to the creation of the world-leading value, based on cutting-edge technology centered around software. SUBARU has grown by earning the trust of customers around the world. Today, in order to survive in this era of transformation, we are promoting "Monozukuri Innovation" aimed at achieving cutting-edge competitiveness. Meanwhile, "Value Creation" requires a different mindset, approach, and process from the past. We strongly recognize the importance of understanding our customers' emotions and actions after a sale, as well as understanding and working closely with them on various activities in the field after a sale. The CCBO's mission is to indicate the direction and goals to be followed, strengthen cooperation between the various departments within the Group, and achieve "Value Creation."

Kazuhiro Abe

Managing Executive Officer

CCIO (Chief Cost Innovation Officer)



The role of the CCIO in this period of transformation is to achieve "Monozukuri Innovation," significantly improve productivity, and achieve industry-leading cost and competitiveness. Monozukuri is made up of many different departments and processes, including planning, development, procurement, manufacturing, quality, sales and after-sales service, and recycling. In addition, cost includes not only the cost of materials and parts but also expenses from back-office departments. This means I would like to work on improving productivity throughout the entire value chain. In order to increase competitiveness, it is necessary to not only streamline processes, but also to allocate resources based on identification of value for customers. Therefore, we will promote "Monozukuri Innovation" by determining costs and investments that match value offered.

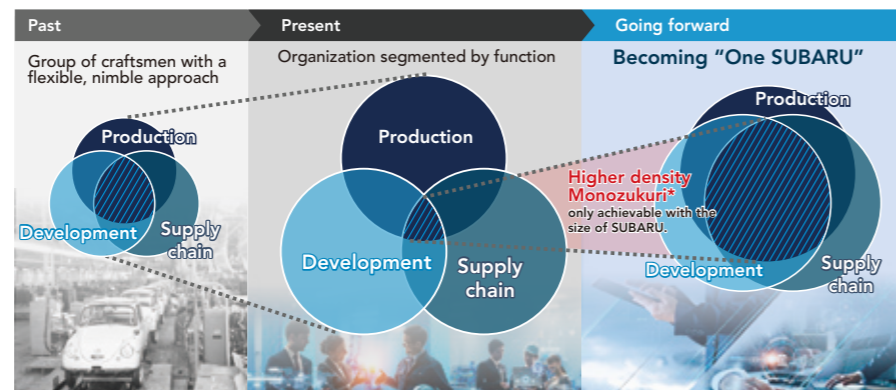
Kosuke Kawai

Executive Officer, General Manager of Cost Innovation Promotion Dept., Senior General Manager of Corporate Planning Division, Engineering Division, Product Business Division, and Purchasing Division

As part of the system for accelerating “Monozukuri Innovation” and “Value Creation,” we established the Innovation Hub as a new technology development base within the Gunma Plant in January 2024. We believe that being “One SUBARU,” where the entire supply chain is integrated, including product development to production and the supply chain, something that can only be achieved through nimbleness granted by our scale, will lead to the realization of efficient and high-density development and product evolution, including cutting the development process and lead time in half, the number of configurations and parts in half, and the production process and lead time in half. At this Innovation Hub, we hold discussions not only with organizations within the SUBARU Group but also with a wide range of stakeholders, including partner companies and other business partners, that cut across internal organizational boundaries. This is an effort to create an environment where we can share the latest technologies, information, and ideas, and where discussions can be founded in essential truths. As activities to realize “Monozukuri Innovation” and “Value Creation” steadily progress, this environment is providing a boost to our employees and changing their mindsets.



Innovation Hub



**Collaboration with Partner Companies**

On March 12, 2024, SUBARU announced that it would be switching from ICEs to electric components, and that it would be collaborating with AISIN CORPORATION to jointly develop and share production of the eAxle, which is both symbolic and the heart of the driving experience. In addition, given that the business environment of our business partners who manufacture and process ICE vehicle parts will change significantly due to the coming era of the EV, we will work with these business partners to explore optimal parts procurement sources and production schemes in the interest of maintaining and improving our existing supply chain and ensuring stable procurement.

On March 19, 2024, we concluded a basic cooperative agreement with Panasonic Energy Co., Ltd., with the aim of addressing demand for batteries, which are essential power sources for EVs. Subsequently, on September 6 the two companies announced plans to invest in the production of cylindrical automotive lithium-ion batteries, targeting annual production capacity of 20 GWh by the end of 2030. We plan to build a new lithium-ion battery plant with a production capacity of 16 GWh per year\* in Oizumi Town, Gunma Prefecture, and plan to install batteries produced at the new plant in SUBARU-manufactured BEVs starting in 2028. An investment of around 4 GWh per year is also planned to provide us with batteries manufactured at the Panasonic Energy Suminoe Factory for our BEV production starting in FYE March 2028.

Furthermore, on April 19, we announced a collaboration with AMD to design circuits for a system-on-chip (SoC) that integrates stereo camera recognition processing with AI inference, enabling the generation of optimal decisions. This collaboration is aimed at further evolving SUBARU’s unique EyeSight driver assistance system that controls all of the basic functions of a car as well as the most key functions of driving, turning, and stopping.

SUBARU is steadily assembling the pieces that will form the core technology for its EVs. Through collaboration with various companies, we will realize high-value-added products and technologies that are unique to SUBARU, and contribute to the further development of an electrified society. We will also contribute to resolving social issues, such as achieving our goal of zero fatal traffic accidents in 2030, sustainable development of industry, and revitalization of local economies.

\* As of the end of 2030

- (1) SUBARU and AISIN to Collaborate on eAxles for Next-Generation Electrified Vehicles (March 12, 2024) [https://www.subaru.co.jp/news-en/2024\\_03\\_12\\_114542/](https://www.subaru.co.jp/news-en/2024_03_12_114542/)
- (2) Subaru and Panasonic Energy Agree to Cooperate in Supply of Cylindrical Automotive Lithium-ion Batteries (March 19, 2024) [https://www.subaru.co.jp/news-en/2024\\_03\\_19\\_164541/](https://www.subaru.co.jp/news-en/2024_03_19_164541/)
- (3) Subaru and AMD Collaborate on SoC Design to Integrate Stereo Camera and AI Inference for the Next-Generation EyeSight (April 19, 2024) [https://www.subaru.co.jp/news-en/2024\\_04\\_19\\_154452/](https://www.subaru.co.jp/news-en/2024_04_19_154452/)
- (4) Subaru and Panasonic Energy to Begin Preparation for Supply of Automotive Lithium-ion Batteries and Joint Establishment of New Battery Factory in Japan (September 6, 2024) [https://www.subaru.co.jp/news-en/2024\\_09\\_06\\_154205/](https://www.subaru.co.jp/news-en/2024_09_06_154205/)

**SUBARU’s Value Creation**

An important factor in creating value in the era where BEVs are mainstream is to further enhance “Enjoyment and Peace of Mind,” the unwavering value that SUBARU offers to customers. We believe that one of the reasons why so many customers choose SUBARU products from among the many brands available is because of the peace of mind that comes from knowing that the cars are safe, and one of the core technologies that has been developed over many years and is the basis of this safety is AWD technology. BEV technology has the potential of more precise control with AWD capability, something we believe will be able to further enhance our enhance and evolve “Enjoyment and Peace of Mind.”

We will also continue to pursue new benefits for our customers, such as a seamless and stress-free user experience by utilizing various new technologies and evolving our products and functions to better suit our customers’ lifestyles. Many SUBARU customers keep a single SUBARU vehicle for a long time, and based on the idea of creating new value through “Retaining Value” initiatives for maintaining the value of vehicles during the period of their ownership and encouraging long relationships with SUBARU cars, SUBARU will continue to meet customer expectations even in the age of the BEV.

Until now, SUBARU has enjoyed support from many of its customers for its products and features, and with the spread of the internet and social media, this support has grown even stronger. We see many social media posts showing SUBARU cars with customers, their families, friends, and pets. This shows us that our customers recognize our vehicles as more than just a means of transportation—they are an integral part of our customers’ lifestyles and aspirations. Many of our customers tell us that they feel attached to our vehicles, and they feel that SUBARU is appealing because it is different to its competitors. This “difference” is truly an asset to the SUBARU brand. SUBARU will continue to be closely attuned to its customers, and in addition to evolving the value it has built up to date, we believe that by creating new value in line with the changing times and customer preferences, we will be able to provide unfading emotional value that comes from spending time with SUBARU vehicles.

**Pursue the SUBARU-Unique Initiatives of “Retaining Value” and “Continuing to Deliver New-Car Feel”**



SUBARU will become even closer to our customers’ lives.



## Six Priority Areas for Sustainability

To achieve our vision, a company “Delivering Happiness to All,” we have adopted the Six Priority Areas for Sustainability and will promote initiatives based on the SUBARU Global Sustainability Policy and to fulfill our corporate social responsibilities, thereby providing “Enjoyment and Peace of Mind” to our customers and other stakeholders.

The SUBARU Group aspires to be a truly global company driven by each and every one of its employees, that achieves sustainable growth and contributes to the realization of an enjoyable and sustainable society.

### SUBARU Global Sustainability Policy

Until recently, the SUBARU Group promoted various initiatives in line with its CSR Policy, revised in June 2009. However, to cope with changes in the social environment and in relationships with our stakeholders, we established the SUBARU Global Sustainability Policy in April 2020 as a guideline to be shared by all Group employees on a global basis.

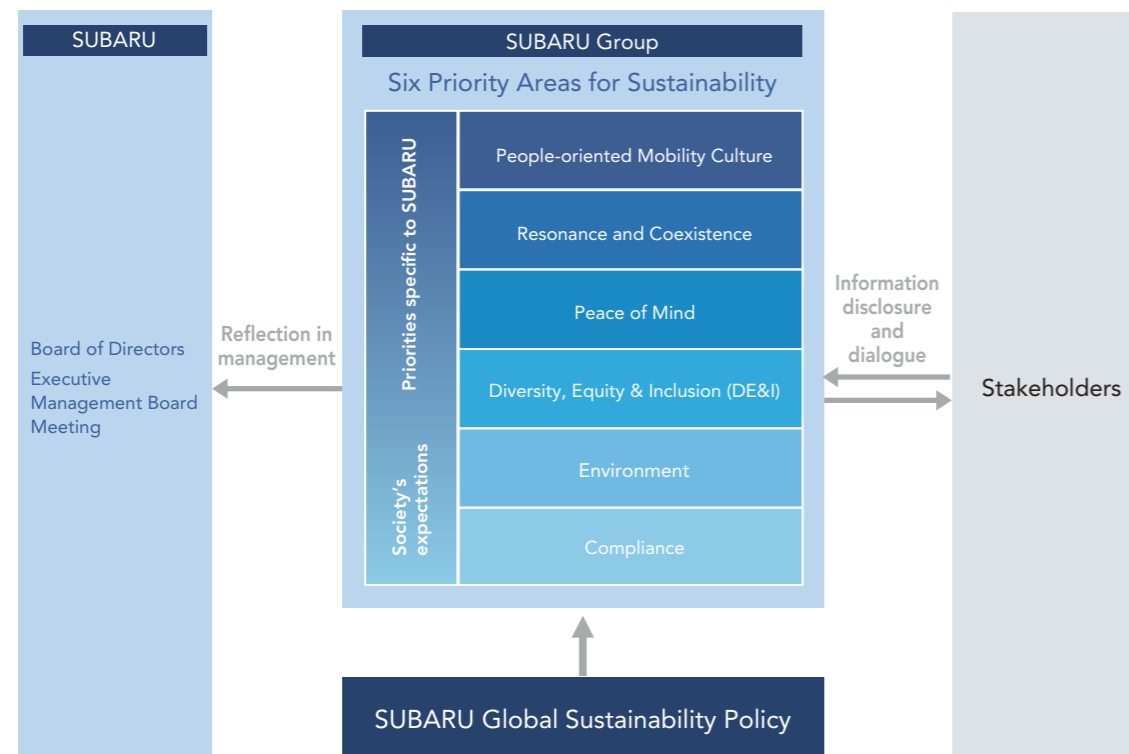
This policy is applied to SUBARU and all its subsidiaries.

**SUBARU Global Sustainability Policy**

We, the SUBARU Group, are committed to sustainable business practices designed to promote harmony between people, society and the environment in the following ways:

1. Through our business activities, we will contribute to the resolution of various social issues, including the protection of the global environment, and to the creation of a sustainable society.
2. Respecting the quality and originality of our products, we will continue to provide SUBARU’s unique value using advanced technologies, and enrich the lives of all those involved with the SUBARU Group.
3. As a good corporate citizen in the international community, we respect human rights, diverse values and individuality, and treat all stakeholders with sincerity in every interaction.
4. We strive to maintain and advance the workplace environment so that employees can work safely in peace, and with a sense of satisfaction.
5. We respect international rules and the laws and regulations of each country and region, as well as local culture and customs, and pursue fair and transparent corporate governance.
6. We make use of dialogue with stakeholders to make management decisions, and disclose corporate information in a timely and proper manner.

### Reflecting the Six Priority Areas for Sustainability in Management



## The SUBARU Group’s Six Priority Areas for Sustainability

### Identification Process for the Six Priority Areas for Sustainability

Previously, the SUBARU Group had promoted CSR initiatives in the Six Priority Areas for CSR: People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, Diversity, Environment, and Compliance.

To select the priority areas, the SUBARU Group first identified 41 CSR priority topics for which social needs were high and then conducted a questionnaire among experts and investors in North America and Japan. The responses and opinions we received were used in an assessment and exploration of these areas from two perspectives: areas in which we can engage the community by leveraging our business strengths, and areas related to the demands of society. As a result, the SUBARU Group selected People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, and Diversity as the four areas where SUBARU could engage our communities by leveraging our business strengths, and Peace of Mind, Diversity, Environment, and Compliance as the four areas where the SUBARU Group could work to meet the demands of society.

Now, we have evolved these Six Priority Areas for CSR into the Six Priority Areas for Sustainability in response to the changing social environment and shifting mindsets toward sustainability. To contribute to the sustainability of the SUBARU Group and society, we will go beyond CSR perspectives to further leverage SUBARU’s values and strengths.

#### From people-oriented car culture to people-oriented mobility culture

We aim to become a company whose presence and appeal differentiate from its competitors by expressing the diversity of products as the SUBARU Group, including the Aerospace Business Unit. We will also provide a means of transportation based on SUBARU’s DNA in response to the changing times.

#### From diversity to diversity, equity & inclusion (DE&I)

We will develop our organization to maximize the diverse individuality of our workforce and create comfortable workplace environments. These efforts to create an environment of equity where everyone can access fair opportunities will lead to innovation and teamwork where everyone contributes to creating SUBARU’s unique sustainable value.

The SUBARU Group shares its commitment to sustainability with all Group employees on a global basis through the SUBARU Global Sustainability Policy. We will pursue value creation for “Delivering Happiness to All” through initiatives based on the Six Priority Areas for Sustainability.

## Activities in the Six Priority Areas for Sustainability in Relation to the SDGs

The SUBARU Group seeks to become an organization that is trusted by society by fulfilling its social responsibility as a corporate group, aiming for sustainable growth and contributing to the creation of an enjoyable and sustainable society.

The Sustainable Development Goals (SDGs) for 2030 are development goals for achieving a sustainable future. By strengthening initiatives in each area regarding the Group’s Six Priority Areas for Sustainability, including areas in which we can engage the community by leveraging our business strengths, and areas related to the demands of society, SUBARU will reinforce its efforts in each area and make positive contributions toward achieving the SDGs.

Specifically, we believe that the SUBARU Group’s initiative to achieve a goal of zero fatal traffic accidents\* by 2030 contributes to Target 3.6 of the SDGs: “By 2020, halve the number of global deaths and injuries from road traffic accidents.” The SUBARU Group will continue to contribute to the achievement of the SDGs by leveraging its business strengths and responding to the demands of society while pursuing value creation unique to the SUBARU Group.

\* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

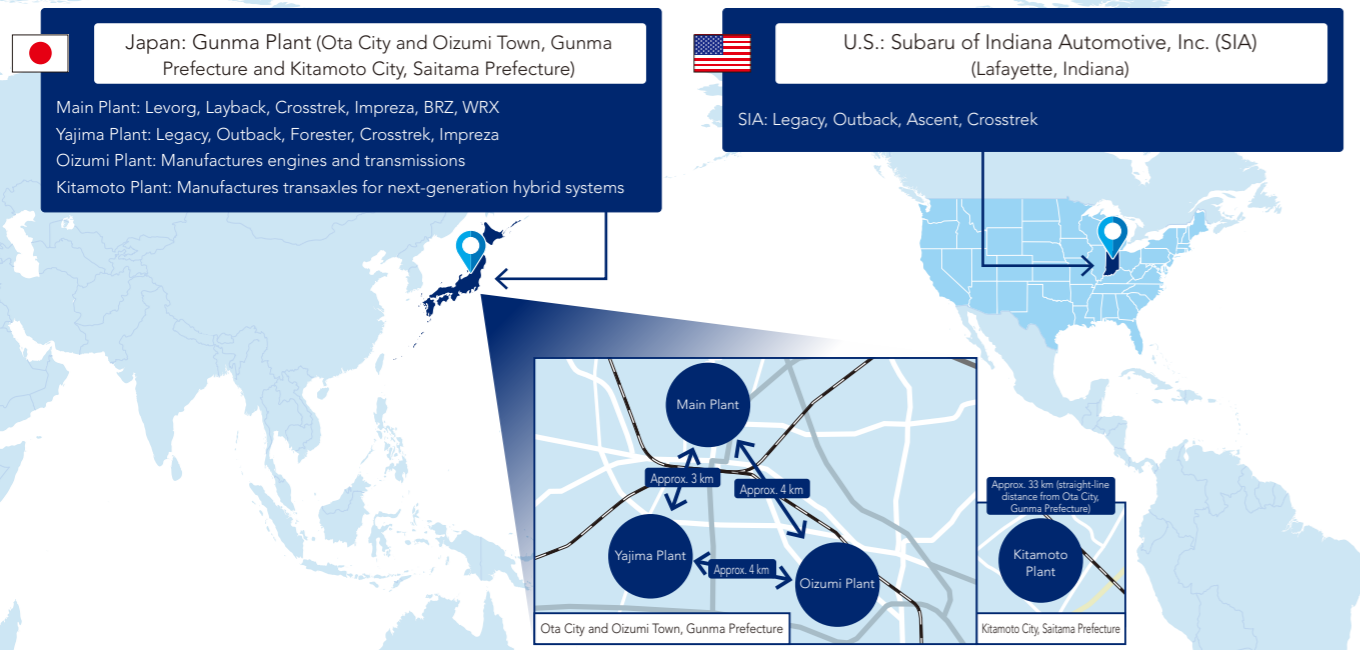
## Activities in the Six Priority Areas for Sustainability in Relation to the SDGs

Six Priority Areas	Main Scope Stakeholders	Themes	Initiatives						Vision/KPIs (FYE March 2026~FYE March 2031) Six Priority Areas for Sustainability	Relevant SDGs
			FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026		
People-oriented Mobility Culture	Customers	Enjoyment of driving a car	Evolution of Subaru Global Platform and Integration with Intelligent Technology (Achieving safe and enjoyable driving with peace of mind like a skilled driver)						Become a company that enriches people's lives and minds as a partner.	9.1
		Providing enjoyment of customization	Development of high-quality accessories matched with new models							
		Enhancing the brand image	Expansion of the lineup of high-performance, value-added items							
			Promotion of the brand strategy (SUBARU, the Beloved Brand: More Than a Car Company)							
		Promotion of marketing activities that match the characteristics of each market								
		Promotion of motorsports and continuation of awareness-raising activities								
Providing a wide range of products	Advancement of Subaru's "Dynamic x Solid" "Designing experiences" with a focus on resonance with customers under the design identity to "bolder" expression "Designing experiences" with a focus on resonance with customers under the vision of "Earth-tainment: Enjoying the Earth Together"									
	Proposing new forms of mobility and researching technology unique to SUBARU Technology development toward realization									
Resonance and Coexistence	Local communities	Disseminating car culture	Design parts that can be used in multiple vehicle models						Become a company that is widely trusted by, resonates and coexists with society.	11.2
		Dissemination of SUBARU's manufacturing practice and its endeavors for "Enjoyment and Peace of Mind"								
	Customers	Strengthening relationships with customers	Utilizing digital technologies to strengthen relationships with customers							
		Enhancement of customer loyalty	Enhancement of customer loyalty							
	Business partners	Establishing a new maintenance system	Development of a maintenance system for EVs Enhancing the maintenance system for promoting EVs							
		Coexistence and mutual prosperity with business partners	Efficient vehicle maintenance by utilizing IT and digital transformation (DX)							
Employees	Creating a safe working environment	Building of relationships with business partners with CSR surveys, awareness-raising, and from CSR perspectives								
	Enhancing and strengthening the SUBARU Group's telecommuting environment									
Local communities	Revitalizing relationships with local communities	Reinforcement of efforts for occupational health and safety, improvement of plant environments								
	Creation of a safe and rewarding workplace environment, building of a brand that is loved by employees									
Peace of Mind	Customers	Improving safety functions	Continuation of production operations and maintenance of employment at each site						Become a company that provides the utmost peace of mind to all stakeholders.	3.6
		Contributing to safe driving	Utilization of athletic teams, boosting of employee morale							
			Reinforcement of community exchange and partnership activities							
		Establishing and strengthening a reliable product supply system	Contribution to local communities through stronger cooperation with NGOs and NPOs							
			Community support activities during disasters and pandemics							
		Improving inspection and maintenance quality	Advancement of Advanced Driver Assistance System (ADAS)							
Adoption of Advanced Automatic Collision Notification (AACN) system and expansion of its functions										
Securing and improving quality	Continuous enhancement of crash safety									
	Expanding enhanced safety functions since FYE March 2021									
Employees	Creating a safe workplace	Developing autonomous flight control systems (collision avoidance technology, fault-tolerant system improvements)								
		Implementing and sustaining EyeSight test rides (awareness-raising for advanced safety technology), etc.								
	Contributing to safety of local communities	Establishment of a timely and efficient supply system of spare parts and accessories								
		Strengthening product supply capacity (parts center capacity increase plans/parts supply system improvements)								
	Contributing to safe lives of people	Promotion of accurate, high-quality inspection and maintenance								
		Global penetration of maintenance system with high and consistent quality								
Governments	Contributing to safe lives of people	Promotion of initiatives to produce vehicles of choice in terms of quality as well								
		Improvement of quality in all processes, from product planning to production, sales, and service								
	Contributing to safe lives of people	Placing of the highest priority on quality by implementing the Quality Caravan and providing education for fostering quality awareness								
		Collaboration with business partners								
	Contributing to safe lives of people	Optimization of the span of management in manufacturing departments								
		Continuation and reinforcement of activities of the health and safety committees								
Governments	Contributing to safe lives of people	Maintenance and enhancement of workplace health and safety, and promotion of a more comfortable workplace environment								
		Formulation and implementation of plans for health promotion initiatives Reinforcement of health promotion efforts								
	Contributing to safe lives of people	Secure and create employment								
		Promotion of plant environment improvement Promotion of a sense of trust regarding stable operations								
	Contributing to safe lives of people	Promotion of plant environment improvement Promotion of a sense of trust regarding stable operations								
		Implementing community safety awareness activities								
Contributing to safe lives of people	Reduction of environmental impact and prevention of pollution									
	Contribution to the creation of a society in which people's lives and property are protected and people can enjoy peace of mind									

Six Priority Areas	Main Scope Stakeholders	Themes	Initiatives						Vision/KPIs (FYE March 2026~FYE March 2031) Six Priority Areas for Sustainability	Relevant SDGs
			FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025	FYE March 2026		
Diversity, Equity & Inclusion	Employees	Promoting active roles for female employees	Expanding the number of female managers						Promote businesses that create diverse forms of market value while respecting the diverse values of all people.	5.5 5.5.2
		Utilizing diverse human resources	Childcare support for female employees in direct departments Creating workplaces where female employees in direct departments can thrive and play an active role							
			Review of the human resources system for senior employees							
		Promote diverse work styles	Operation of the human resources system for senior employees Operation of the human resources system for senior employees							
			Promotion of active roles for non-Japanese human resources							
		Examination and promotion of a workplace environment that pays due consideration to minorities in society								
Environment	Customers	Popularizing vehicles that reduce environmental impact	Expansion of the sale of EVs (including models with e-BOXER)						Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities.	13.1 13.2
		Business to help reduce environmental impact	Development and sale of EVs (BEVs and SHEVs)							
	Business partners	BEV development Launch of Solterra, global rollout and sales expansion of BEVs								
		Establishing appropriate disposal schemes for EV batteries								
	Business partners	Environmental activities in cooperation with business partners	Introduction of solar power generation for self-consumption							
		Introduction of hydroelectricity and green electricity								
Compliance	Business partners	Maintaining fair relationships	Energy conservation investment and effective utilization of facilities						Act in good faith and become a company that is trusted by and resonates with society.	8.7 8.8
		Employees / Local communities	Continuation of conservation efforts in cooperation with governments							
	Business partners		Promotion of lighter, electric, and biofuel aircraft							
		Establishment and maintenance of an environmental management system								
	Business partners	Efficient parts storage and transportation								
		Promotion of retailers' continuous efforts for energy saving, water quality conservation, and recycling								
Compliance	Business partners	Maintaining fair relationships	Optimization of logistics and complete knockdown (CKD) costs						Act in good faith and become a company that is trusted by and resonates with society.	12.2 12.5
		Employees / Local communities	Ensuring comprehensive export control							
	Business partners		Reinforcement of security and export control initiatives							
		Compliance training								
	Business partners	In-house education and dissemination								
		Promotion of compliance from the perspective of the SUBARU Group								
Compliance	Business partners	Maintaining fair relationships	Establishment, dissemination, and management of internal rules and manuals on laws and regulations						Act in good faith and become a company that is trusted by and resonates with society.	16.5 16.5.2
		Employees / Local communities	Prevention of harassment							
	Business partners		Maintenance and improvement of the workplace environment by promoting work style reforms and complying with the Labor Standards Act							
		Implementing conflict mineral surveys								
	Business partners	Establishment and dissemination of our Human Rights Policy implementation of due diligence Promoting initiatives to respect human rights								
		CSR surveys, awareness-raising, and stronger CSR initiatives in the supply chain with business partners								
Business partners	Promotion of fair trade on a continuous basis									
	Appropriate management of software license									



## Manufacturing Capital—Monozukuri (Car-Making)



SUBARU vehicles are manufactured mainly at two bases, one in Japan and the other in the U.S. The manufacturing base in Japan, Gunma Plant, consists of two finished vehicle plants, the Main Plant and the Yajima Plant, and two power unit plants, the Oizumi Plant and the Kitamoto Plant. The four plants under the Gunma Plant are located within close proximity to Ota City, Gunma Prefecture, facilitating the efficient and flexible monozukuri in terms of logistics. Automobile manufacturing requires relatively large-scale manufacturing facilities compared to other industries. By efficiently operating the facilities at our two bases in Japan and the U.S., as well as by improving the efficiency of the entire supply chain, including distribution of parts and finished vehicles, we are able to deliver vehicles in a timely manner that satisfy customers in approximately 90 countries and regions around the world.

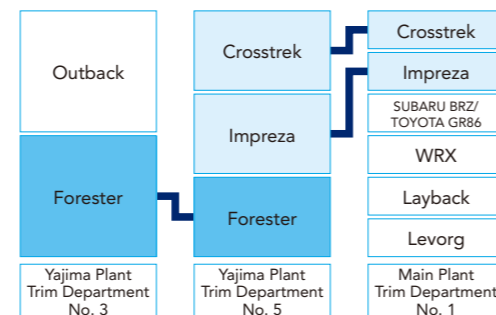
### Our Approach to Monozukuri (Car-Making)—Variable-Mix, Variable-Volume, Short-Run Production

In our car-making, we have established the three important concepts of variable-mix, variable-volume, short-run production; own-process assurance; and transfer of technical skills. In particular, variable-mix, variable-volume, short-run production is an important concept for SUBARU as one of the smaller Japanese automakers because it enables us to respond flexibly to changes in the market environment.

Variable-mix, variable-volume, short-run production is based on the idea of delivering cars to customers with a short lead time without waste, even if the model or volume of cars to be manufactured changes. Based on this concept, we aim to build a development and production system that is resilient in the face of change. One method to realize a resilient production system is “bridge production.” Our finished vehicle production process uses a mixed production system that produces various types of models on the same line, and we have three production lines, two at the Yajima Plant and one at the Main Plant. In bridge production, the number of vehicles produced on these three lines can be modified flexibly in response to fluctuations in demand, thereby optimally allocating the models and volumes and evening out the utilization rate of the production lines at each plant. SIA, our production base in the U.S., is now planning to produce the new Forester, and we will ensure production flexibility covering not only Japan but also the U.S.

Looking ahead, the future will remain difficult to predict, including trends in electrification, and what customers’ want from automobiles will become more diverse. Keeping in mind our long-valued approach to car-making, we will enhance our ability to respond to changes and establish a flexible production system.

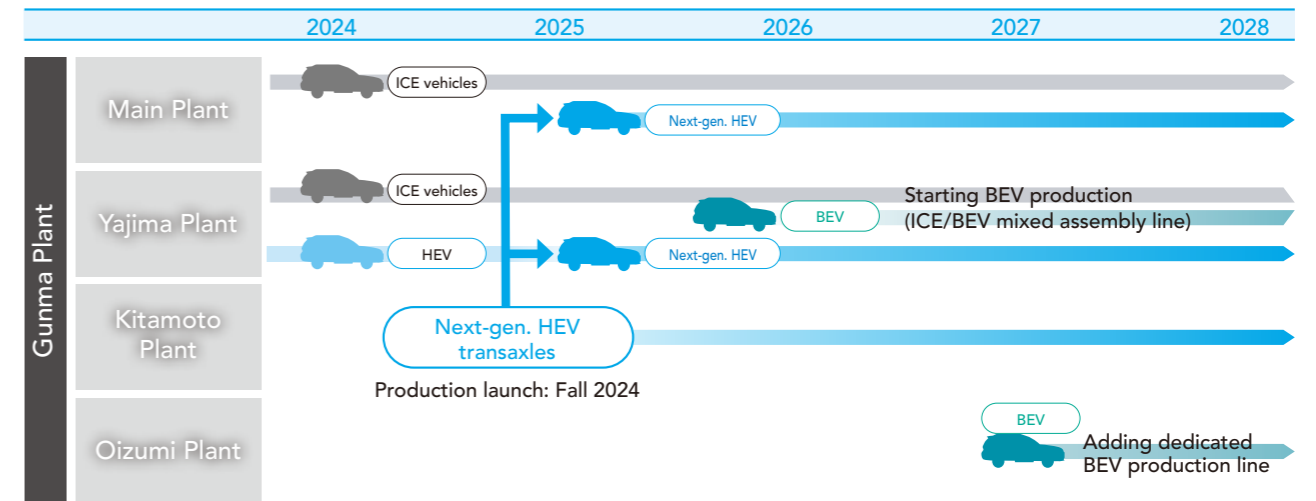
#### Bridge Production



By using the Forester, Impreza, and Crosstrek to balance production at each plant, we are able to flexibly change the production volume of each model to meet demand and make full use of production capacity.

### Gunma Plant Restructuring Plan for Electrification

We are restructuring our production system for the era of electrification. We are now moving ahead with production line preparations for BEVs at the Gunma Plant and for mixed production of ICE vehicles and BEVs at the Yajima Plant. In addition, at the Oizumi Plant, which currently manufactures engines and transmissions, we are preparing to add a new production line dedicated to BEVs with a target start-up of 2027 or later. At the same time, we are making preparations to start production of the next-generation HEV, with the aim of manufacturing the transaxle to be installed in the vehicle in fall 2024.



#### Kitamoto Plant Updates

The Kitamoto Plant, which was established in 1995 as a production and sales base for the Industrial Products Business, ended operations in 2019 when the business was wound up. From fall 2024, however, it will manufacture transaxles, which will be the core unit of the next-generation HEV. The Kitamoto Plant experienced a rebirth after extensive renovation work of the existing plant building.

The concept behind the new Kitamoto Plant is to “Creating a beloved plant that coexists with the local community and maintains high job satisfaction for employees.” To realize this, we recruited the new plant’s personnel from within the Company’s ranks, marking a first. As a result of communicating the concept at the briefing session ahead of the open call and recruiting people who want to take on new challenges, we received 1.5 times the target number of applications. In the future, these human resources will play a central role in building a plant that is beloved by the local community and producing high-quality products.

At the Kitamoto Plant, we are introducing a number of new initiatives focusing on quality, diversity, and logistics. In terms of quality, by using IT to aggregate productivity and quality data in real time, we aim to improve quality and productivity through the prevention of abnormalities as well as implement straightforward line management that does not depend on intuition of a worker based on long time experience. From the standpoint of diversity, we are promoting both tangible and intangible initiatives for the empowerment of female employees. In terms of tangible initiatives, we are working to optimize workload by verifying it in advance in a virtual setting reproduced in 3D and applying ergonomic assessment criteria. On the intangible side, we have strengthened our support systems. This includes the introduction of a fixed daytime work system, a support system for balancing work and childcare, and the enhancement of consultation services. Through these initiatives, the Kitamoto Plant aims to have female employees account for 20% of its workforce, which would be the tops in the industry. In our logistics initiatives, we have done away with truck drivers loading/unloading goods and are striving to improve work efficiency by upgrading truck ports and loading/unloading areas in order to solve issues facing Japan’s transportation industry.



## Manufacturing Capital—Quality

Quality forms the very foundations of the SUBARU brand. We have promoted quality enhancement as a top priority in the previous Mid-term Management Vision, “STEP,” formulated in 2018. We will continue to pursue these initiatives as a foundation for enhancing corporate competitiveness in the New Management Policy. We are advancing quality enhancement activities in the three areas of 1) thorough implementation of a Quality-First mindset and reinforcement of organizational efforts and structure, 2) Execution Quality enhancement, and 3) Innate Quality enhancement. In 2023, we launched the new Crosstrek and Impreza models incorporating these quality enhancement activities from the planning stage. Quality enhancements have been steadily yielding results. This includes the improved initial quality of these two new models, a reduction in the number of recalls (including the number of vehicles affected), as well as a reduction in total quality-related costs. We will step up our quality enhancement activities going forward by strengthening our activities in the after-sales service area so that customers can feel the results, and will improve SUBARU quality even in the era of change symbolized by electrification.

**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 customers’ 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.

### 1 Thorough Implementation of a Quality-First Mindset and Reinforcement of Organizational Efforts and Structure

We aim to further raise the quality awareness of each employee and strengthen our management system so that customers can enjoy higher quality products. In addition to quality training according to the level of employee knowledge and experience, we have been continuously conducting educational activities to raise quality awareness throughout the Company. These include holding the Quality Caravan every year since 2018 at all business sites to introduce examples of defects that have actually occurred and measures to prevent them from happening again, and to convey SUBARU’s quality status along with customer feedback. The theme for the FYE March 2024 Quality Caravan was “reaffirm the importance of prioritizing customers and being on the same page, change our thinking, and change our behavior.” This made sessions an opportunity to reconsider the quality of products and services with a strong awareness of the customer’s perspective.



Quality Caravan

### 2 Execution Quality Enhancement

This initiative aims to prevent the occurrence of defects during the vehicle production stage, and includes activities to rapidly resolve defects that have occurred in the market. The QA (Quality Assurance) Lab, established in 2022, investigates parts collected from the market to determine the cause of defects in order to speed up defect resolution. Since its establishment, we have continued to train engineers and introduce equipment to expand its functions.

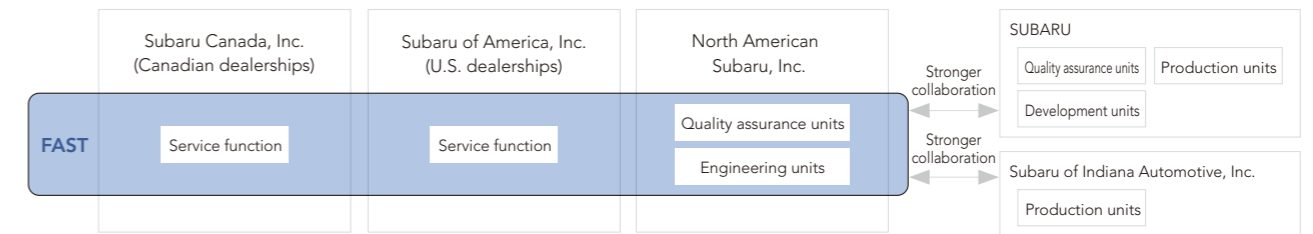
Following on from 2022, a second new final vehicle inspection building began operation in August 2023. To prevent the leakage of defects, we have created an environment that enables accurate inspection according to a clear process.

### 3 Innate Quality Enhancement

This initiative aims to prevent the occurrence of defects during the vehicle development stage. We have clarified the quality accountability of employees responsible for development and given them greater authority, while working to ensure quality throughout all processes, from the initial planning and conceptualization stages to development, design, production preparation, and distribution. In addition to taking rigorous action to prevent recurrence of past defects occurring in the market and similar defects that could occur, we are also working at the development stage to deliver defect-free vehicles to customers through focused change point management to prevent defects in newly adopted parts and systems. In 2023, we launched new Crosstrek and Impreza models, incorporating all our Innate Quality enhancement initiatives. In the future, we will ensure the quality of EVs that we plan to launch throughout the development process, aiming to provide high-quality vehicles.

## The FAST Quality Improvement Team for the North American Market

In January 2021, we launched “FAST” in the U.S. to strengthen our quality assurance system in North America, a major market for the SUBARU Group. In the North American market, which constitutes an enormous amount of both SUBARU vehicles sold and owned, our most important task is to quickly and accurately ascertain information and improve the speed of our quality improvement actions. FAST is a cross-country and cross-organizational team consisting of members from our three affiliated companies in North America. The team is helping to strengthen cooperation between SUBARU and SIA, our production base in the U.S., to improve quality through all-SUBARU initiatives. Since its inception, the team has gradually increased its headcount, and as of March 31, 2024, it had 81 employees, including 64 employees assigned from SUBARU, who are engaged in quality improvement activities.

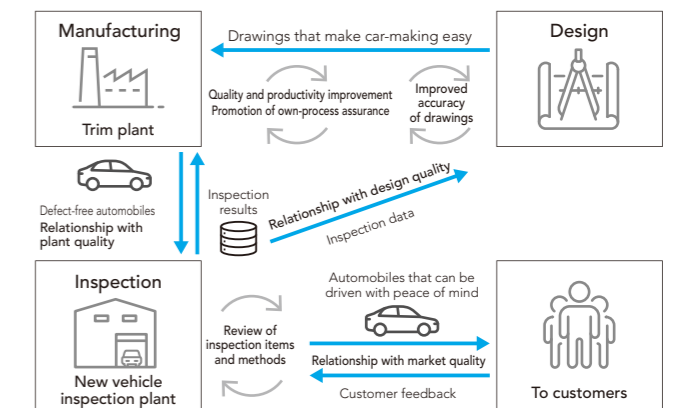


Since the launch of the FAST team, the number of defects and buybacks, which had been an issue in the North American market, has steadily declined. In addition to further strengthening cooperation across all quality assurance units, service units and parts units involved in after-sales service, we will work to build a rigorous system for electrification so that SUBARU customers can further experience quality improvements.

## New Final Vehicle Inspection Building

At the Yajima Plant under the Gunma Plant, the second new final vehicle inspection building began operation in August 2023, following the first in August 2022. After thoroughly analyzing the inspection process, which had differed from one production line to another, a unified standard inspection line was established to enable ease of inspection and create an environment allowing inspectors to focus on the inspection process. This has made it possible to conduct more rigorous inspections of finished vehicles. This standard inspection line is flexible and scalable enough to respond to developments in vehicle technology such as BEV production, as well as changes in the social environment including the diversification and decrease in the workforce that may occur in the future. We will retain this concept on the dedicated BEV line at the Oizumi Plant, which is currently under construction.

In addition, by sharing the digital data accumulated through final vehicle inspections with various units such as development, manufacturing, and service, we are promoting initiatives to help improve design, plant, and market quality.



## Integrated Malfunction Diagnostic Systems

In the after-sales service area, we are promoting the introduction of integrated malfunction diagnosis systems as an IT-based initiative. By linking data on vehicle maintenance, which was previously dispersed across multiple systems, and making search for information by maintenance workers easier, we aim to shorten maintenance time, reduce customer wait times, and improve maintenance quality. Information on actual maintenance is shared with SUBARU where it is centrally managed, and then used to further improve maintenance quality and enhance quality in vehicle development and manufacturing.



## Intellectual Capital

Safety is a universal value for all automobile drivers and passengers and an unwavering strength of SUBARU because of our refined technologies, which have earned SUBARU vehicles the trust and appreciation of countless customers.

SUBARU will continue to evolve its value statement of "Enjoyment and Peace of Mind" focused on its safety technologies. At the same time, we will strengthen our value creation in new technological fields in the future, aiming to become an even more integral part of customers' lives than ever before. Supporting these initiatives through the strategic creation and utilization of intellectual property will lead to the sustainable growth of the SUBARU Group.

### Initiatives to Achieve Our Goal of Zero Fatal Traffic Accidents in 2030

Attaching particular importance to protecting lives, SUBARU is working to achieve our target of zero fatal traffic accidents\* in 2030.

SUBARU will enhance the safety performance of its cars from every perspective as we aim to achieve zero fatal traffic accidents in 2030. We will do this by making the five areas of Primary Safety, Active Safety, Preventive Safety, Passive Safety, and Connected Safety even better.

\* Zero fatal traffic accidents among occupants of SUBARU vehicles and people involved in collisions with SUBARU vehicles, including pedestrians and cyclists.

### Evolution of EyeSight Driver Assist System

SUBARU believes that to attain zero fatal traffic accidents in 2030, it is crucial to offer exceptional performance at a price that is affordable for a wide range of customers. SUBARU's EyeSight driver assist system was first introduced in Japan in 2008 and achieved cumulative global sales of around 6.7 million units in June 2024. Over the past 15 years and more, we have continued to evolve EyeSight.

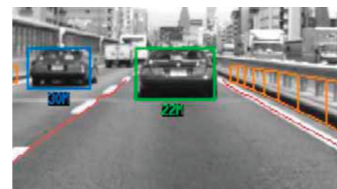


Image depicting EyeSight's recognition capability

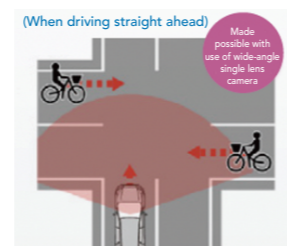
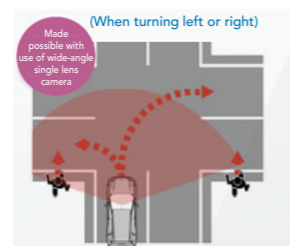
The stereo cameras equipped in EyeSight enable the system to recognize objects with two cameras, similar to human eyes, detecting items on the road at a higher level than radar-based systems. The development of EyeSight began approximately 30 years ago. During the early stages, there were frequent issues with the system's ability to detect objects properly, particularly when it was raining or the windows were foggy. However, these challenges were overcome through extensive testing in various real-world scenarios and subsequent improvements.

The EyeSight system was launched in 2008, achieving a world first in using solely stereo camera technology to enable pre-crash braking and adaptive cruise control. EyeSight version 2 was announced in 2010 with an enhanced pre-crash braking system that provides support until the vehicle comes to a full stop. During this period, EyeSight became a common feature in models for the Japanese market, and its affordability contributed to a significant increase in its recognition and widespread adoption among customers. In addition, it began to be developed in certain models overseas as well. In 2014, with the release of version 3, advancements in color recognition and an expanded field of view using stereo cameras significantly enhanced the advanced safety features. In the 2020 release of the Levorg, SUBARU introduced EyeSight X, combining a new stereo camera with four radars in the front and rear, and a high-precision map locator.

In 2022, we newly adopted a wide-angle single lens camera for enhancing EyeSight's recognition capability in the mainstay Outback for the North American market. The evolution of this "three-eyed" system of an ultra-wide-angle single lens camera along with two stereo cameras provides even greater visibility than ever before. This enables pre-crash braking to mitigate damage and injuries from collisions involving pedestrians or cyclists that emerge from the driver's blind spot, which represents a large percentage of all accidents that occur at intersections.



New-generation EyeSight stereo camera + wide-angle single lens camera



While there were other options available to achieve accident reduction in these scenarios with pre-crash braking, SUBARU chose to utilize the wide-angle single lens camera to provide the highest level of safety at an affordable price for customers. EyeSight has been integrated beginning with the Crosstrek and Impreza for the Japanese market, with plans for a gradual rollout to other models in the future.

### EyeSight and AI Combine to Enhance Preventive Safety

SUBARU is committed to enhancing its preventive safety technologies and is actively exploring new technologies as it strives to achieve zero fatal traffic accidents. Our current focus is on integrating AI technology with EyeSight.

The fundamental principle of spatial recognition using stereo cameras is to precisely calculate the distance to objects from each pixel by triangulating the displacement of images captured by the two cameras, one on the right and one on the left. The strength of EyeSight lies in its ability to accurately convert everything captured by the cameras into a three-dimensional representation, allowing it to perceive the shape and distance of various objects. However, when it comes to capturing small objects or subtle irregularities, determining whether to pass over them or consider them obstacles solely based on EyeSight's image recognition can be challenging. In contrast, AI excels at precisely categorizing objects captured in camera, pixel by pixel, based on extensive previously learned data. Since EyeSight can fuse the distances to recognized objects with the classifications made by AI in the same image, EyeSight and AI are considered an excellent match. If this can be put into practical use, it is expected to lead to an enhanced level of vehicle safety in various situations by allowing for more detailed and accurate recognition of the driving environment's information than ever before.

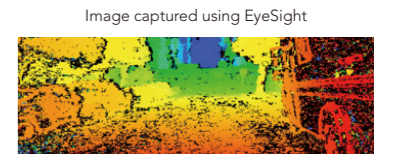


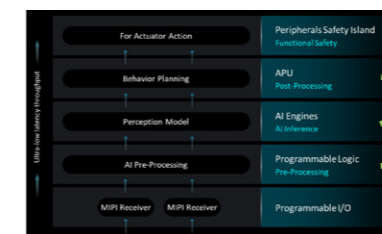
Image captured using EyeSight  
Calculates the distance to objects pixel by pixel (Near Red < Orange < Yellow < Green < Blue Far)



An image recognized by AI  
Can focus solely on the road surface even in complex road environments (Color-codes the recognized road surface on a pixel-by-pixel basis)

This initiative is being carried out at the SUBARU Lab, which was established in December 2020. To create an environment that generates new ideas from unconventional perspectives, we decided to establish a separate dedicated office. This new stand-alone base in Tokyo's Shibuya, an area increasingly seen as an IT hub following recent redevelopment efforts, has enabled us to streamline and effectively recruit the talent essential for AI development. While our current focus is on AI technology, we aim to continue advancing our development by actively incorporating not only AI but also new technologies in the future.

In April 2024, SUBARU announced that it would adopt Versal™ AI Edge Series Gen 2 of AMD as the SoC to be used in the next-generation AI-powered EyeSight under development at SUBARU Lab, and that SUBARU would begin collaborating with AMD on circuit design to optimize the SoC\* in order to achieve cutting-edge AI inference performance and ultra-low latency computing at a low cost. Toward the goal of zero fatal traffic accidents, we are committed to semiconductor circuit design for SoC optimization to further evolve EyeSight functions at an affordable price for our customers.



Workflow of stereo image data processing  
(From AMD's Keynote at Embedded World 2024)

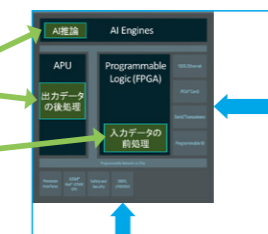
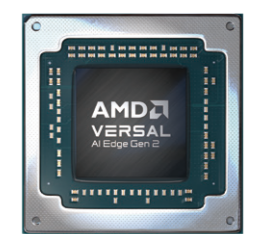


Image of function placement on Versal™ AI Edge Series Gen 2



Versal™ AI Edge Series Gen 2

\* Subaru and AMD Collaborate on SoC Design to Integrate Stereo Camera and AI Inference for the Next-Generation EyeSight (April 19, 2024) ([https://www.subaru.co.jp/news-en/2024\\_04\\_19\\_154452/](https://www.subaru.co.jp/news-en/2024_04_19_154452/))

## Continuous Enhancement of Crash Safety

SUBARU focuses on developing cars with the utmost priority of safeguarding everyone in the event of a collision, not just the vehicle occupants but also pedestrians and cyclists.

Strengthening the vehicle body and enhancing restraint systems are two critical elements to occupant protection. In strengthening the vehicle body, we combined a cabin structure that can withstand severe collisions by using high-strength materials with the Subaru Global Platform, which helped realize a body structure that efficiently absorbs collision energy. This design ensures protection in collisions from any direction.



In enhancing restraint systems, we reduce the load on the upper body by firmly restraining the lower body with knee airbags and seat cushion airbags. We also adjust the seatbelt tension based on the occupant's physique to prevent excessive pressure. This ensures the protection of all occupants, regardless of physique. Nevertheless, even with the evolution of restraint systems, they will not be fully effective unless seat belts are properly fastened. The rate of rear seat belt usage on city streets in Japan is only around 40%. SUBARU has taken steps to address this situation by introducing advanced seat belt reminders and expanding the number of models equipped with them. In collisions with vehicles, pedestrians and cyclists sustain injuries at a rate 2.5 times higher than vehicle occupants. To reduce the damage to pedestrians and cyclists in the event of an accident, SUBARU not only uses soft structures for bumpers, bonnets, and other areas that can absorb impacts but also equips its vehicles with pedestrian airbags.



In the pursuit of zero fatal traffic accidents, it is necessary to anticipate more diverse and severe accidents than ever before, however. For example, in collisions involving bicycles, it has been recognized that under certain limited conditions, the current pedestrian airbags may not cover all cases, given the various factors such as the cyclist's physique and the orientation and speed of both the bicycle and the vehicle at the time of impact. As a result, we are utilizing computer simulations to identify worst-case scenarios from the countless collision patterns that can be imagined and to develop specific countermeasures.

## Plan to Achieve Zero-Fatality Road Safety

To achieve zero fatal traffic accidents, SUBARU conducted a comprehensive investigation of fatal traffic accidents that occurred in the U.S. from 2017 to 2021<sup>\*1</sup>, analyzing the causes of the accidents and the reasons for fatalities. Based on this analysis, we identified functionalities that can effectively eliminate these causes. Following this, we decided on specific measures to implement these functionalities and are actively engaged in their development to bring them to fruition.

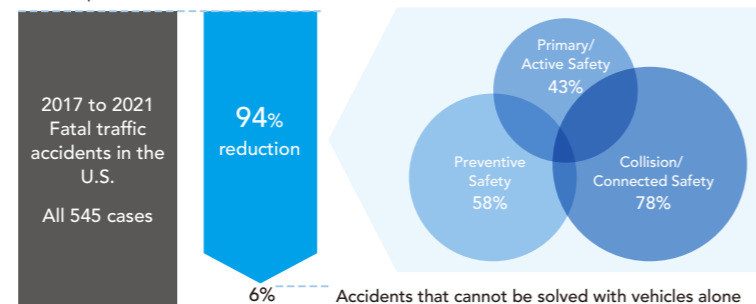
Specifically, we are improving all five areas of Primary Safety, represented by excellent visibility and fatigue-free designs; Active Safety, referring to vehicles that are less likely to behave erratically with sudden driving inputs to avoid danger; Preventive Safety, represented by the pre-crash braking system in EyeSight and other features; Passive Safety, which mitigates injuries to occupants or pedestrians; and Connected Safety, symbolized by autonomous reporting post accident. We are pursuing these based on SUBARU's overall safety philosophy as part of our efforts to develop technologies to address fatal traffic

accidents. We will also promote efforts to educate users about accidents that cannot be solved with vehicles alone<sup>\*2</sup>, propose rules, and encourage the improvement of the road environment.

<sup>\*1</sup> All 545 cases of fatal accidents occurring while a driver or passenger is in a SUBARU vehicle and fatal accidents of pedestrians, cyclists, and the like arising from collisions with a SUBARU vehicle.  
Source: Data made available on all fatal traffic accidents that occurred in the U.S. from the Fatality Analysis Reporting System (FARS).

<sup>\*2</sup> Includes cases where the vehicle was caught between a large vehicle such as a semi trailer in the front and rear, head-on highway collisions where a vehicle was driving the wrong way, and collisions with a pedestrian who entered the highway at night.

Fatal Traffic Accidents Involving SUBARU Vehicles  
(Assumptions from U.S. FARS data as of 2024)



## Car Assessments

SUBARU undergoes safety performance testing and assessment of public organizations in and out of Japan including JNCAP<sup>\*1</sup> in Japan, IIHS<sup>\*2</sup> and U.S. NCAP<sup>\*3</sup> in the U.S., Euro NCAP<sup>\*4</sup> in Europe, and ANCAP<sup>\*5</sup> in Australia, and has gained the highest rank of assessment in most of them.

In FYE March 2024, the Crosstrek and Impreza won the JNCAP Five Star Vehicle Safety Performance 2023 Award. Furthermore, of the five star award winners, the vehicles also won the JNCAP Five Star Vehicle Safety Performance 2023 Best Award, only awarded to the vehicles earning the highest overall points. At the IIHS, as of May 2024, one of SUBARU's 2024MY (model year) vehicles had won the organization's 2024 TOP SAFETY PICK+ (TSP+) Award, and three vehicles had won its 2024 TOP SAFETY PICK (TSP) Award. ANCAP gave the Solterra a five-star rating in its 2022 assessment.

<sup>\*1</sup> Japan New Car Assessment Program (JNCAP): An assessment operated by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victims' Aid (NASVA) to evaluate automobile safety performance.

<sup>\*2</sup> IIHS: Insurance Institute for Highway Safety

<sup>\*3</sup> U.S. NCAP: U.S. New Car Assessment Program for assessing safety performance operated by the National Highway Traffic Safety Administration (NHTSA).

<sup>\*4</sup> Euro NCAP: European New Car Assessment Programme, a safety information disclosure program for automobiles in Europe.

<sup>\*5</sup> ANCAP: The Australasian New Car Assessment Program, a safety performance assessment program conducted by an independent organization created by Australian and New Zealand transit authorities.

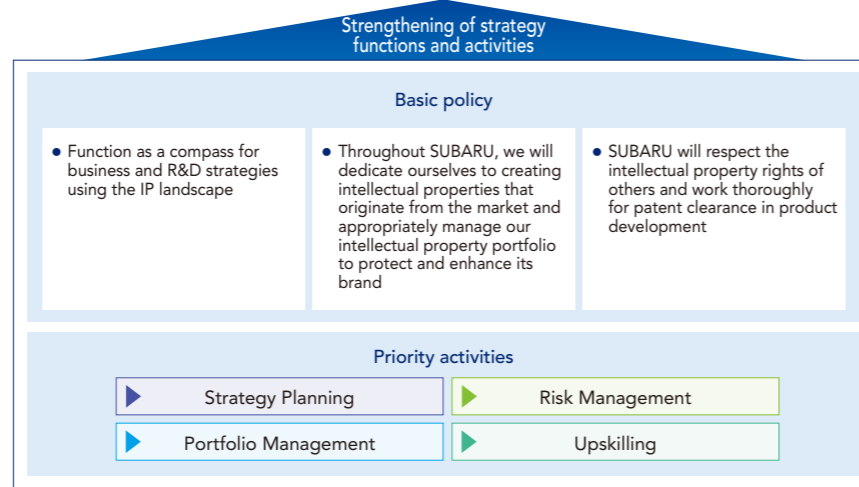
Assessed Automobiles	Assessment Organization	Assessment
Crosstrek Impreza	 JNCAP, Japan	Vehicle Safety Performance JNCAP Best Award 2023 JNCAP Five Star Award 2023
2024 model of the Ascent	 (U.S.-specification models only) IIHS, U.S.	2024 TSP+ Award <sup>*6</sup>
2024 models of the Outback, Impreza, and Solterra	 (U.S.-specification models only) IIHS, U.S.	2024 TSP Award <sup>*6</sup>
The 2025MY Legacy, Outback (excluding the Wilderness), Impreza, Crosstrek (excluding the Wilderness), Ascent, and Solterra, and the 2024MY Forester (excluding the Wilderness)	 U.S. NCAP, U.S.	Overall Safety Rating: Five Stars
Solterra	 ANCAP, Australia	2022 Five-star rating

<sup>\*6</sup> In the IIHS's publication of vehicle safety information, the TOP SAFETY PICK (TSP) Award is given to vehicles that earned the rating of "Good" in the original moderate front overlap test and small overlap tests (driver- and passenger-side) and the updated side crash test, and the rating of "Acceptable" or higher in the headlight evaluation (standard equipment), as well as the rating of "Acceptable" or higher in the daytime and nighttime vehicle-to-pedestrian crash prevention test. In addition to these ratings, vehicles that earned the rating of "Acceptable" or higher in the updated offset frontal crash test replacing the original test are awarded the TOP SAFETY PICK+ (TSP+) Award.



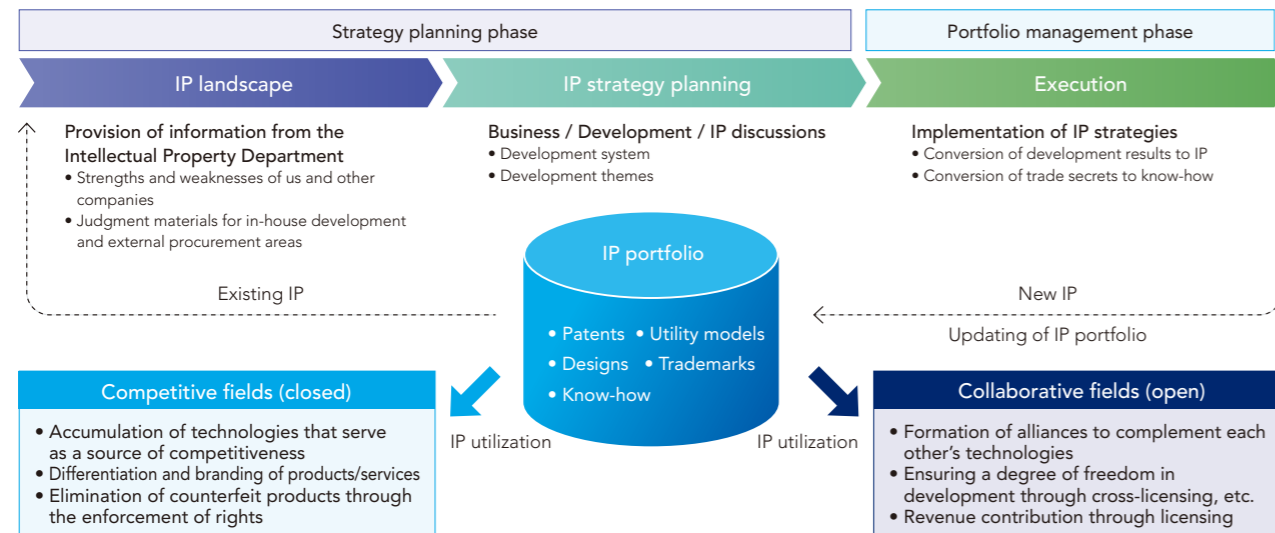
## Initiatives for Strategic Creation and Strategic Utilization of Intellectual Properties

According to the Basic Intellectual Property Policy established in 2020, we are building intellectual property strategies in coordination with our business and R&D strategies. Additionally, we have positioned the risk management to prevent risks that may hinder business and the development of human resources capable of independently conducting strategic activities as major challenges.



### Strategy Planning

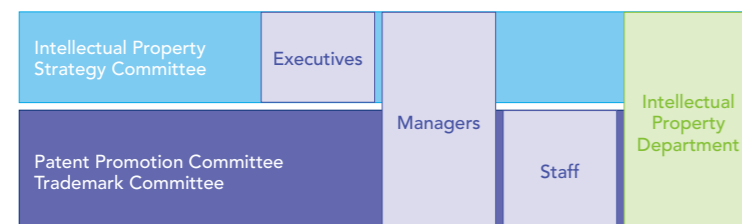
We develop intellectual property strategies based on technology trend analysis (IP landscape). The results of our activities gained from strategy implementation are reflected in our intellectual property portfolio and utilized.



### Portfolio Management

We hold Intellectual Property Strategy Committee meetings to discuss strategies based on the IP landscape with the attendance of the officers in charge of each area. Each division has a promotion organization and holds Patent Promotion Committee meetings. In addition, the Trademark Committee meets to share issues, report on anti-counterfeiting measures, and discuss the trademark portfolio.

#### Major meetings



**Intellectual Property Strategy Committee**  
Discusses division and company IP strategy

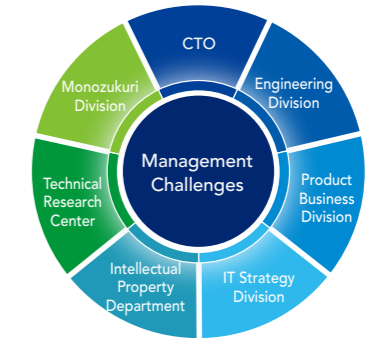
**Patent Promotion Committee**  
Plans and promotes IP activities for each division and company

**Trademark Committee**  
Shares trademark issues, discusses whether trademark rights should be maintained, and reports on anti-counterfeiting measures

## Portfolio Management in the Automotive Business Unit

The Automotive Business Unit discusses intellectual property strategies and defines priority areas based on proposals made by the Intellectual Property Department. Since FYE March 2022, these meetings have been held annually. The business unit continues to manage the progress of activities including priority areas and review priority areas.

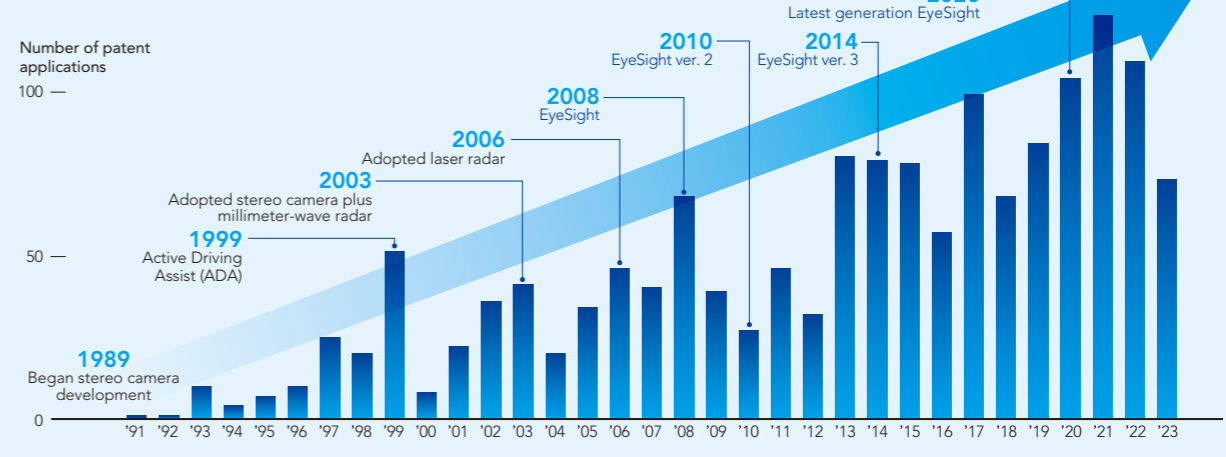
### Intellectual Property Strategy Committee Members



## Special Feature Results of Initiatives in Advanced Driver Assistance Systems

Since the 1990s, we have continuously applied for patents for our inventions created through R&D for the EyeSight driver assist system, one of the proprietary technologies that support the SUBARU's value statement of "Enjoyment and Peace of Mind." For stereo camera technology in particular, we have constantly produced competitive products differentiated from competitors by utilizing intellectual properties created through in-house development of image processing and recognition technologies. Looking ahead, we will further accelerate our creation and utilization of intellectual properties by focusing on the development of SoCs for AI processing.

### Number of patent applications for driver assistance technologies



### Risk Management

By promoting in-house activities, including investigations and avoidance studies, to avoid infringing on the intellectual property rights of others, we strive to avoid the risk of direct damage to our business and lost opportunities due to injunctions. We are also combating counterfeit products and protecting our brands. By cracking down on counterfeit businesses that use our corporate and/or brand symbols, we protect our customers' safety, build trust with them, and ensure quality. For example, in FYE March 2024 we conducted a total of 25,000 enforcement actions, including warnings to infringers, requests to customs, police, and government agencies for injunction and detection, requests to withdraw items from online sites, and filing trademark oppositions at patent offices in various countries.

### Upskilling

With the goal of developing human resources capable of self-directed intellectual property activities, we provide training for each position within the Company and for Group companies and training tailored to the needs of each department. Approximately 400 employees took part in these training programs in FYE March 2024. We also distribute IP landscape reports on management issues and technology trends to senior executive management and development units to improve intellectual property literacy.

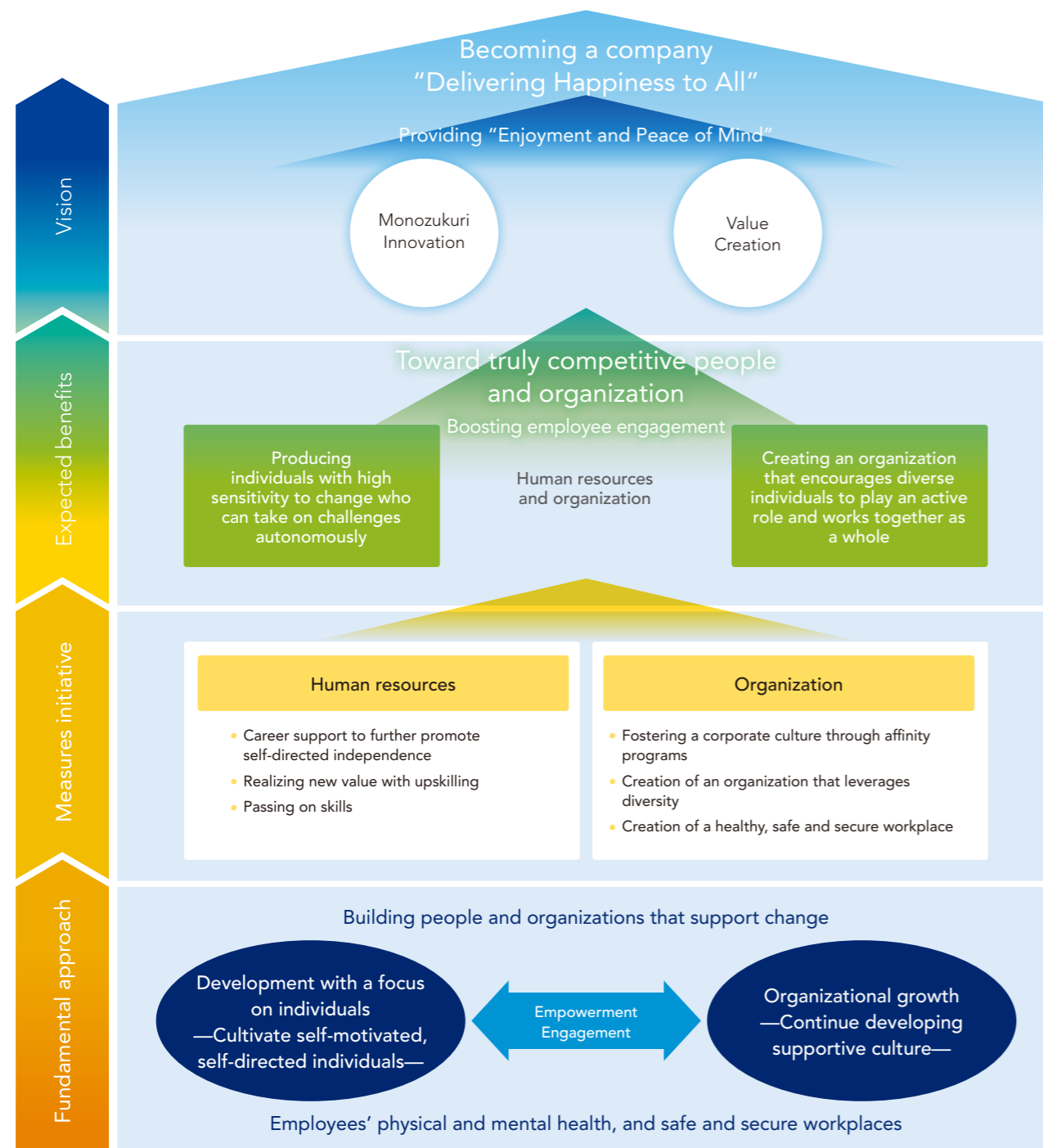
# Human Capital

## Human Capital Management to Become a Company "Delivering Happiness to All"

In the rapidly changing business environment, the SUBARU Group is committed to human capital management with the approach that the human resources that drive our operations are the foundation of our competitiveness and sustainable growth.

We believe that linking the growth of the individual, in which people think and act on their own initiative, to the growth of the organization is critical for achieving powerful transformation while flexibly responding to a changing environment. We are taking a range of actions under priority themes such as human resource development and corporate culture reforms, with the goal of building human resources who will lead the future of SUBARU. We are also working to create workplaces that are safe and secure, recognizing that the physical and mental health of our employees is vital for them to maximize their potential for this transformation.

Under our new management structure, we will further deepen these efforts and aim for "Monozukuri Innovation" and "Value Creation" through people and organizations with true competitiveness, and continue to strive toward our vision of becoming a company "Delivering Happiness to All."

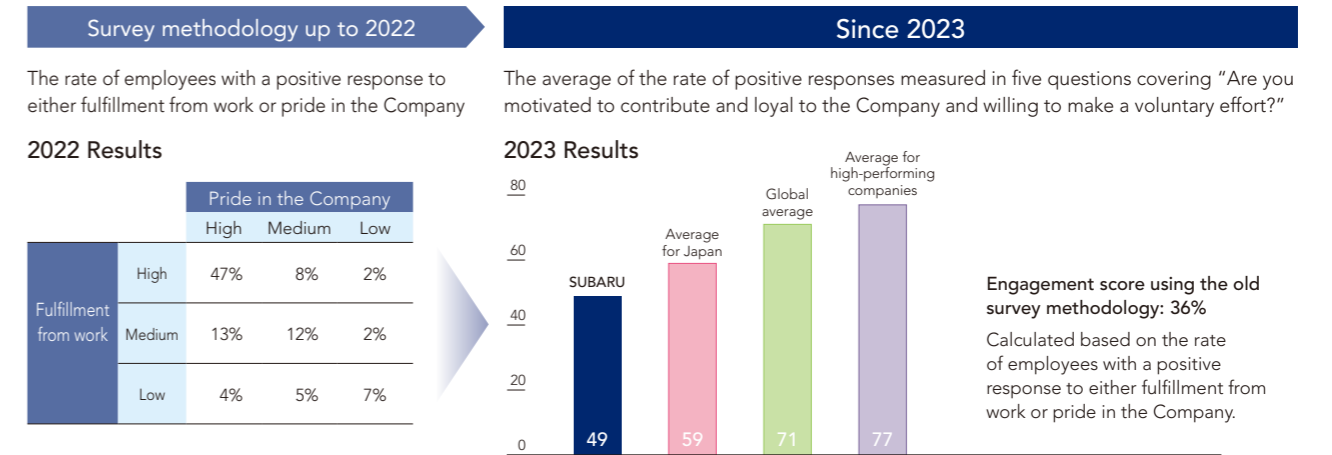


## Employee Engagement

We have positioned employee engagement as one of our key management indicators to evaluate SUBARU's efforts. Since FYE March 2018, we have conducted an annual employee attitudes survey and use its findings as a tool to address organizational issues. The survey results are used to promote human resource policies and corporate culture reforms, identify issues in each workplace, and formulate countermeasures. In addition, since FYE March 2023, points of improvement in the employee engagement score index have been used for qualitative (non-financial) evaluation of compensation for executives.

In FYE March 2024, we reviewed the survey methodology and changed the way we calculate the engagement score with the aim of making it easier to analyze the survey results and compare them with those of other companies to better clarify SUBARU's strengths and challenges. The updated methodology clarifies SUBARU's strengths and challenges relative to other companies, helping us focus on identifying issues and planning countermeasures through comparative analysis. Also, by adding indicators that have not been measured previously, we are working to penetrate management strategies and visualize the status of business process improvements across teams.

In conjunction with this change in methodology, we have also redefined our target engagement score to be 70% by 2028. The target score was set at the global average based on the current situation, and the target year was revised to 2028, which is a milestone in our efforts to achieve our vision for 2030 set forth in the New Management Policy.



In the survey conducted in October 2023, the engagement score was 49%, below the global average. The survey results show that the percentage of positive responses to questions in the categories of management strategy and business process were low and diverge from that of high-performing companies. We will take the results of this survey seriously and will analyze the causes as well as promote improvements to implement the New Management Policy and become a company "Delivering Happiness to All."

### Response in the Management Strategy Category

We have analyzed that one of the factors is concern about the feasibility of taking on the unprecedented challenges set forth in the New Management Policy. We are now advancing dialogue sessions in which the President and Deputy President directly convey their thoughts and feelings to employees. Dialogue sessions are held with employees selected from departments, positions, and ages that score low compared to the Company-wide average. These enable us to listen to their real voices, which cannot be seen through data alone, and carefully convey management's thoughts on how to realize the policies. We also hold dialogue sessions with department heads who oversee their workplaces to discuss issues that each workplace faces as they move to realize the policies. These dialogue sessions are held in small groups, with an emphasis on careful discussions involving each individual, in an effort to provide an opportunity for employees to take on positive challenges with a proper sense of urgency.

### Response in the Business Process Category

The survey highlighted issues in cross-functional collaborative systems and work procedures. One of the reasons is that the complexity of the business as a whole has resulted in a wide range of areas that need to be handled and the increasing specialization, which has led to a lack of communication between organizations. These are major challenges that must be overcome through the "Becoming One SUBARU" approach in order to realize the New Management Policy. We will advance initiatives to resolve this from all aspects. This includes the creation of a work environment that encourages co-creation across units, fostering of a corporate culture that ensures psychological safety, and implementation of business process reforms utilizing IT, AI, and other technologies.



## Human Resource Measures

### Career support to further promote self-directed independence

So that each and every employee can become a driving force for achieving both the sustainable growth of the SUBARU Group and the realization of a sustainable society, we aim to foster human resources with high sensitivity to change who can take on challenges in a self-directed manner. We are also improving our work environments to encourage our diverse workforce to develop their own careers, carve out their own path, and play an active role. From FYE March 2022 onward, we have introduced a new personnel system, educational programs, and open job rotations to provide employees with opportunities to learn and challenge themselves in a self-directed manner.

### Scheme for Self-Directed Career Development and Career Support in the Workplace



### Career Development Support

We are committed to helping our employees develop their own careers. Each employee confronts their own career and shares their thoughts and aspirations with the workplace through career interviews with supervisors using a career design sheet. This process clarifies their current situation and vision for the future, encouraging self-directed actions to improve skills and seek diverse experiences. Based on the shared career plan, supervisors provide tailored support to each individual, resulting in a system that allows employees to develop their careers autonomously. The positive feedback from career interviews included, "I was able to clarify my issues and the skills I need to develop in the future," and "I was able to broaden my perspective and think about my career through dialogue with my supervisor."

### Human Resource Development Encouraging Autonomy and Taking on Challenges

All employees, including managers, are provided access to a variety of training programs they can choose from in accordance with their level and goals. We have a system in place that allows employees to select programs according to their own career plans, strengths, and challenges. Our employee attitudes survey in FYE March 2024 confirmed a high level of satisfaction with opportunities to improve skills. To further expand the system, we introduced the Employee Development Fund in June 2024. Under this measure, employees can receive full financial support from the Company by seeking and obtaining approval for their own learning opportunities that will lead to the development of their work, in addition to the educational opportunities provided by the Company. In the two months since its inception, many employees have submitted applications, and the total amount of support has already exceeded 8 million yen. We expect to expand this fund further in the future. By having employees apply their learning to the growth of the organization, we aim to acquire the world's most advanced knowledge in various fields and to become truly competitive.

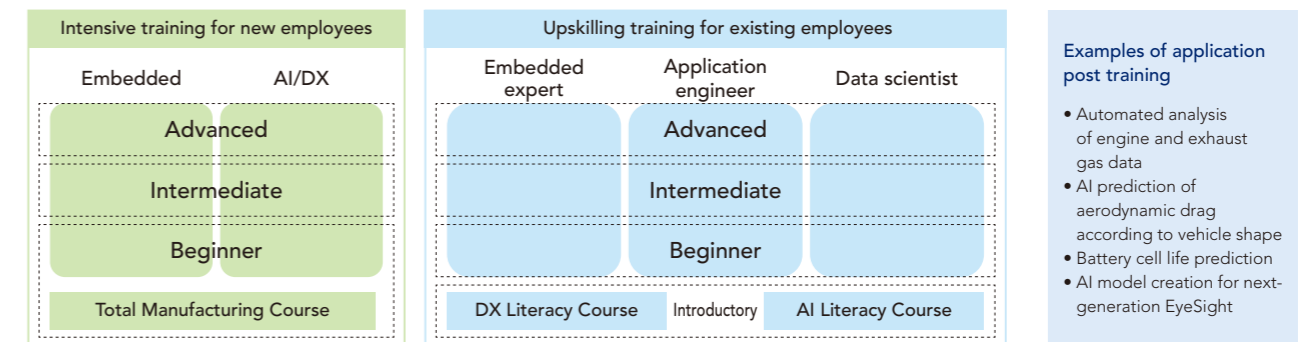
### Open-Call Job Rotation

SUBARU introduced an open-call job rotation system in FYE March 2022 as a scheme to support employees in the career plans they have developed for themselves. In the three years since introduction of this system, more than 200 employees have gained new career opportunities. Users have commented on how rewarding it is, how it gives them a sense of tackling new challenges, and how it broadens their perspectives. The system strengthens individual capabilities through career support, while also strengthening the organization through benefits from mobility of human resources.

### Realization of New Value through the Software Human Resource Development Project and Upskilling

To maintain a sustainable competitive advantage, it is essential to develop engineers who can understand market changes and create technological value that meets customer expectations. In this time of great change in the automotive industry, SUBARU is actively working to upskill its engineers especially in the field of software. This process involves adding new technical skills required in an era of change to the technical skills we have cultivated and reinforcing technical skills that embody SUBARU-ness.

Given that software has a major impact on car-making and functional value, we launched the Software Human Resource Development Project in FYE March 2023. This project aims to cultivate human resources capable of understanding and developing both vehicles and software, direct drivers of greater product strength and "Monozukuri Innovation." The project provides level-specific training courses for new and existing employees. For new employees, we have established two courses: the Embedded Course to apply software technology to product development and the AI/DX Course. By FYE March 2024, all of the approximately 350 new employees assigned to the engineering units had taken the course up to the beginner level, with about 20 moving on to the advanced level. In the advanced level of the Embedded Course, we are working to develop core human resources capable of developing fundamental software through training that is in line with practical work in development. In the advanced level of the AI/DX Course, participants are assigned to SUBARU Lab, which leads advanced development integrating EyeSight and AI, where they learn practical and advanced AI development techniques. Furthermore, through training based on the needs of each workplace, we aim to apply results to practical work and contribute to productivity improvement and technological innovation throughout the entire Company. For existing employees, we offer an introductory level AI/DX Literacy Course to all of the approximately 4,000 employees in the engineering units. From among them, a total of more than 200 employees, including those recommended based on engineering strategy and those who wish to take the course on their own initiative, have moved on to higher levels to improve their engineering skills. These initiatives are now more than just upskilling; they have become an important driving force for organizational change and competitiveness, and we will continue to strive for qualitative improvement.



### Passing on Skills

The manufacturing units consider training for technical employees to be an important initiative for succession planning. With the goal of developing human resources who can think and act autonomously, the manufacturing units have established a system that allows employees to take training courses regardless of plant operations. Highly experienced employees who have worked in supervisory positions at manufacturing sites serve as instructors at training sessions. They provide training to develop human resources who can recognize various changes and abnormalities that occur at manufacturing sites and take action for improvement on their own, while supporting them to master the basic knowledge required for technical positions.

### Training Center

In January 2024, we opened the Training Center, a training facility for manufacturing processes, at the Yajima Plant within the Gunma Plant. By providing the same training to all employees assigned to manufacturing processes, regardless of employment status, the Training Center aims to dispel employees' concerns prior to assignment and improve the retention rate. The 10-day training is conducted during the early and late shifts of each work week, and includes classroom lectures and hands-on skills training using a simulated line according to the process to which the trainees are assigned, in an environment similar to that of an actual worksite. In addition, to ensure that employees of diverse nationalities have an accurate understanding of the training curriculum, we have created an educational environment that is available in multiple languages, including English, Spanish, and Portuguese. Since the Training Center began operations, training has been provided to non-regular employees, which has led to a decrease in turnover and a reduction in the burden on the workplaces where they are assigned. We plan to expand this training to new employees and technical intern trainees in the future.



## Organization-Based Measures

### Fostering a Corporate Culture through Affinity Programs

We have been holding the SUBARU Vision Awareness Program at the end of every October since FYE March 2022. This program, which targets all employees, aims to create a strong organization in which diverse employees work as one toward a unified vision through self-directed demonstration of their respective outstanding abilities. The theme for FYE March 2024 was the SUBARU New Management Policy. By holding discussions in the workplace on the connection between “Delivering Happiness to All” and this policy, its initiatives, and the action of each employee, we encourage each individual to act autonomously, thereby leading to the growth and competitiveness of the organization as a whole.

### Creation of an Organization that Leverages Diversity

#### Empowerment of Diverse Human Resources

The SUBARU Group believes that innovation is created through the full utilization of the abilities that all Group employees have developed based on their various personalities, values, experiences, and backgrounds, thereby resulting in SUBARU's unique and sustainable value creation. We respect diversity in terms of gender, nationality, culture, and lifestyle, and aim to realize the world's most advanced “Monozukuri Innovation” and “Value Creation” by bringing diverse individuals together through the creation of an organization and a comfortable work environment where everyone can make the most of their uniqueness.

#### Number of female managers (manager level and above)

KPI in 2025: 48  
Results as of April 2024: 43

Recognizing career development support and support for balancing work and childcare as priority issues for the empowerment of female employees, we are developing systems and fostering a corporate culture that enables women to continue working through various life events. Specifically, we implement the Women's Leadership Program for female employees who aspire to management positions. This program carries out human resource development oriented to each individual, and provides various training programs to help employees envision their own careers. In addition, a message from top management is sent to all Company employees to accelerate the empowerment of female employees, and a new management training program is being held for supervisors who supervise female employees. In terms of work styles, various systems such as childcare leave and short working hours are offered in accordance with standards that exceed the law.

#### Employment rate of people with disabilities

KPI in July 2026: 2.70%  
Results as of June 2024: 2.59%

#### Number of foreign national employees

105 (including 5 managers)  
As of March 31, 2024

#### LGBTQ+

Extended benefit plan coverage to same-sex partners beginning in 2022

#### Strengthening of management skills to make the most of diversity

Since FYE March 2023, we have been providing training for all managers to strengthen their management skills to make the most of the diversity and strengths of employees. Participants have commented that they have gained new perspectives and skills by reviewing their past management practices, while members of their workplaces have said that they have seen an increase in managers who listen to them and improved communication.

### Special subsidiary SUBARU BLOOM Co., Ltd.—Aiming to Make Flowers of Individuality Bloom

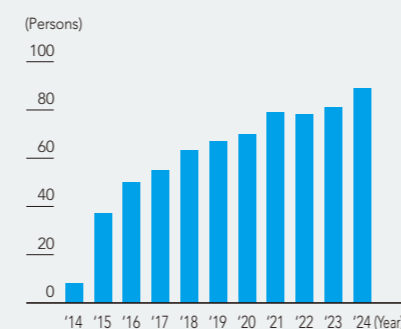
SUBARU BLOOM Co., Ltd., a Special subsidiary established as a core company for employment of people with disabilities, celebrated its 10th anniversary in 2024. The number of people employed by SUBARU BLOOM has increased from eight at the time of establishment to 89 in 2024. In FYE March 2023, SUBARU BLOOM received recognition for its long-standing contributions with the Gunma Prefecture Governor's Award as an excellent company for employing people with disabilities. The company plays an important role as one of the largest employers of people with disabilities in the prefecture. The SUBARU Group will continue its efforts to create a workplace where employees with disabilities can shine through their work.



#### Origin of the name SUBARU BLOOM

“Bloom” means flowering. The company aims to make flowers of individuality bloom.

#### Trend in the Employment of People with Disabilities



### Renewal of the Development System through the Co-Creation of Diverse Individuals

In January 2024, we commenced operations of our new development office, Innovation Hub. The manufacturing units, development units, and business partners, which have been highly divided according to the times, gather at the Innovation Hub to establish a knowledge-centered environment to create new value as “One SUBARU.”

The Innovation Hub brings together employees with a variety of specialized skills and experiences across multiple units on a single floor to promote development. The work that used to be carried out by product conception, design, and production sections in a stepwise fashion is now carried out by related units at the same time, each bringing their own areas of expertise to the table and working on it simultaneously. This leads to efficient development without rework. The Innovation Hub has broken down physical and psychological barriers, resulted in more active communication, and created an environment where free and vigorous discussions for development can take place on a daily basis. In addition to our Group employees, we also provide various opportunities for co-creation to a wide range of related parties, including business partners, in order to achieve “Monozukuri Innovation” and “Value Creation” more quickly and at a higher level, and share the latest technologies and ideas related to future competitive BEV manufacturing.

We will position the Innovation Hub as a symbolic center for internal and external co-creation and value creation—including those that arise by chance—that brings together diverse individuals beyond organizational boundaries. Based on that, we aim for the world's most advanced “Monozukuri Innovation” and “Value Creation.”



Office area of Innovation Hub

### Creation of a Healthy, Safe, and Secure Workplace

Our basic philosophy is to position health and safety as an important management issue and to prioritize it in all of our operations. Since the physical and mental health of employees is essential for advancing health and safety, we are working to promote health Company-wide based on the Health Declaration formulated by the three parties of the Company, the labor union, and the health insurance association. These efforts have borne fruit, and the Company has been recognized as a Certified Health & Productivity Management Outstanding Organization for four consecutive years in the large enterprise category of the Certified Health & Productivity Management Outstanding Organizations Recognition Program. With the physical and mental health of our employees as our top priority, we promote the creation of a safe and secure workplace where each and every employee can work vigorously and exercise their abilities to the fullest.

#### Health Declaration

To build happiness for our employees and their families, we need a foundation of mental and physical health.

SUBARU works with its employees to promote health and preventive care, taking on the challenge of building workplaces full of smiles and enabling growth.

Representative Director, President and CEO, SUBARU CORPORATION  
Executive Chairman, Subaru Labor Union  
President, Subaru Health Insurance Association



#### Heat Countermeasures

Regarding the issue of heat countermeasures, which has been voiced by manufacturing department employees, we have budgeted 1 billion yen from FYE March 2025 for frontline-driven improvements. In addition to the temporary measures such as the introduction of cooling items that meet frontline needs, we have also initiated efforts to improve facilities as a permanent measure. Through environmental improvements, we promote the creation of workplaces that are safe and secure for manufacturing employees and that make it easier for them to work and increase their productivity.

#### Reducing Workload

One-seventh of our manufacturing departments currently consist of employees over the age of 50, and we expect to see an even older age structure in the future. Against this backdrop, we are improving our work lines to reduce the workload of our employees and to create an environment where they can utilize the experience and skills they have developed over the years. Specifically, we are measuring the workload level of each process and studying the possibility of reducing the physical load on the existing line. As part of the Gunma Plant restructuring plan for electrification, we are also considering the introduction of equipment that will help reduce workload, with the aim of realizing a work environment in which employees can play active roles at SUBARU with enthusiasm for a long time.



## Financial Capital Message from the CFO



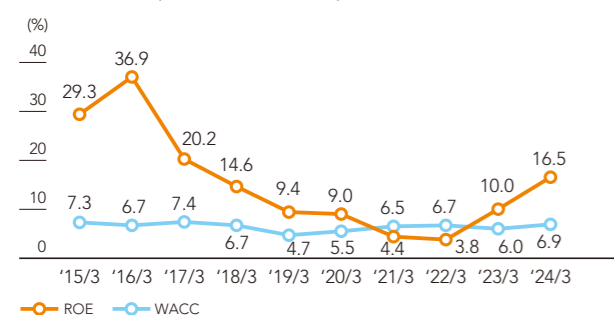
### Implement Management That Is Conscious of the Cost of Capital and Stock Price

The SUBARU Group has developed a highly profitable business model of selection and concentration based on targeting limited management resources at areas where we can demonstrate our strengths. Amid an era of increasing uncertainty, exemplified by the full-scale electrification of vehicles, we will pursue financial and capital strategies designed to maintain this business model as a foundation while also reducing business risk and enhancing business growth and competitive advantage.

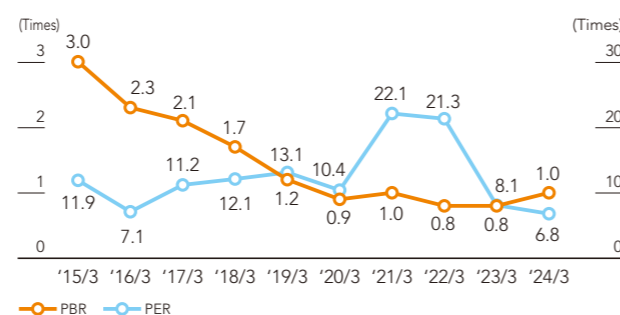
In March 2024, we announced action to implement management that is conscious of the cost of capital and stock price with the aim of further enhancing corporate value. In terms of return on investment, apart from FYE March 2021 and FYE March 2022, when business was heavily impacted by the semiconductor supply shortage triggered by the COVID-19 pandemic, our ROE has remained above the level of capital cost, with the most recent figure for weighted average cost of capital (WACC) standing at around 7%. PBR improved to around 1.0 times, due mainly to the return to normal in the production and sales environment and movements in the exchange rate, but recent financial market conditions have pushed this back to around 0.8 times. PER currently stands at around 7.0 times, which we recognize as low compared to the Tokyo Stock Exchange Prime Market average.

In response to these conditions at a time of great upheaval in the automotive industry, we will steadily implement world's leading "Monozukuri Innovation" and "Value Creation", bringing competitive, SUBARU-distinctive products to market. Through these efforts, we are pursuing industry-leading profitability and an ROE of 10% or higher as long-term targets with an eye to 2030. By additionally further enhancing our investor relations (IR) activities going forward and providing updates on the progress of our electrification strategy, which is key to growth, we will reduce uncertainty in the medium- to long-term outlook and raise expectations regarding our business performance.

ROE/WACC (Based on CAPM)



PBR/PER



### Action to Implement Management That Is Conscious of the Cost of Capital and Stock Price

<b>Analysis of Current Situation</b>	<ul style="list-style-type: none"> <li>Cost of capital (WACC) now stands in the 7% range (based on CAPM)</li> <li>In and after the end of March 2020, when the COVID-19 pandemic broke out, PBR hovered around 0.8x but has since increased to around 1.0x. However, recent financial market conditions have pushed this back to around 0.8x. / PER currently stands at around 7.0x.</li> <li>ROE has exceeded the cost of capital, except for FYE 2021 and FYE 2022, when semiconductors were in short supply.</li> </ul>								
<b>Policies and Targets</b>	<ul style="list-style-type: none"> <li>Amid the rapid and nonlinear transformation of the automotive industry, we are making steady progress on the initiatives announced in our New Management Policy in August 2023. Our future strategy's internal/external dissemination is also proceeding as planned.</li> <li>We are pursuing industry-leading profitability and an ROE of 10% or higher as long-term targets with an eye to 2030.</li> </ul>								
<b>Key Initiatives</b>	<table border="1"> <tr> <td>Steadily implement the initiatives laid out in the New Management Policy</td> <td>Improve ROE</td> <td rowspan="2"> <ul style="list-style-type: none"> <li>Steady implementation of world-leading "Monozukuri Innovation" and "Value Creation" (Monozukuri: Manufacturing)</li> <li>Internal dissemination of the concept of capital cost (using in-house ROIC tree)</li> <li>Achieve both growth investments and stable shareholder returns (Aim for total return ratio between 30% to 50%)</li> <li>Effective share repurchase</li> </ul> </td> </tr> <tr> <td>Reinforce messaging and dialogue</td> <td>Optimally allocate capital / Increase value per share</td> </tr> <tr> <td colspan="2">Strengthen effectiveness</td> <td> <ul style="list-style-type: none"> <li>Improve IR activities to enhance expectations for growth and to lower uncertainty</li> <li>Reinforce ESG messaging (electrification, human capital, intellectual property, governance, etc.)</li> </ul> </td> </tr> </table>	Steadily implement the initiatives laid out in the New Management Policy	Improve ROE	<ul style="list-style-type: none"> <li>Steady implementation of world-leading "Monozukuri Innovation" and "Value Creation" (Monozukuri: Manufacturing)</li> <li>Internal dissemination of the concept of capital cost (using in-house ROIC tree)</li> <li>Achieve both growth investments and stable shareholder returns (Aim for total return ratio between 30% to 50%)</li> <li>Effective share repurchase</li> </ul>	Reinforce messaging and dialogue	Optimally allocate capital / Increase value per share	Strengthen effectiveness		<ul style="list-style-type: none"> <li>Improve IR activities to enhance expectations for growth and to lower uncertainty</li> <li>Reinforce ESG messaging (electrification, human capital, intellectual property, governance, etc.)</li> </ul>
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### Review of FYE March 2024 and Outlook for FYE March 2025

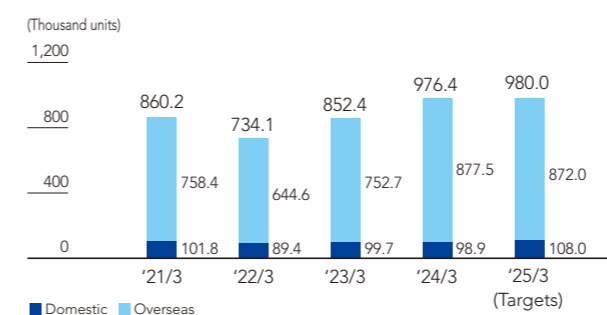
#### Review of FYE March 2024

In FYE March 2024, demand for SUBARU vehicles remained robust, especially in the U.S. and Canada markets. The first half of the fiscal year, however, saw residual impact from the semiconductor supply issues ongoing since 2021, while automobile logistics were affected by constraints throughout the period. We worked to minimize the impact of these factors by flexibly adjusting production plans and automobile transportation plans. As a result, we were able to increase automobile production volume to 970,000 units and consolidated sales volume to 976,000 units. With the effect of additional factors including a retail price revision that enhanced the sales mix and fluctuating exchange rates that had a boosting effect on profit, operating profit increased 75% from the previous fiscal year to 468.2 billion yen and ROE climbed 6.5 points from the end of the previous fiscal year to 16.5%. The aerospace segment, which had faced a challenging operating environment since the COVID-19 pandemic, posted segment profit of 2.7 billion yen, a 4.7 billion yen increase on the previous fiscal year, moving into the black for the first time in four fiscal years.

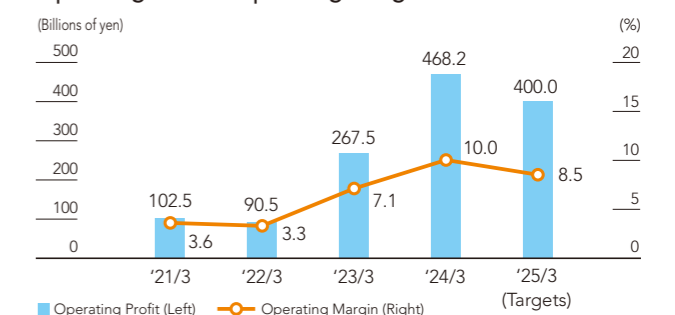
#### Outlook for FYE March 2025

For FYE March 2025, we forecast production volume of 960,000 units, consolidated sales volume of 980,000 units, revenue of 4,720 billion yen, and operating profit of 400 billion yen. We envisage a solid performance in terms of sales volume, especially in the key U.S. market. Our plans will however be guided by current inventory levels and sales trends in overseas markets outside the U.S. In terms of revenue, however, we expect a decrease from the previous fiscal year. This is because of rising costs in areas such as human resource investment, U.S. sales incentives, and research and development for the introduction of electrified products. This is in addition to the impact of inflation on costs across the board and the projected movement toward a stronger yen. Meanwhile, raw material prices continue on an upward trend to alleviate the burden on our business partners caused by rising labor and energy costs. We regard it as important to promote cost reduction activities aimed at strengthening competitiveness, but with the essential precondition of maintaining appropriate business relations with our partners. Going forward, we will unite in a range of initiatives to meet our targets in production and sales volumes, business results, and other areas, keeping a close watch on market conditions, particularly exchange rate movements and sales incentives.

Consolidated Sales Volume



Operating Profit / Operating Margin



### 3-in-1 Strategy of Financial Soundness and Stability, Growth Investment, and Shareholder Return

With growing uncertainty over the future, our business faces the question of how to survive and prosper amid a once-in-a-century transformation. As well as continuous cash generation, effective utilization of the cash we already hold is an important question. Our aim is to use cash holdings to carry out growth investment focused on electrification, and to provide stable shareholder return (total return ratio of 30-50%) while also maintaining financial soundness (capital equity ratio of 50% or more) and financial stability (suitable net cash position).

Currently, our net cash including time deposits amounts to approximately one trillion yen. Most of this is held in US dollars as the U.S. is our most important market and we therefore consider a certain level of U.S. dollar holding necessary for operational soundness and stability. Due to recent exchange rate movements, this net cash is now above the level our company deems necessary for financial stability. Going forward, we will undertake periodic review of the optimal net cash position based on revenue forecasts and the timing of future investments, which will focus particularly on full-scale electrification. We will equally keep a close watch on trends in the world economy and the North American market and on exchange rate movements to determine the optimal balance of holdings between the yen and U.S. dollar. We will also seek to utilize yen-denominated interest-bearing debt effectively as we steadily build an optimal and efficient financial base.

In the policies announced under our New Management Policy in August 2023, we disclosed an updated plan for plant reorganization to support electrification, along with an investment of approximately 1.5 trillion yen to realize world's leading "Monozukuri Innovation" and "Value Creation." Broadly speaking, we foresee three strands of investment under this plan: battery-related investment, investment to enhance the production system in Japan and the U.S., and investment in EV development. As these are long-term projects, and as current conditions make forecasting of market trends difficult, our investment plans incorporate flexible estimates. We are moving gradually but steadily to roll out investment for future growth.

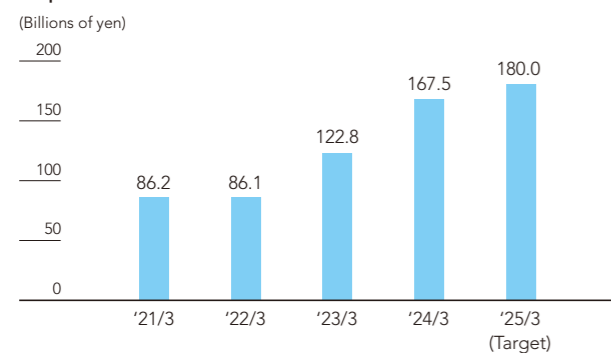
In the area of battery-related investment, we are working in partnership with Panasonic Energy Co., Ltd., on preparations for the production and supply of cylindrical automotive lithium-ion batteries. In accordance with a plan\*<sup>1</sup> announced on September 6, 2024, our two companies aim to invest a total of approximately 463 billion yen to establish a lithium-ion battery plant with an annual production capacity of 16 GWh\*<sup>2</sup> at Oizumi in Gunma Prefecture. The batteries produced at the new plant will be mounted from FYE March 2029 in BEVs manufactured by SUBARU.

Regarding our investment in production plants, as already announced, we are progressing with plans for mixed BEV production at the Yajima Plant within the Gunma Plant and the establishment of a dedicated BEV production line at the Oizumi Plant. Additionally, we are advancing the renovation of the Kitamoto Plant to manufacture transaxles for the next-generation HEV. The Kitamoto Plant, which is due to start operation in the fall of 2024, is tasked with handling the first step toward realizing a world's leading position in "Monozukuri Innovation" by ensuring flexibility in the initial stage of the transition to electrification. Accordingly, it has been the object of investment in initiatives related to quality, diversity, logistics, and other areas. We will continue to invest effectively and efficiently, taking account of market trends and other factors and subjecting the details of each investment to close scrutiny.

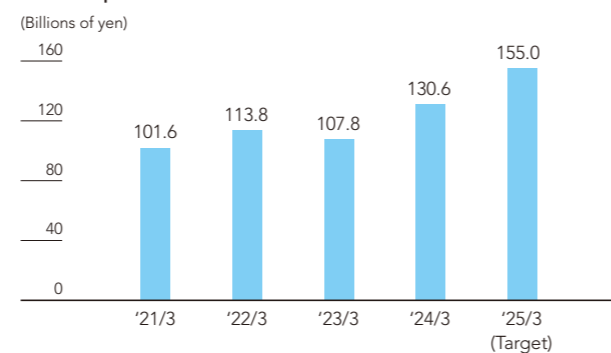
\*<sup>1</sup> The plan was approved by the Ministry of Economy, Trade and Industry on September 6, 2024, as part of its strategy for a stable supply of storage batteries.

\*<sup>2</sup> As of December 31, 2030

#### Capital Investment



#### R&D Expenditures

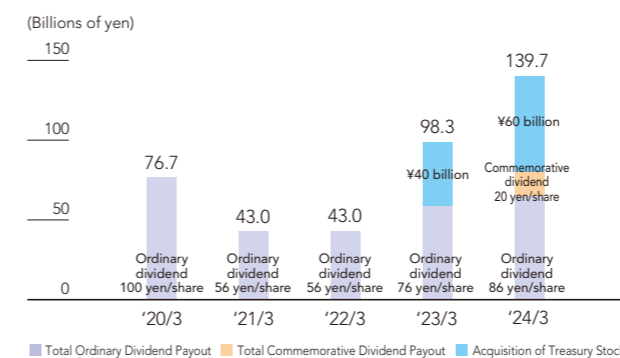


Regarding returns to our shareholders, we will implement them with a greater focus on improving capital efficiency, even as investments in electrification increase. With the aim of maintaining a total return ratio between 30% and 50%, we will pay stable and consistent dividends and flexibly repurchase shares after comprehensive consideration of our business performance, investment plans, and the business environment. Despite the current high level of uncertainty affecting particularly the automotive business, we regard shareholder return as an important element of sustainable corporate management and will continue taking a flexible approach to balanced shareholder return that works optimally for both our shareholders and the Company based on business conditions, investment plans, corporate valuation, and other relevant factors at the time.

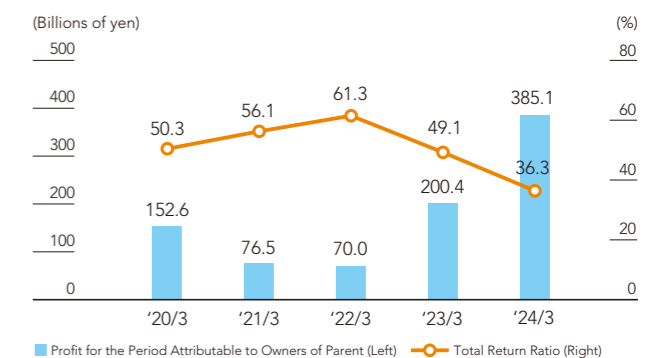
In FYE March 2024, we were able to post a strong performance, with profit for the period attributable to owners of parent 385.1 billion yen, the second highest figure in our history. To reflect this result, in addition to a dividend payout of approximately 80 billion yen, we decided to repurchase shares to a maximum value of 60 billion yen. The total return to shareholders was approximately 140 billion yen for a total return ratio of 36.3%. The dividend payout of approximately 80 billion yen consisted of an ordinary annual dividend of 86 yen per share with an additional commemorative dividend of 20 yen to mark our 70th anniversary in 2023, giving a total annual dividend of 106 yen per share. The repurchasing of shares to a maximum value of 60 billion yen was completed by September 13, 2024.

For FYE March 2025, we envisage an annual dividend of 96 yen, which would represent a year-on-year increase of 10 yen in the ordinary dividend per share. We will study this figure from various perspectives in accordance with the policy stated above.

#### Total Dividend Payout / Dividend per Share



#### Profit for the Period Attributable to Owners of Parent / Total Return Ratio



### Enhanced Dialogue and Disclosure for Sustainable Growth

We are committed to active dialogue\* with domestic and overseas investors covering both financial and non-financial data. As I stated earlier, we recognize that further improvement in the PER is important for corporate value increase. Our future corporate growth will naturally require continuously strengthened initiatives for the rollout of our key electrification strategy, the creation of a governance system to support it, and investment in and utilization of the intangible assets of human capital and intellectual property, which are the engines of growth. Equally, we will use active enhancement of disclosure and dialogue relating to the content of the initiatives to improve the quality of engagement, raise expectations for sustainable growth, and reduce uncertainty. We look forward to your continued support of the SUBARU Group.

\* See page 85 for a presentation of our dialogue record for FYE March 2024.

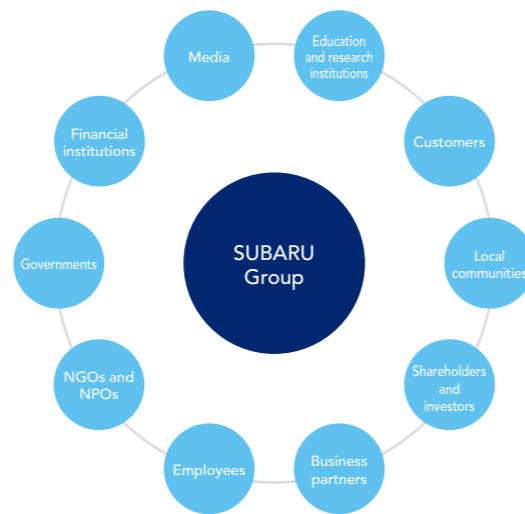
#### Financial Information

Please visit the SUBARU website for details about financial information.  
<https://www.subaru.co.jp/en/ir/library/index.html>



## Social Capital

SUBARU attaches great value to its connections with customers and all other stakeholders. These close connections are the foundation of the SUBARU brand and form an indispensable aspect of our business activity. Going forward, we will work through our business activities, dialogue, and a wide range of events to engage closely with and listen to our stakeholders so as to further deepen our connections in many different areas as part of shared efforts to achieve an enjoyable and sustainable society.



### Product-Based Initiatives to Spread Resonance and Coexistence Cherishing Every Life Project

The Love Promise\*1 initiative operated in partnership with retailers has had positive results in the U.S. In 2023, we launched a related initiative in Japan under the banner of the Cherishing Every Life project. As part of its approach based on people-focused monozukuri, SUBARU has always prioritized safety and focused attention on protecting life. The Cherishing Every Life project is an initiative in partnership with customers, retailers, and local communities whose starting point is this consistent SUBARU commitment to protecting life. "Human life" is irreplaceable and "natural life" takes care of rich forests and wildlife. We will continue to support those who are working to "protect and pass those on to a future full of smiles".

Under the theme of cherishing human life, the campaign to eliminate water accidents run by the Japan Lifesaving Association (JLA) resonated with us. We therefore became a JLA official partner to support its activities, including by providing SUBARU Lifesaver Cars through retailerships in Japan. The SUBARU Lifesaver Cars provided through retailerships are used in local community patrols, safety education, beach patrols, and other activities. All vehicles are fitted with a compact, lightweight automated external defibrillator (AED)\*2 for lifesaving activity. The retailerships work with the local lifesaving association to organize workshops with JLA instructors to teach how to give cardiopulmonary resuscitation and how to operate an AED. They also conduct road traffic safety activities with local lifesavers and carry out a wide range of other activities around the shared concern of protecting life.

Under the theme of cherishing natural life, we are engaged in partnerships with the bodies that manage national parks. We have concluded partnerships with the Shiretoko Nature Foundation, whose mission is to protect nature on Hokkaido's Shiretoko Peninsula and hand it on to the next generation in an improved condition, and with the Natural Parks Foundation, which manages 15 of Japan's 34 national parks. In this way, we support the activities of people engaged in protecting natural life through provision of vehicles and other means. In December 2023, we entered into a National Park Official Partnership to facilitate collaboration with the Ministry of the Environment, which administers the national parks. This will enable us to support our partner organizations and help vitalize national parks and promote their attractions through joint activities.

By maintaining our social contribution through the various activities\*3 of the Cherishing Every Life project, we will continue spreading resonance and coexistence and deepening connections with customers and local communities.

\*1 See pages 21–23 for information on the Love Promise initiative in the U.S.

\*2 AEDs are fitted in all the vehicles, which were provided for use in the period from June 28 to September 2, 2024.

\*3 See our website for details on the activity: <https://www.subaru.jp/project/hitotsunoinochi/> (in Japanese only)



### Deepening Community Connections through Corporate Sports — Baseball Club / Track and Field Club

Our corporate sports activity features two clubs, a baseball club and a track and field club. The activities of our sports clubs, which compete at top amateur level, not only promote employee morale and team spirit but also provide an activity base where local community members have the opportunity to develop a spirit of courage and challenge. Both clubs engage in rigorous training, balanced with work duties, in order to achieve good performances at competitive events. At the same time, they take an active part in local road traffic safety awareness campaigns, sports coaching events, and other local activities, helping to deepen connections between the SUBARU Group and local communities.

#### Baseball Club

The baseball club, which was established in 1953 with the aim of promoting corporate public relations and supporting employee morale, has qualified 29 times for the Japan Amateur Baseball Championship and 16 times for Japan's annual Intercity Baseball Tournament. When it competes in the Intercity Baseball Tournament, the team attracts support in its first match not only from employees and their families but also from many residents of Ota City and Oizumi Town in Gunma Prefecture, where the club has its bases. At its first match of the 95th Intercity Baseball Tournament in 2024, around 12,000 spectators gathered at Tokyo Dome and the team was cheered on with loud enthusiasm.



\*1 As of August 31, 2024

#### Track and Field Club

The club was established in 1998 with the aim of giving a boost to the local community by participating in the All-Japan Men's Corporate Team Ekiden Championships. This is a long-distance relay race, commonly known as the New Year Ekiden, whose course runs partly through Ota City in Gunma Prefecture, home to SUBARU's main plant. For the New Year Ekiden, which the club has competed in 23 times\*2, many local people line up along the course route on New Year's Day to wave the SUBARU flag and cheer the team on. The sight of the SUBARU team drawing strength from the crowd as they run through their home territory of Gunma helps to deepen our connection with the local community.



\*2 Up to and including the 68th event, held on January 1, 2024.

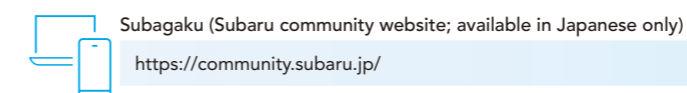
### Creating Learning Opportunities for Children — Gunma Plant Hosts Factory Tours

The Yajima Plant within the Gunma Plant welcomes factory tours as part of elementary school field trip programs. Through the example of vehicle manufacturing, we want to add as much as we can to the children's understanding of Japanese industry and labor and our connections with the natural environment. At the same time, we want to encourage children to think positively about their future working life and ambitions. With this in mind, we host factory tours from many elementary schools not just in Gunma Prefecture but throughout the Kanto region. We continued to offer tours during the COVID-19 pandemic using remote technology. Currently, we offer both on-site and remote tours depending on the school's preference. In FYE March 2024, our on-site tours had 21,156 participants, while remote tours drew 3,509 participants (including school personnel) from elementary schools in areas as far away as Fukuoka and Kagoshima prefectures. By offering learning opportunities to the children who are our future, we will deepen our connections with society.



### Subagaku, a Community Website for Our Fans Connecting SUBARU with Its Customers (Available in Japanese Only)

In November 2023, we launched the fan community website Subagaku. The name of the website reflects our hope that it will serve as a space like a school for supportive exchange with fellow learners. By enabling them to share their personal experiences with SUBARU vehicles and other interests through the website, we aim to promote resonant connections between SUBARU and our customers and also among our customers. Serving as principal of Subagaku allows the SUBARU Chief Technology Officer (CTO) to engage in two-way communication with customers, bringing our vehicle manufacturing still closer to customers' lives as we work together on "Value Creation" toward the age of the EV.



## Natural Capital

In its Environmental Policies, SUBARU states that our fields of business are “the earth, the sky and nature”, declares its commitment to initiatives for coexistence with nature, and designates the environment as one of its Six Priority Areas for Sustainability, thus recognizing it as a key area for the continuation of its business activity. Within the area of the environment, we have additionally declared three issues for particular focus: mitigating climate change, realizing a circular economy, and coexistence with nature. In addition to using advanced technology to develop environmentally friendly products, we undertake Group-wide environmental activity aimed at achieving coexistence with nature with the ultimate goal of reducing to virtual zero our environmental impact on the natural world, and beyond that having an actual positive impact.

### Mitigating Climate Change

We recognize climate change initiatives as one of our most important issues and endorsed the TCFD recommendations in April 2023\*1. Toward our target of achieving carbon neutrality by 2050, we have set long-term goals for CO2 emissions reduction in products and at plants and offices together with medium-term goals as interim milestones. By working toward these goals, we will contribute to realizing a decarbonized society.

\*1 For more information on SUBARU's disclosure of the TCFD recommendations, please see our TCFD Content Index (<https://www.subaru.co.jp/en/csr/tcfd/>).



### Management System

In the area of climate change, the Environment Committee discusses the broad framework of medium- to long-term measures in line with the standards required by the society of the future and assesses related progress. Particularly significant issues are referred to the Board of Directors following discussion by the Sustainability Committee, which is the forum for deliberation on all SUBARU Group CSR initiatives. We wish to contribute to realizing a decarbonized society by reducing CO2 emissions throughout the business activity life cycle. We therefore hold Carbon Neutrality Promotion Meetings, whose aim is to achieve CO2 reduction across all areas. These meetings are used to monitor initiatives focused on the entire life cycle, including not only products and plants and offices but also materials and components, transportation, and disposal, with overall coordination by the Environment Committee.

### Strategy

To address climate change-related transition risks in policy and regulation, technology, markets, and other items, SUBARU works to identify uncertain climate change-related risks.

#### Main Risks Identified

(Bolded items are identified as highly important risks related to the strategic reorganization of SUBARU's production system.)

Climate-related Risks		Main Risks Identified
Transition risk	Business management in general	<b>In the event that more rigorous climate change targets are set in various countries, SUBARU's business could be significantly affected.</b>
	Regulatory risk	<b>If SUBARU fails to meet fuel economy regulations imposed in various countries, the Company could incur additional costs or losses related to negative incentives, such as fines or non-penal fines for legal violation, and credit purchase for unmet standards. Also, some of our products could fail to satisfy certain fuel economy standards, resulting in restrained sales opportunities.</b>
	Production phase	SUBARU could incur rising costs due to fossil fuel use, not only because of geopolitical factors associated with petroleum, etc., but also carbon taxes, emission quotas, and other government policies and regulations.
	Technology risk	<b>To promote electrification, it is crucial to ensure profitability for the entire product cycle ranging from procurement and use to disposal. Thus, it is essential to involve SUBARU's upstream and downstream partners in exerting efforts toward this end. Failure to do this could render the Company unable to meet the profitability goal for the entire product life cycle.</b>
	Production phase	If use of renewable energy does not grow as expected, SUBARU could face slower progress in achieving its Scope 1 and 2 emissions reduction goals.

Climate-related Risks		Main Risks Identified
Transition risk	Market risk	<b>At present, it is difficult to predict technological progress and price optimization for electrification, which will likely cause a substantial gap with the real state of market needs. In such a situation, SUBARU could incur unnecessary and excessive R&amp;D costs while facing a decline in customer satisfaction, resulting in unexpected losses and reduced sales opportunities as well as hampered advancement of the Company's electrification efforts.</b> <b>In addition, SUBARU views electrification as a steady medium- to long-term trend, and also anticipates the possibility of its swift and sweeping penetration of the market at some stage. SUBARU could be unprepared for such prospect in terms of technology and timely product lineups, and thus suffer from a resultant loss of product sales opportunities.</b>
	Reputational risk	<b>If SUBARU fails to implement adequate initiatives to achieve low-carbon/zero-carbon outcomes, its brand value could be harmed, which could affect the Company's sales and recruiting ability. Capital costs could also rise, due to increased difficulty in obtaining financing from investors.</b>
Physical risk	Acute physical risk	As an impact of climate change, extreme torrential rain will frequently cause floods in various locations, which could pose risks of SUBARU's operations being affected by disrupted supply of raw materials and submerged factories.
	Chronic physical risk	There is a possibility that SUBARU might suffer from shortages of natural resources used for tires and metal resources, such as materials for automotive batteries used in electrification technologies.

#### Main Opportunities Identified

Climate-related Opportunities		Main Opportunities Identified
	Market opportunity	If SUBARU advances its efforts to make products more environmentally friendly as planned and global climate change mitigation/adaptation efforts progress adequately, the Company will be able to maintain its key markets while at the same time potentially expanding in markets receptive to its offer of “Enjoyment and Peace of Mind.” In addition, through contributing to addressing climate change issues, SUBARU could increase its brand value, thereby enhancing its sales and recruiting ability. This could make it easier for the Company to obtain financing from investors, thereby lowering capital costs.
	Energy source opportunity	Regarding energy use during the production phase, by transitioning to renewable energy while at the same time giving due consideration to cost-effectiveness, SUBARU could overcome the risk of being exposed to price fluctuations involved in energy derived from fossil fuels, thereby preventing future cost increases.

Note: The risks and opportunities described above are based on past facts and currently available information, and may change significantly due to such factors as future economic trends and the business environment facing SUBARU. The opportunities described represent those for SUBARU's products to contribute to climate change adaptation and do not anticipate climate change-related deterioration.

### Examples of Scenarios and Their Risks/Measures

SUBARU explores climate change-related countermeasures in consideration of a variety of scenarios, including its own scenario assuming carbon neutrality by 2050 (equivalent to the 1.5°C scenario), based on policy trends in various countries relating to the regulation of fuel economy and other areas and information published by the International Energy Agency and other organizations. This exploration also incorporates risks and opportunities recognized with respect to sustainable business activities. As an example measure, SUBARU has developed an electrification strategy that considers multiple scenarios, including one in which the percentage of EVs sold in the market increases significantly, as well as one in which the market penetration of EVs increases modestly. We are also advancing with business continuity plan (BCP) measures to deal for instance with the risk of water-related disaster affecting our business partners and flooding during torrential rainfall. This action is in consideration of the risk of increasingly severe natural disasters due to a lack of progress in addressing climate change.

Scenario	Example Scenario Risks of Particular Importance	Measures
Penetration of BEVs	Risk of limited product sales opportunities due to failure to meet certain fuel economy standards	<ul style="list-style-type: none"> <li>Building a production system that can dynamically adapt the production ratio between BEVs, hybrids, and ICE vehicles, keeping a close eye on environmental regulations and market trends</li> <li>Establishing an eight-model BEV lineup by the end of 2028 with 400,000 BEVs sold in the U.S.</li> </ul>
Increasing severity of natural disasters	Risk of operations being affected by disrupted supply of raw materials and submerged factories as a result of frequent flooding in various locations from extreme torrential rain	<ul style="list-style-type: none"> <li>Taking measures against flooding by installing rainwater collection tanks and strengthening drainage capacity</li> <li>Organizing a system for restoration support activities in the event of a contingency at business partners and assessing the risk of water-related disasters</li> </ul>



### Risk Management

To address climate change-related transition risks in policy and regulation, technology, markets, and other items, dedicated departments at SUBARU gather information from a wide range of sources and work to identify uncertain climate change-related risks from future projections. These transition risks are proposed and discussed during the Executive Meeting, and particularly significant matters are subject to deliberation within the Board of Directors before decisions are made.

The physical risks associated with climate change include flooding and other natural disasters. The Risk Management and Compliance Office plays a pivotal role in establishing regulations in response to these operational risks as part of the BCP system. During emergencies, the office centrally grasps Group-wide information, establishing a system to manage Company-wide response.

### Metrics and Targets

In order to contribute to a decarbonized society, SUBARU has set long-term goals for 2050 (long-term vision) and interim medium-term goals (milestones) for products (Scope 3) and for plants, offices, etc. (Scope 1 and 2). These goals are reviewed as necessary to adapt to non-linear and rapid change in the business environment. In 2023, we raised the medium-term goal for products to achieving a 50% share of all automobile sales for BEVs in 2030, and raised the medium-term goal for plants and offices to achieving a 60% emissions reduction by FYE March 2036 compared to FYE March 2017.

Category	Target Year	Goal
Products Scope 3	2050	Reduce average well-to-wheel CO <sub>2</sub> emissions from new vehicles (in operation) by 90% or more compared to 2010 levels*2
	Early 2030s	Apply electrification technologies*3 to all SUBARU vehicles*4 produced and sold worldwide
	2030	Aim for 50% of global sales to be BEVs
Plants and offices Scope 1 and 2	FYE March 2051	Achieve carbon neutrality
	FYE March 2026	Reduce CO <sub>2</sub> emissions by 60% compared with FYE March 2017 (total volume basis)

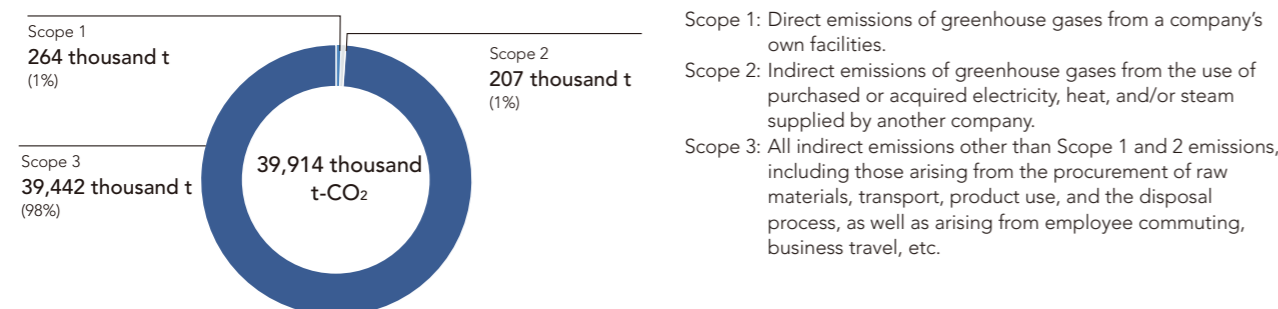
\*2 Reduce total CO<sub>2</sub> emissions calculated based on the fuel efficiency (notified value) of all SUBARU automobiles sold across the world by 90% or more relative to the 2010 levels in 2050. Changes in the sales quantity due to changes in the market environment shall be taken into consideration, while minor changes in running distance shall not.

\*3 Refers to the technology used to foster the use of electricity for EVs, HEVs, and others.

\*4 Excluding models supplied by OEMs.

### Initiatives and Achievements

SUBARU Group CO<sub>2</sub> emissions in FYE March 2024 (Scope 1, 2, and 3) amounted to 39,914 thousand t-CO<sub>2</sub>. The majority of our emissions, accounting for 98% of the total, are Scope 3 emissions, which consist mainly of emissions from the utilization of Group products. The SUBARU Group's direct CO<sub>2</sub> emissions (Scope 1 and 2) are marginal compared to our Scope 3 emissions. Nevertheless, we believe that taking the lead in initiatives to reduce direct CO<sub>2</sub> emissions will result in more active efforts throughout the entire SUBARU value chain and we will therefore continue with proactive efforts.



### Scope 3 Initiatives

Toward reducing CO<sub>2</sub> emissions during product utilization, which account for the majority of SUBARU's total CO<sub>2</sub> emissions, we are progressing with the application of electrification technologies to the vehicles we sell. In FYE March 2024, the share of electric vehicles in SUBARU's global vehicle sales (based on retail sales) was 7.8%, with the figure for BEVs at 1.5%. With our focus on reaching the 2050 long-term goals and the 2030 medium-term goals, we will continue moving steadily forward with the electrification initiatives set out in the SUBARU New Management Policy\*5.

As an aircraft manufacturer, SUBARU has been developing technologies for decarbonization to realize a sustainable society, and in March 2024 SUBARU successfully conducted test flights using sustainable aviation fuel (SAF) in a helicopter. SAF is manufactured from plant matter, waste oil, and other raw materials. Since the plants which provide its main raw material absorb atmospheric CO<sub>2</sub> during photosynthesis, it is possible to balance the amount absorbed against the amount emitted. This promises a greenhouse gas-reducing effect compared to conventional fossil-derived aviation fuel.

\*5 See pages 24–29 for the electrification initiatives in our new management policy

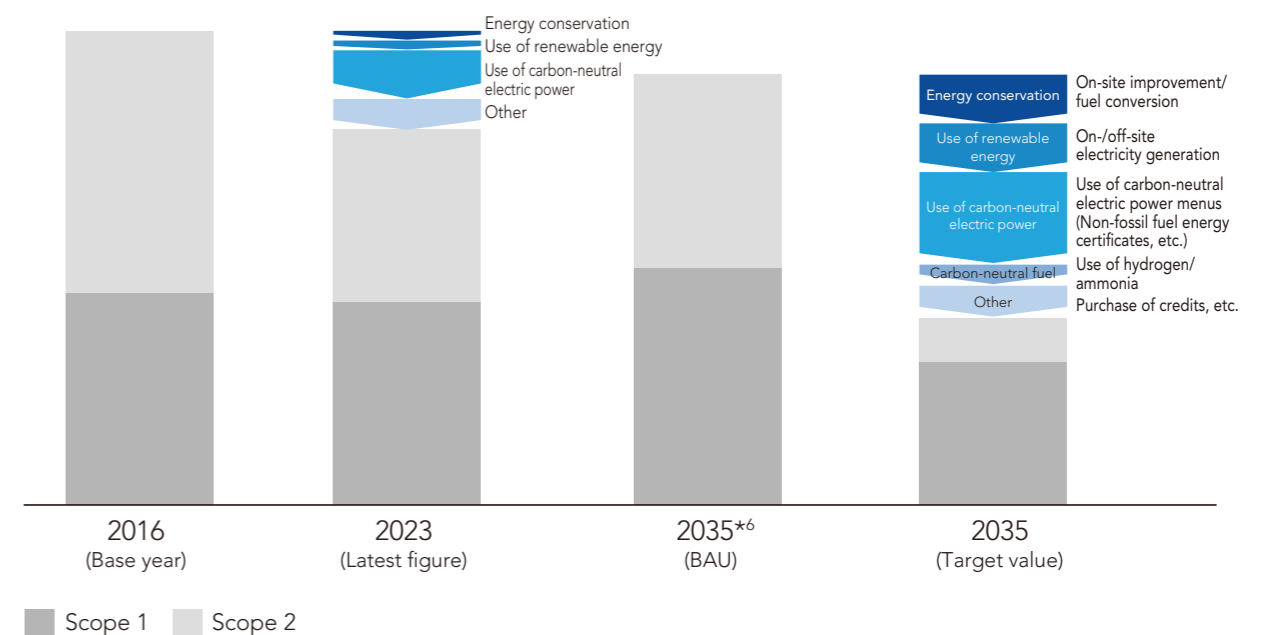
### Scope 1 and 2 Initiatives

The Scope 1 and 2 emissions volume for FYE March 2024 was 471,854 t (market standard), a reduction of 18,000 t from the previous fiscal year and of 20.9% compared to FYE March 2017 (FYE March 2024 Scope 1 and 2 emissions based on location standard: 545,917 t).

SUBARU is working to switch to renewable energy and upgrade to highly efficient machinery and equipment. Renewable energy in FYE March 2024 accounted for 7.2% of the energy consumption of the entire SUBARU Group and 22.5% of its total electricity consumption. All of the electricity purchased at the Gunma Main Plant, Utsunomiya South Plant and 2nd South Plant, the Ebisu Subaru Building, and the SUBARU Academy is carbon-neutral electric power.

Toward the medium-term goals for FYE March 2036, the SUBARU Group will continue implementing energy-saving measures along with other initiatives, such as in-house generation or purchase of carbon-neutral electric power and introduction of hydrogen, ammonia, and other carbon-neutral fuels, as part of systematic Scope 1 and 2 emissions reduction.

### Illustration of Scope 1 and 2 Emission Reduction Measures and Impact up to 2035



\*6 Assuming the electricity emission coefficient in Japan decreases to 0.25 t-CO<sub>2</sub> per thousand kWh

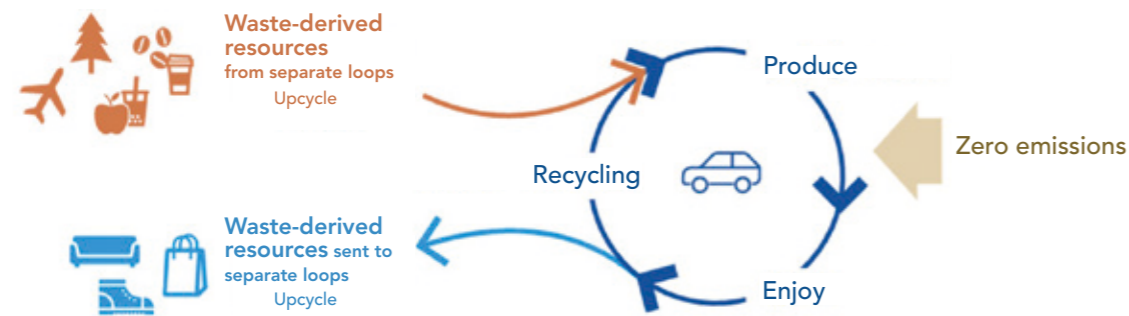
More detailed information on initiatives to mitigate climate change  
<https://www.subaru.co.jp/en/csr/environment/climaticvariation.html>

## Achieving a Circular Economy

The SUBARU Group, whose main business is in the manufacturing industry, regards realizing a recycling-oriented society\*1 as an important theme closely relevant to its business activity. The Group will help create a society that recycles with the goals of efficient resource recycling throughout the product life cycle, maintaining zero landfill at production bases in Japan and abroad, and taking the 3Rs\*2 to the next level.

\*1 Increased resource efficiency through recycling of materials and recycling-based business activity.

\*2 Reduce, Reuse, Recycle



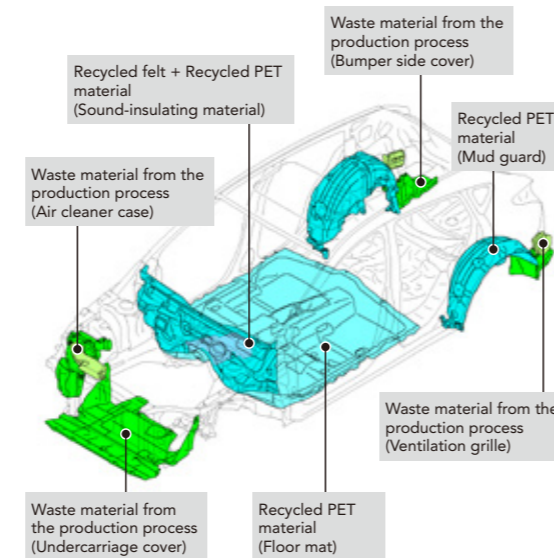
### Recycle-Friendly Vehicle Manufacture

SUBARU incorporates recyclability into its automobile design process to make effective use of limited resources.

We are working on initiatives to increase vehicle recyclability. These include adjusting the layout and structure of wiring harnesses to improve material recovery rate in end-of-life vehicles and contribute to the infrastructure for good quality steel recycling; improving material labeling to increase the ease of sorting; and using a combination of hooks and clips to attach bumpers to facilitate disassembly.

SUBARU is also working to develop technologies to utilize recycled resins and biomass materials in place of the resins currently used in automobiles.

### Examples from the 2023 Crosstrek and Impreza Models



Example of upcycle initiatives  
Shopping bag made in partnership with Toyoda Gosei Co., Ltd.  
Made using excess fabric from airbag manufacture

### Development of Upcycled Products Using Waste Materials from the Manufacturing Process

In addition to promoting the introduction of recycled materials, such as the recycled resin that is an ongoing project, the SUBARU Group is researching the use of other sustainable new materials including food processing residue and other plant-based materials. We are also progressing with the development of upcycled products using waste materials generated in the manufacturing process. Upcycling is an approach to materials that were previously disposed of as waste that reinvents them by adding new appeal and value. SUBARU has focused on waste material generated in the production process, and is working to create value by collaborating with other companies on projects that reach beyond the automotive industry.

More detailed information on initiatives to realize a circular economy  
<https://www.subaru.co.jp/en/csr/environment/recyclingsociety.html>

## Coexistence with Nature

SUBARU's core operations are in the automotive and aerospace industries and its business fields therefore embrace the earth, the sky, and nature. Accordingly, we aim through our business activity to protect biodiversity and promote coexistence with nature. To continue our biodiversity-friendly business activities, in April 2019 we endorsed the Keidanren Declaration for Biodiversity and adopted the SUBARU Guidelines on Biodiversity as the foundation of the SUBARU Group's biodiversity protection activities. The guidelines were formulated with account taken of international trends in biodiversity management and with reference to documents including the Ministry of the Environment's Guidelines for Private Sector Engagement in Biodiversity and the Keidanren Declaration for Biodiversity and Guideline. By additionally ensuring consistency with our Six Priority Areas for Sustainability and the SUBARU Environmental Policies, we designed them for guaranteed effectiveness and continuity.

One of the themes of the Cherishing Every Life project launched in 2023 is the natural life we cherish in our rich forests and wildlife. The project supports people who work through daily activity to protect life and pass it on for a brighter future.

### SUBARU Forest — An Initiative for Coexistence with Nature

We began work on the SUBARU Forest Project in FYE March 2018 as an initiative to embody the coexistence with nature promoted in the SUBARU Environmental Policies. To preserve biodiversity, we carry out tree planting, thinning, nature protection, and other forest management and conservation activity on forested land in and around our business sites in Gunma Prefecture, Tochigi Prefecture, and Hokkaido.

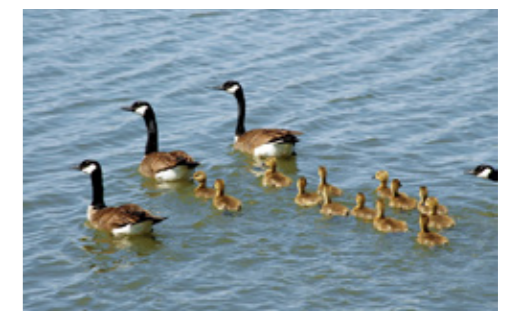
#### SUBARU Forest Bifuka in Hokkaido

Since FYE March 2018, we have been progressing with an artificial afforestation project which takes the long-term perspective of nurturing the forest of 50 years from now. The project site is approximately 115 hectares of forest within the Bifuka Proving Ground, part of the SUBARU Test & Development Center at Bifuka Town in the Nakagawa district of Hokkaido. We are conducting this activity in partnership with Bifuka Town and other local communities. In 2018, we concluded an agreement with the municipality on the implementation of forest conservation activities. SUBARU now cosponsors the yearly tree-planting festival and, in FYE March 2020, certification was obtained under the Sustainable Green Ecosystem Council (SGEC) FM international forest certification system for municipally owned forest and forested land within the SUBARU business site to allow the municipality to promote the effective utilization of forest resources. Meanwhile, wild animals such as Ezo red foxes and brown bears have been spotted on the premises, and we are considering measures aimed at coexistence with these animals in cooperation with local governments. Through these activities, we will promote coexistence with nature in partnership with local communities. As a measure to combat climate change, we began purchasing J-Credits in FYE March 2022.



### Business Activity and Coexistence with Nature

Subaru of Indiana Automotive, Inc. (SIA), our U.S. production base, launched an initiative to protect the ecosystem and provide a friendly habitat for local wildlife by improving the pond area within the plant site and developing the surrounding greenspace. As a result, the National Wildlife Foundation, one of largest non-governmental nature conservation groups in the U.S., designated the site as a supportive wildlife habitat in 2003, the first such designation of an automotive production plant in the U.S. The plant is surrounded by a rich natural environment home to many wild deer, where wild Canadian geese and herons also feed and rest.



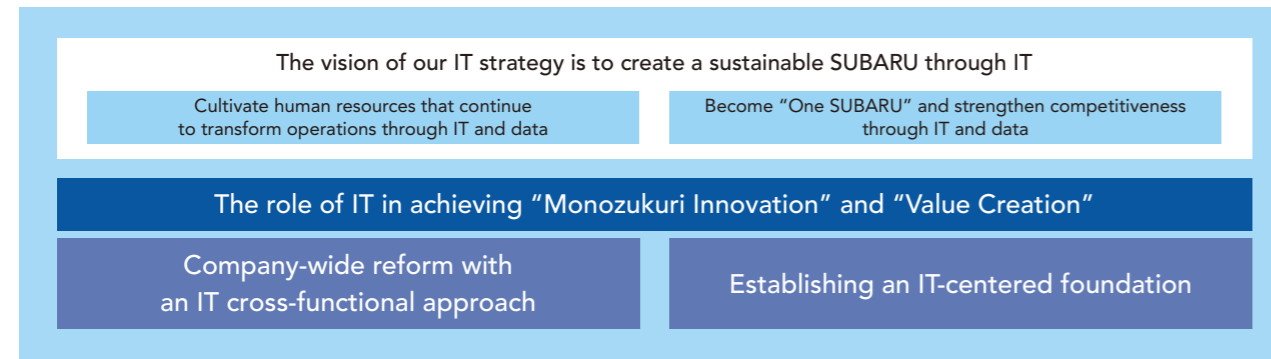
More detailed information on initiatives for coexistence with nature  
<https://www.subaru.co.jp/en/csr/environment/biodiversity.html>



## IT and DX Strategies

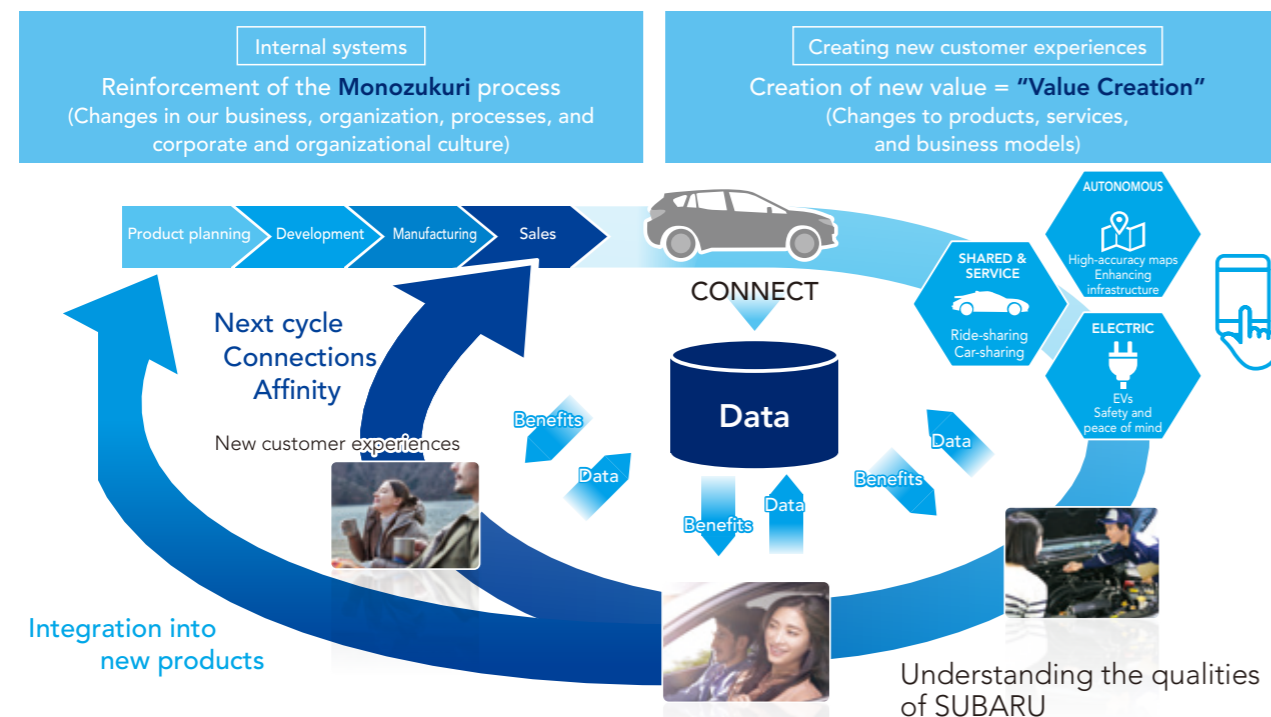
### Basic Policy

In the automotive industry, which is facing a once-in-a-century period of major transformation, SUBARU is working to meet customer expectations and enhance its corporate competitiveness by advancing efforts to achieve world's leading "Monozukuri Innovation" and "Value Creation", as outlined in the SUBARU New Management Policy. Amid the rapid advancement of IT and digital technologies across society, our IT strategy is driven by the vision of creating a sustainable SUBARU through IT. We are working toward achieving "Monozukuri Innovation" and "Value Creation", in line with this vision. Through these efforts, we are building a solid foundation for development, manufacturing, and sales, while driving transformation across the entire SUBARU Group via IT, creating the agility needed to keep pace with the times.

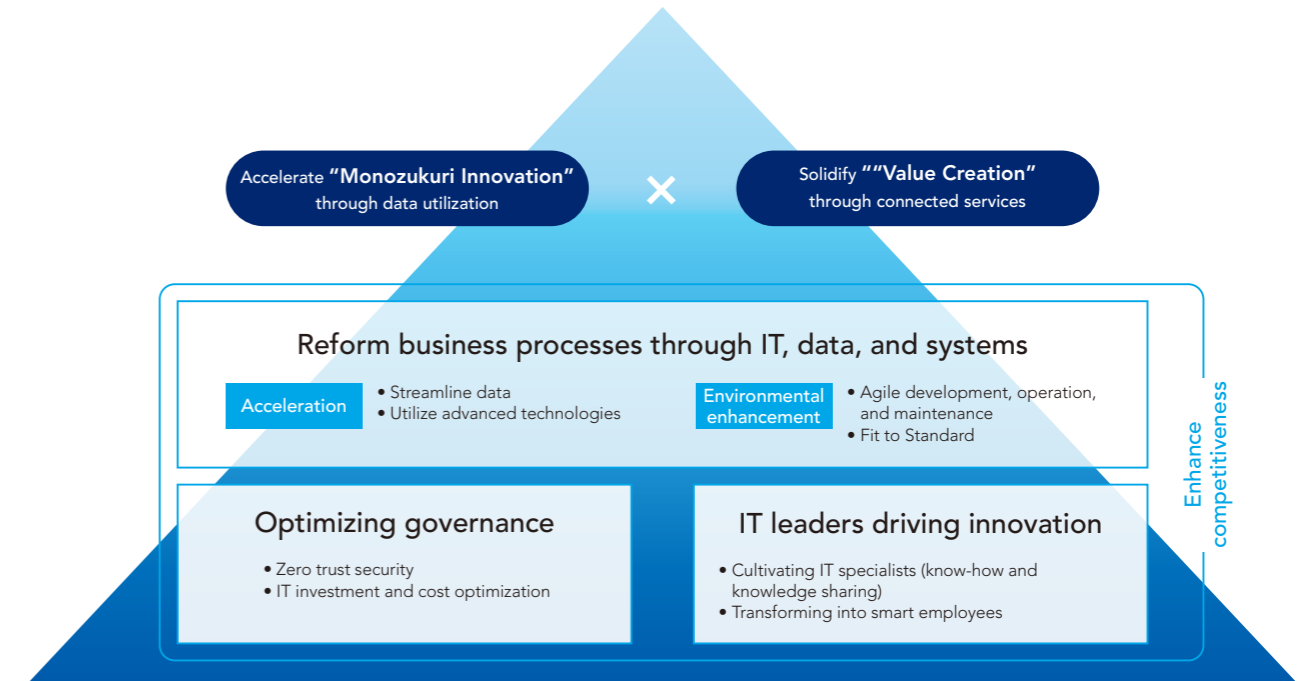


### Strengthening the Connection between SUBARU and Our Customers through IT

To strengthen the connection between SUBARU and our customers, we are advancing the use of IT, data, and digital technologies with two main pillars: reinforcing the monozukuri process and creating new value. Previously, our systems and data were individually optimized by department, which hindered our ability to effectively utilize valuable data. To address this issue, we are building an environment that centers on data and enables collaboration with various business activities, aiming to create synergistic effects among our diverse initiatives toward achieving "Monozukuri Innovation" and "Value Creation". By effectively utilizing the accumulated data, we will enhance the entire monozukuri process, which is becoming more advanced and complex, particularly in electrification. At the same time, we are advancing efforts to provide customers with new experiential value, further deepening our connection with them.



### Primary Initiatives



#### Reform Business Processes through IT, Data, and Systems

In response to the rapid and non-linear transformation in the automotive industry, we are working on business process reform to simplify operations using IT, data, and systems, aiming to respond at a pace that far exceeds SUBARU's previous capabilities. We are promoting Company-wide reform through IT by streamlining data, utilizing advanced technologies to accelerate and simplify operations, and establishing a framework for agile development, operation, and maintenance. Additionally, by adopting the Fit to Standard approach, which leverages the best available technologies, we are quickly optimizing our operational environment.

#### Enhancing Corporate Foundations through Optimized IT Governance

As the scope of stakeholders we engage with continues to expand due to technological advancements and changes in business and work styles, we are committed to establishing global IT governance centered around cybersecurity. This will enable us to consistently carry out operations that earn the trust of all our stakeholders. From the "One SUBARU" perspective, we are transforming our corporate structure to enable more efficient operations, faster decision making, and streamlined business execution through the standardization of rules and policies across the entire supply chain, including our bases, affiliates, and suppliers in Japan and overseas.

#### Cultivating Talent to Drive Reform through IT and Data in an Era of Transformation

To create and deliver new products and services in the coming era, it is essential to adapt to advancements in IT and digital technologies. To achieve this, we are focusing on developing specialized talent with advanced IT skills, discovering and nurturing individuals capable of leading business improvements through IT, and enhancing the IT/DX literacy of all employees. We position these and other initiatives as part of our "smart employee" strategy, emphasizing the cultivation of our human resources.

# Risk Management

## Our Approach

The SUBARU Group is undertaking risk management as one of its key priority management issues, not only to address emergency situations when they arise but also to deal with various risks that have a serious impact on daily corporate activities, as well as to minimize damage when risks emerge.

The automotive industry is ushering in a major transformation, which only occurs once in a hundred years. The SUBARU Group, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure and ensure the sustainability of its businesses by quickly tackling changes in world affairs. At the same time, the Group must boost its measures to minimize its human, social, and economic losses. Amid this environment, it is essential to strategically promote risk management throughout the Group to conduct business activities. We therefore believe it is important to create a SUBARU Group with an infrastructure that is resilient to risk to enhance our corporate value.

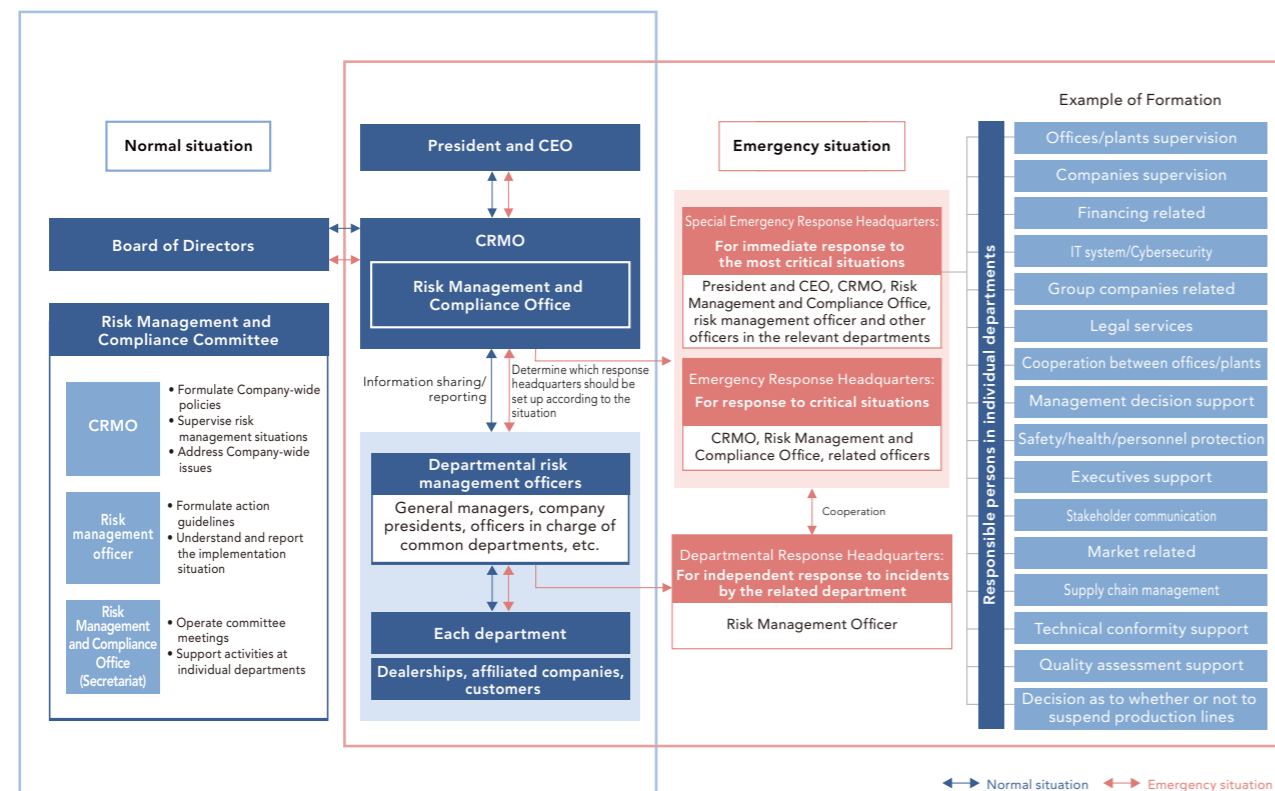
## Management System

To prevent the emergence and expansion of risks to the SUBARU Group, the CRMO (Chief Risk Management Officer) appointed by the Board of Directors leads risk management and compliance activities, reporting their status to the Board of Directors.

As a system to promote risk management, SUBARU has appointed risk management officers (job grade of Chief General Managers) for each department and established the Risk Management and Compliance Committee. This committee is chaired by the CRMO, and its vice chairperson is the executive officer in charge of the duties of the Risk Management Group, comprised of the Risk Management and Compliance Office and the Legal Department. At this committee, members deliberate, discuss, make decisions, and exchange/communicate information on important matters.

The CRMO leads corporate Group-wide efforts to enhance risk management with professional support from experts in corporate departments, such as the Risk Management and Compliance Office and the Legal Department. In this leadership role, the CRMO works closely with the Corporate Planning Department, which performs division-encompassing functions, as well as different divisions and companies. The Audit Department audits execution of tasks by each division and subsidiary in a planned manner.

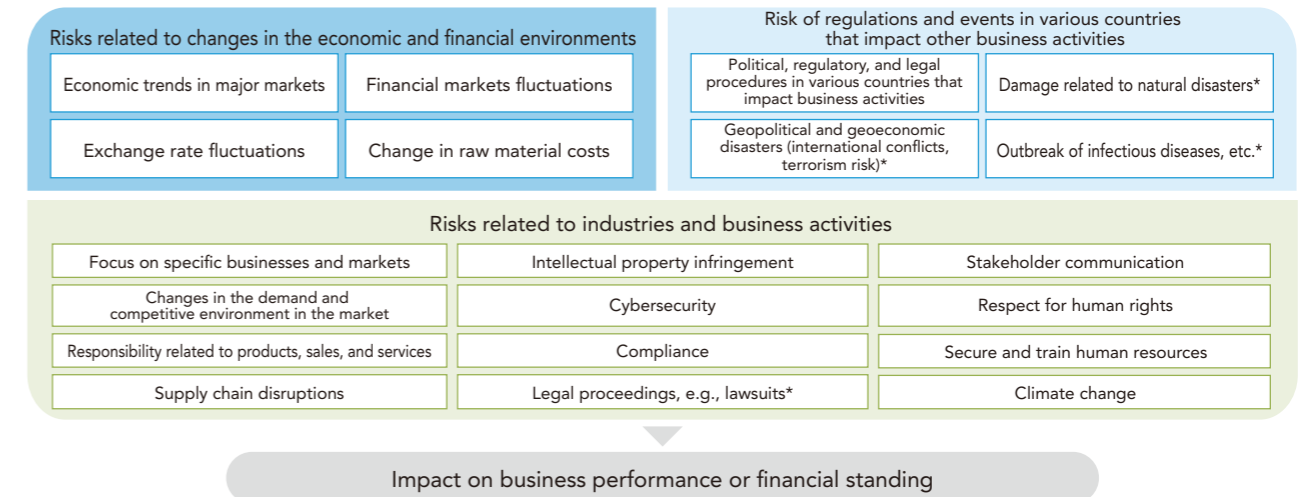
### Risk Management System



## Risks Associated with Business Activities

At the SUBARU Group, we extract and identify key risks associated with our business activities and consider measures to combat them. In line with the renewal of the risk map for FYE March 2024, we have reviewed the following 20 risks in light of their frequency of occurrence and impact on business activities, with a focus on the main risks that have a significant impact on business activities. Please note that this is not an exhaustive list of all risks relating to the SUBARU Group.

### 20 Risks Affecting Business Activities



Note: For details on business and other risks, please see pages 23 to 29 of the 93rd Annual Securities Report (in Japanese only).  
\* Newly identified important risks in light of their frequency of occurrence and impact on business activities (including risks that have been re-identified as individual risks)

Annual Securities Report (in Japanese only)  
[https://www.subaru.co.jp/ir/library/pdf/ms/ms\\_93.pdf](https://www.subaru.co.jp/ir/library/pdf/ms/ms_93.pdf)

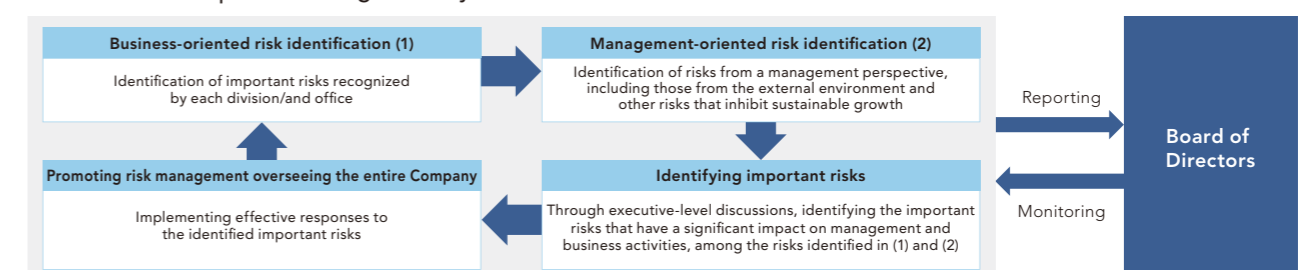
## Main Activities in FYE March 2024

- In accordance with the New Management Policy (announced in August 2023), formulated a new risk map through discussions at the executive level, updating the priority issues to be addressed in addition to the important risks of each division
- Carried out risk management training sessions for relevant personnel to improve their literacy in risk management methods and reputation management
- Carried out ongoing efforts to reduce the Group's key risks, such as strengthening cybersecurity, promoting supply chain BCP, and recovery actions from natural disasters, and the Risk Management and Compliance Committee regularly followed up on these efforts
- Advanced activities, including with our business partners, to strengthen security throughout the entire supply chain, in the awareness as a manufacturer that greater cybersecurity is an urgent and important management issue

## Activities to Further Strengthen Risk Management

- From FYE March 2025 onward, we will further strengthen and promote risk management by adopting a Group-wide risk management system for specific risks that have been identified as important from a management perspective, based on the latest external changes and the current environment, in addition to the high-priority risks that each division, and office is individually aware of, based on the updated risk map.

### The SUBARU Group's Risk Management Cycle





## Respect for Human Rights

### Our Approach

The SUBARU Group puts people first and engages in people-oriented manufacturing. SUBARU is working to embody its belief that respect for the rights and characteristics of individuals is an important management issue. The Group's Human Rights Policy established in April 2020 requires that we respect the human rights stipulated in international norms such as the Universal Declaration of Human Rights, International Bill on Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. It also applies to SUBARU and all its subsidiaries, as well as to business partners and other stakeholders. The policy states that we do not tolerate any discrimination based on race, age, sex, gender identification or expression, sexual orientation, national origin, ethnicity, religion, creed, profession, disability, family relations, or any other status protected by applicable law.

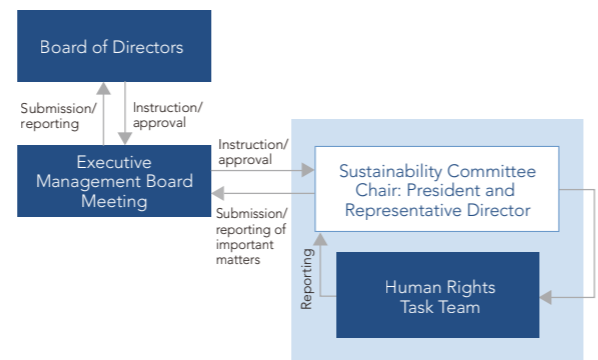
This policy was formulated with full consideration to stakeholders' expectations, incorporating discussions with outside experts and overseas subsidiaries. It was officially established after agreement by the second meeting of the CSR Committee\* for FYE March 2020 and reported to the Board of Directors in March 2020. This policy is run globally and appropriately, being ready to address future environmental changes.

\* Renamed in FYE March 2022 from the CSR Committee to the Sustainability Committee.

Respect for Human Rights (Human Rights Policy)  
[https://www.subaru.co.jp/en/csr/social/human\\_rights.html](https://www.subaru.co.jp/en/csr/social/human_rights.html)

### Management System

To strengthen and advance its initiatives for human rights, we have appointed the Representative Director, President and CEO as a director who is responsible for leading the process of developing this policy and assigning resources as needed. Specifically, we formed the Human Rights Task Team comprised of management personnel including the general managers from the Human Resources Department, Investor Relations Department, Sustainability Promotion Department, Risk Management and Compliance Office, Global Purchasing Planning Department, the Gunma Plant General Administration Department, and the Aerospace Company Procurement Department. This team regularly examines human rights issues and their countermeasures and implements the plan-do-check-act (PDCA) cycle. The content of examinations within the team is annually reported and deliberated upon in the Sustainability Committee, chaired by the Representative Director, President and CEO. The details and outcomes are then submitted and reported to the Board of Directors, where they are monitored for their impact on the SUBARU Group's business and appropriately addressed.



### Risks and Measures in Initiatives for Respect of Human Rights

At the SUBARU Group, we recognize that the area of respect for human rights presents risks related to industries and business activities. If the SUBARU Group or its business partners or other affiliated parties engage in activities that violate regulations regarding labor environments and occupational health and safety, or activities constituting any kind of harassment, infringement of workers' rights and opportunities, or procurement that violates human rights, we believe that this is not just a violation of relevant laws and regulations. Beyond this, we believe that this could result in a loss of customer trust and confidence, lead to a damaged brand image due to flagging opinions and reputations in society, impede sales, lead to turnover in human resources, make it difficult to procure materials and funds, or other negative outcomes, which could have a significant impact on our business foundation and our business performance and financial position.

The SUBARU Group has formulated its Human Rights Policy and conducts human rights due diligence based on this policy. We strive to continuously mitigate risks throughout the Group by identifying particularly important risks to our businesses as well as steadily implementing and managing measures to address them. In addition, we are advancing initiatives in encouraging our business partners and other stakeholders associated with our operations, including those in the supply chain, to respect human rights in accordance with this policy.

### Human Rights Due Diligence

The SUBARU Group carries out human rights due diligence in accordance with the procedures stipulated in the United Nations Guiding Principles on Business and Human Rights. Using the PDCA cycle, we are actively working on this together with our suppliers and business partners, and the Human Rights Task Team regularly monitors the progress and issues, reporting the results to the Sustainability Committee and the Board of Directors once a year. For measures in the procurement domain, we collaborate with our business partners to advance initiatives based on the SUBARU Supplier CSR Guidelines.

CSR Procurement  
<https://www.subaru.co.jp/en/csr/social/procurement.html>

FYE March 2019	<ul style="list-style-type: none"> <li>Establishment of the Human Rights Policy</li> </ul>
FYE March 2021 to FYE March 2022	<ul style="list-style-type: none"> <li>Identification of human rights risks and implementation of impact assessments in the areas of personnel and procurement</li> <li>Clarification of particularly key risks facing the SUBARU Group and formulation of measures*</li> <li>Commenced study session on business and human rights for employees in charge in the personnel and procurement fields (expanded every year)</li> </ul>
FYE March 2023 and beyond	<ul style="list-style-type: none"> <li>Implementation of measures against risks, and identification of the progress and issues of measures against risks by the Human Rights Task Team</li> </ul>

\* Developed with the cooperation of LRQA Sustainability Co., Ltd. (formerly Lloyd's Register Japan K.K.: <https://lrqa-sus.co.jp/>), which has expertise in business and human rights. (in Japanese only)

### Achievements of Initiatives in FYE March 2024 and Future Issues

In FYE March 2024, we re-examined the human rights risks and measures in the human resource domain that we identified in FYE March 2021 from the perspective of automobile manufacturing through a sampling survey, including on-site inspections and interviews with relevant personnel by LRQA Sustainability Co., Ltd. As a result, from the perspective of compliance, there were no issues identified that required improvement or that posed an immediate risk of harm to the people being interviewed. We will continue to raise awareness about respect for human rights as well as expand and continue verification of measures to mitigate risks.

#### Example measures implemented

Domain	Key human rights risks	Example measures implemented	Achievements of initiatives in FYE March 2024	Future issues
Human resources	Harassment of workers	<ul style="list-style-type: none"> <li>Conducting harassment prevention workshops for management</li> <li>Operating a harassment consultation service</li> <li>Early detection of risk issues using 360-degree evaluations for managers</li> </ul>	<ul style="list-style-type: none"> <li>Held department study groups during No Workplace Harassment Month to create a pleasant working environment</li> <li>Informed employees about and encouraged use of consultation services</li> <li>Identified high-risk individuals from evaluation results and conducted follow-ups with target workplaces</li> </ul>	<ul style="list-style-type: none"> <li>Preventing harassment and fostering greater awareness among employees</li> </ul>
	Forced labor among foreign workers	<ul style="list-style-type: none"> <li>Collaborating with supervisory bodies based on memorandums of understanding regarding foreign trainee workers, and preventing misconduct and unfair treatment through regular audits</li> </ul>	<ul style="list-style-type: none"> <li>Maintained coordination with supervisory bodies and conducted regular audits every three months and workplace patrols every month</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing collaboration with supervisory bodies and staffing agencies</li> </ul>
	Infringement of rights of vulnerable people in local communities (automobile manufacturing perspective)	<ul style="list-style-type: none"> <li>Ensuring installation of sanitary boxes in women's restrooms at factories</li> </ul>	—	—
Procurement	Human rights violations among suppliers	<ul style="list-style-type: none"> <li>Carrying out of supply chain human rights due diligence</li> <li>Building a supply chain grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Continued to carry out business partner CSR briefings and CSR surveys</li> <li>Maintained a worker consultation service via JP-MIRAI's collaborative program</li> </ul>	<ul style="list-style-type: none"> <li>Improving the accuracy of supply chain and human rights due diligence</li> <li>Establishing consultation and remediation services</li> </ul>
	Responsible mineral procurement	<ul style="list-style-type: none"> <li>Human rights measures for conflict minerals (gold, tin, tantalum, and tungsten)</li> <li>Human rights measures for non-conflict minerals</li> </ul>	<ul style="list-style-type: none"> <li>Continued to implement conflict mineral surveys</li> <li>Continued to implement cobalt surveys for battery manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>Gathering information and preparing for compliance with new international laws and regulations</li> </ul>
	Harassment of suppliers	<ul style="list-style-type: none"> <li>Partnership Formation Oath (in Japanese only)</li> <li>Compliance with the JAMA Voluntary Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>Implemented the provisions of the Oath</li> <li>Checked with business partners whether price negotiations are necessary, and conducted explicit consultations</li> </ul>	<ul style="list-style-type: none"> <li>Promoting and increasing awareness of fair trade throughout the supply chain</li> </ul>

## Directors, Auditors, and Executive Officers (As of June 19, 2024)

### Directors

Number of years in office as a director/number of shares owned \* Number of shares owned is as of the end of March 2024



**Atsushi Osaki**  
Representative Director,  
President and CEO  
3 years / 30,521 shares



**Fumiaki Hayata**  
Representative Director,  
Executive Vice President  
3 years / 16,607 shares



**Tomomi Nakamura**  
Director, Chairman  
6 years / 50,825 shares



**Katsuyuki Mizuma**  
Director, Senior Managing  
Executive Officer, CFO and CRMO  
3 years / 21,497 shares



**Tetsuo Fujinuki**  
Director, Senior Managing  
Executive Officer, CTO  
1 year / 15,810 shares



**Miwako Doi**  
Independent Outside Director  
4 years / 400 shares



**Fuminao Hachiuma**  
Independent Outside Director  
1 year / 1,000 shares



**Shigeru Yamashita**  
Independent Outside Director  
Newly appointed / 0 shares

### Auditors

Number of years in office as an auditor/number of shares owned \* Number of shares owned is as of the end of March 2024



**Yoichi Kato**  
Standing Corporate  
Auditor  
3 years / 11,129 shares



**Hiromi Tsutsumi**  
Standing Corporate  
Auditor  
4 years / 19,056 shares



**Yuri Furusawa**  
Independent Outside  
Auditor  
2 years / 700 shares



**Yasumasa Masuda**  
Independent Outside  
Auditor  
1 year / 0 shares

### Executive Officers

\* Concurrently serve as a Director

As of April 1, 2024

Chairman	Tomomi Nakamura*	—
President	Atsushi Osaki*	CEO (Chief Executive Officer)
Executive Vice President	Fumiaki Hayata*	Secretarial Office, Human Resources Department, Sales, Marketing, Costs, Purchasing
Senior Managing Executive Officer	Katsuyuki Mizuma*	CFO (Chief Financial Officer), CRMO (Chief Risk Management Officer), Finance & Accounting Department
Senior Managing Executive Officer	Tetsuo Fujinuki*	CTO (Chief Technology Officer), Engineering Division, Technical Research Center, CTO Strategy Office
Senior Managing Executive Officer	Tomoaki Emori	Corporate Planning Division
Managing Executive Officer	Tatsuro Kobayashi	CBBO (Chief Battery Business Officer), Battery Business Promotion Office
Managing Executive Officer	Jinya Shoji	Overseas Sales & Marketing Division 2
Managing Executive Officer	Osamu Eriguchi	CQO (Chief Quality Officer), Quality Assurance Division, Customer Service Division
Managing Executive Officer	Tamotsu Inui	Purchasing Division
Managing Executive Officer	Kazuhiro Abe	CCBO (Chief Connected Business Officer), CBPM (Connected Business Planning and Management)
Managing Executive Officer	Shinsuke Toda	Overseas Sales & Marketing Division 2, Corporate Planning Division, Corporate Communications Department, Investor Relations Department
Managing Executive Officer	Hiroshi Watahiki	Engineering Division, Technical Research Center
Managing Executive Officer	Tadashi Yoshida	Overseas Sales & Marketing Division 1, SCI, NASI
Managing Executive Officer	Ryota Fukumizu	Monozukuri Division, Gunma Plant
Managing Executive Officer	Ikuo Watanabe	CMzO (Chief Monozukuri Officer), CMzO Strategy Office, Data Intelligence Advancement Department, Engineering Division, Monozukuri Division
Executive Officer	Shinichi Murata	Risk Management Group, External Relations Department, Intellectual Property Department, General Administration Department, Sustainability Promotion Department
Executive Officer	Kazuki Uejima	Product Business Division
Executive Officer	Akihiro Kato	Parts & Accessories Division
Executive Officer	Katsufumi Nakazawa	Japan Sales & Marketing Division
Executive Officer	Kosuke Kawai	CCIO (Chief Cost Innovation Officer), Cost and Investment Management Office, Cost Innovation Promotion Office, Corporate Planning Division, Engineering Division, Product Business Division, Purchasing Division
Executive Officer	Yoshihiro Saito	Aerospace Company
Executive Officer	Yoichi Hori	CTO Strategy Office, Corporate Planning Division
Executive Officer	Eiji Shibata	CDCO (Chief Digital Car Officer), Engineering Division
Executive Officer	Nobuyuki Bando	SIA
Executive Officer	Yuri Tsuji	CIO (Chief Information Officer), IT Strategy Division
Executive Officer	Hideyuki Kusabuka	Human Resources Department

SIA: Subaru of Indiana Automotive, Inc.  
SOA: Subaru of America, Inc.  
SCI: Subaru Canada, Inc.  
NASI: North American Subaru, Inc.



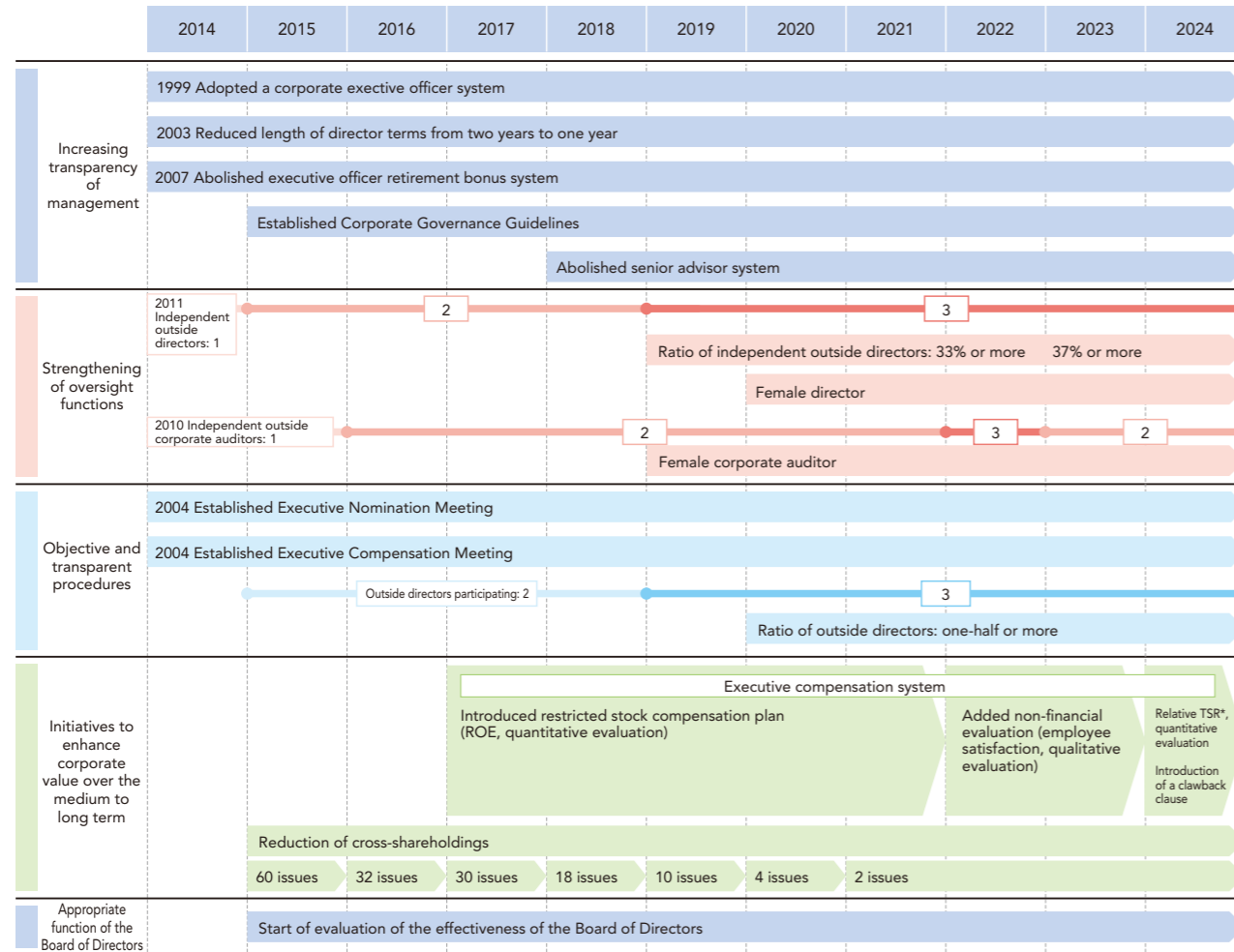
More detailed information on corporate governance.  
<https://www.SUBARU.co.jp/en/outline/profile.html>





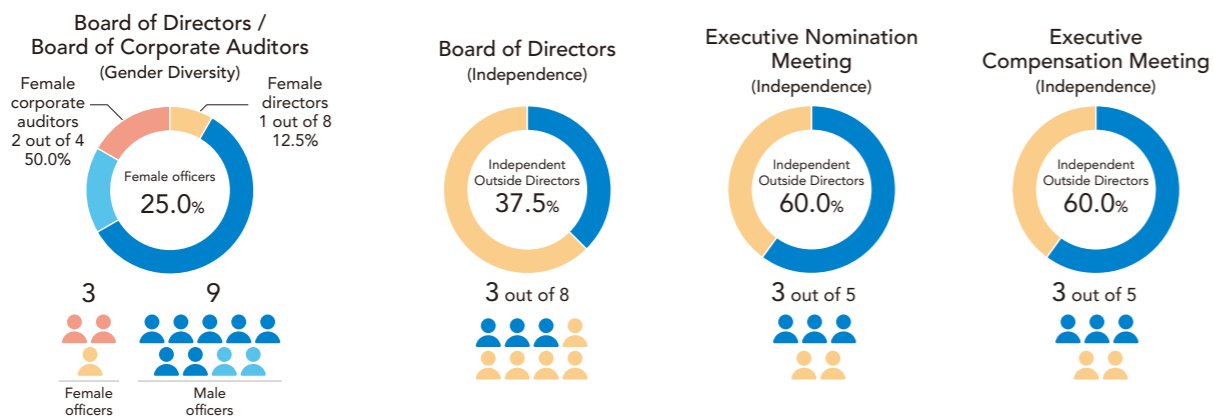
## Activities for Strengthening Corporate Governance

SUBARU has been steadily advancing efforts to enhance corporate governance, including improving management transparency and strengthening oversight functions. Going forward, we will progressively strengthen the effectiveness of SUBARU's distinctive corporate governance to foster sustainable growth and enhance corporate value over the medium to long term.



\* Compared to the TOPIX growth rate including dividends

## Composition of FYE March 2025 of the Board of Directors, Board of Corporate Auditors, Executive Nomination Meeting, and Executive Compensation Meeting



## Executive Skills for Sustainable Growth

### Utilizing the Skills Matrix

In order to further strengthen and improve the effectiveness of the Board of Directors' supervisory function, each year the Executive Nomination Meeting deliberates regarding a review of the skills that the Board of Directors should possess, taking into consideration the environment in which the Company is operating.

We have selected "business management (executive experience)," "promotion of business strategies," and "strengthening of management infrastructure" as the three skill areas that the Board of Directors should possess in order to overcome this once-in-a-century period of transformation and achieve sustainable growth beyond it. To steadily implement the "monozukuri innovation" and "value creation" policies set forth in the New Management Policy announced in August 2023, we have selected the specialized domain skills required to promote "promotion of business strategies" and "strengthening of management infrastructure."

### To Further Enhance Effectiveness

With respect to new skills to add to the Board of Directors, we will incorporate a diversity perspective to better respond to the flexibility and scalability of business, leading to the sustainability-minded appointment of executive human resources.

### Director/Auditor Skills Matrix

Required skills		Reasons for skills selection	Definition of skill possession
Business management (executive experience)		Experience, insight, and leadership required for making important strategic decisions	Experience of serving as top management of a listed company
Promotion of business strategies	Technology/development	Promotion of business strategies for accelerating responses to major transformation	Experience and track record as an officer in charge of each business division
	Manufacturing/purchase		
	Sales/marketing		
	Global		
Strengthening of management infrastructure	IT/digital	Strengthening of management infrastructure that supports the Company's sustainable growth	Knowledge, experience, and competency as an officer in charge of a business division or employee with experience in highly specialized operations
	Business administration/financial affairs/accounting		
	Legal affairs/compliance/risk management		
Human capital/labor			

Name	Title at the Company	Business management (executive experience)	Promotion of business strategies					Strengthening of management infrastructure		
			Technology/development	Manufacturing/purchase	Sales/marketing	Global	IT/digital	Business administration/financial affairs/accounting	Legal affairs/compliance/risk management	Human capital/labor
Atsushi Osaki	Representative Director, President (CEO)	●	●	●				●	●	
Fumiaki Hayata	Representative Director, Executive Vice President		●	●	●			●		
Tomomi Nakamura	Director, Chairman	●		●	●			●	●	
Katsuyuki Mizuma	Director, Senior Managing Executive Officer (CFO, CRMO)			●	●			●	●	
Tetsuo Fujinuki	Director, Senior Managing Executive Officer (CTO)		●					●		
Miwako Doi	Independent Outside Director		●					●		
Fuminao Hachiuma	Independent Outside Director	●		●	●	●				
Shigeru Yamashita	Independent Outside Director	●		●	●	●			●	
Yoichi Kato	Standing Corporate Auditor					●	●	●	●	
Hiromi Tsutsumi	Standing Corporate Auditor			●					●	
Yuri Furusawa	Independent Outside Auditor				●			●	●	
Yasumasa Masuda	Independent Outside Auditor				●			●		

Note: The list above does not cover the entire scope of knowledge held by the directors and corporate auditors.



## CEO Succession Plan

SUBARU recognizes that decision making regarding top management changes (e.g., the CEO) and successor selection may have a critical influence on corporate value. Therefore, in order to ensure a successful succession at the right timing, we invest substantial time and resources to carefully develop and implement succession plans.

In order to hand over the business to the right person, the Board of Directors, as part of its essential duties, develops succession plans that can convince all stakeholder groups. To ensure objectivity and transparency in the process for deciding on the replacement and selection of the CEO, the Board of Directors appropriately supervises the preparation of proposals by the current CEO through discussions at the Executive Nomination Meeting.

To be able to implement succession plans appropriately, the CEO begins to prepare for selection and development of their successor candidates independently upon assuming office. Key processes for this purpose include providing information on candidates to independent outside directors on an ongoing basis, particularly by enabling the directors to monitor the candidates in person continuously in day-to-day business settings, as a measure to ensure appropriate and timely evaluation and selection down the road.

The Board of Directors and Executive Nomination Meeting meet on a regular basis to review the list of essential qualities and skills required of the CEO, which may include removing and adding items, in consideration of perception of current trends, changes in the business environment surrounding the Company, and the future direction of the Group's business strategies.

To ensure the objectivity of the successor selection process and increase the effectiveness of its supervision by the Board of Directors and Executive Nomination Meeting, it is important to have effective selection criteria in place, particularly for use by independent outside directors. To this end, SUBARU discloses two sets of criteria: "Abilities required of the SUBARU Group's CEO" and "Five key qualities required of the SUBARU Group's CEO." These criteria serve as a guide for evaluating candidates in light of quality, competency, experience, track record, specialized expertise, personality, and other factors, which have been discussed and decided on by the Board of Directors and Executive Nomination Meeting.

### Abilities Required of the SUBARU Group's CEO

The SUBARU Group's CEO must be able to: properly understand the business environment surrounding SUBARU, its corporate culture and philosophy, business growth stages, and medium- to long-term management strategies and challenges; facilitate collaboration appropriately with various stakeholders; and lead all executives and employees to work together to maximize corporate value.

#### Five key qualities required of the SUBARU Group's CEO

1. Integrity
2. Broad perspective
3. Character
4. Tireless spirit or revolutionary leadership skills
5. Person of action

### Message from an Outside Officer



**Miwako Doi**  
Independent outside directors

**Driving growth with an organization consistently tackling challenges without losing sight of the essence of uniquely SUBARU monozukuri, and the rapid cultivation of the next generation of management personnel equipped with broad perspectives and capable of conscious action**

Our environment is becoming increasingly difficult to foresee due to various unprecedented events such as the 2020 outbreak of the COVID-19 pandemic and the invasion of Ukraine, as well as the drastic changes in economic trends and financial markets.

Meanwhile, society is shifting toward a connected orientation, including for automobiles, as consumer activities become increasingly digital and software-enabled due to generative AI and other factors. In the years ahead, the shift to digital technologies and networking across procurement, production, and logistics will be required to address labor shortages and reduce costs, and the bidirectional circulation of software and hardware, including AI, will become more important at manufacturing sites. In other words, siloing is not acceptable in a digital, networked, and connected world.

For the SUBARU Group to continue to grow and create new value for society under these circumstances, I believe that the Group needs to have an organization that respects the strengths of each individual without losing sight of a uniquely SUBARU essence of monozukuri, and that allows us to work together to steadily and take on new Value Creation, as well as human resources with a diverse range of ideas and skills.

To promote employees to become the next generation of executives, I feel that we need to deepen our discussions in the future so that we can build a training scheme and make more effective use of the skill matrix than ever before to systematically develop human resources. In addition, I would like to proactively take opportunities to communicate with the next generation of management personnel, including women, so that they can have a broad perspective and act consciously from the early stages of their careers.

I would be delighted to contribute to the development of human resources who will be responsible for SUBARU's future, based on my own experience.

## Major Activities in FYE March 2024 of the Board of Directors, Executive Nomination Meeting, and Executive Compensation Meeting

### Board of Directors Number of Meetings Held: 13\*1

#### Major Themes

- Determination of candidates for directors and corporate auditors, as well as the CEO and other members of the management team
- Matters pertaining to repurchase and cancellation of own shares
- Determination to revise the executive compensation system and the policy for determining the content of compensation, etc., for each individual director, and to delegate to the Executive Compensation Meeting regarding the determination of compensation, etc., for each individual director and executive officer under the executive compensation system
- Discussions on reports related to medium- and long-term management issues, including the EV strategy, IR/SR activities, the Sustainability Committee, and the Risk Management and Compliance Committee

#### Initiatives to Active the Board of Directors

Information and knowledge regarding SUBARU's business activities that is necessary to carry them out is provided on an ongoing basis. SUBARU also provides its outside officers on an ongoing basis with information relating to the Company's corporate statement, corporate culture, business environment, and other matters, mainly through arranging appropriate opportunities, such as operations briefings from business divisions and factory tours, as well as creating an environment for officers to share information and exchange opinions more easily, including the establishment of management roundtable discussions\*2.

\*1 In addition, there was one written resolution that was deemed equivalent to a Board of Directors' meeting in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

\*2 Events for the exchange of opinions on important topics for SUBARU, held by directors and corporate auditors but not requiring resolution

### Executive Nomination Meeting Number of Meetings Held: 8

- Creating a succession plan for the CEO and others, 360-degree evaluation of executives, development of executive human resources with a focus on the CEO using the skills matrix for executives, revision of the skills matrix for executives (addition of "reasons for skill selection" and "definition of skills possession," acceleration of the process for determining the executive structure, the Company's executive structure)
- Deliberations, etc., on personnel matters and the division of duties, as well as on the reporting of executive appointments for major subsidiaries

### Executive Compensation Meeting Number of Meetings Held: 8

- Reporting on proposed revisions to the director compensation system and the policy for determining the details of remuneration, etc., for individual directors
- Consideration of executive compensation levels using external survey data
- Determination of individual performance-linked compensation amounts for directors (excluding outside directors) and executive officers based on their evaluations
- Determination of individual base amounts, etc., for restricted stock compensation

### Message from an Outside Officer



**Fuminao Hachiuma**  
Independent outside directors

**Active discussion at the Board of Directors and enhancing corporate value using field sensibilities and perspectives different from internal wisdom/objectivity**

The automotive industry has entered a time of great transformation, and we recognize that various dynamics will determine the direction of this transformation. I believe that, going forward, there will be an ever-increasing need to consider future scenarios from multiple perspectives, not just as an extension of the present.

At the same time, the pursuit of the "Enjoyment and Peace of Mind" we espouse in the era to come will come in the form of the universal value found in mobility, an important initiative to hone SUBARU's unique strengths. As for the root of this value, in the U.S. we have built a robust brand foundation through strong ties with customers and retailers, and through contributions to local communities. We see this value as a key business asset that will be unchanged in the era to come.

The Board of Directors and management roundtable discussions then make decisions while sharing information on changes in the external environment, forecasts, and necessary responses in order to respond to the changing environment with flexibility and scalability. Outside directors have also had opportunities to communicate directly with local SUBARU colleagues in the U.S., our largest market, as well as in Japan, to deepen their understanding.

We see it as a key initiative for us to further discuss important topics at the Board of Directors, such as the progress of initiatives toward carbon neutrality that SUBARU will implement going forward, and to disseminate information to stakeholders with greater clarity than before. I will strive to fulfill my responsibilities as an independent outside directors director to enhance corporate value with a different perspective from internal wisdom, plus objectivity, while maintaining a field sensibility, so that I can support SUBARU in overcoming the rough waves of transformation and toward sustainable development.

## Outside Directors

- Nomination Criteria**
- The independent outside directors are expected to perform a monitoring function independent from the management team and provide appropriate advice on management on the basis of a wide range of sophisticated knowledge.
  - SUBARU has established criteria for independence of outside officers in addition to the criteria for independence established by the Tokyo Stock Exchange, and appoints independent outside directors who meet those criteria.

### Reasons for Appointing the Outside Directors and Major Activities in FYE March 2024

Name	Reasons for appointing	Meeting attendance	Significant concurrent*1 positions*1
Miwako Doi Appointed June 2020	As a researcher and supervisor in the field of information technology at Toshiba Corporation, Ms. Miwako Doi has accumulated vast experience and made many achievements in this field over many years. In addition, she has held successive positions, mainly in government committees, owing to her high level of expertise and extensive experience and knowledge. In June 2020, the Company appointed her to the position of independent outside director. Given that she has been providing beneficial advice to the Company's management for the generation of new innovation, we appointed Ms. Doi with the expectation that she will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an independent outside director of the Company and that she will continue to appropriately perform her duties as an independent outside director of the Company.	Board of Directors*2 Attended 13 meetings/100% attendance Executive Nomination Meeting Attended 8 meetings/100% attendance Executive Compensation Meeting Attended 8 meetings/100% attendance	Auditor, National Institute of Information and Communications Technology (NICT) (part-time) Executive Vice President, Tohoku University (part-time) Executive Director, Nara Institute of Science and Technology (part-time) Outside Director, NGK Spark Plug Co., Ltd.
Fuminao Hachiuma Appointed June 2023	Mr. Fuminao Hachiuma has abundant experience and knowledge acquired through his involvement in management in a broad range of fields including overseas business at Ajinomoto Co., Inc. and its group companies as well as promotion of strengthening of corporate governance and management reform of J-OIL MILLS, INC. as Representative Director and President. In June 2023, the Company appointed him to the position of independent outside director. Given that he has been providing frank opinions on the Company's management, we appointed Mr. Hachiuma with the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an independent outside director of the Company and that he will continue to appropriately perform his duties as an independent outside director of the Company.	Board of Directors*2 Attended 10 meetings/100% attendance*3 Executive Nomination Meeting Attended 5 meetings/100% attendance Executive Compensation Meeting Attended 6 meetings/100% attendance	Outside Director, Seven & i Holdings Co., Ltd. Outside Audit & Supervisory Board Member, YKK AP Inc.
(Newly appointed) Shigeru Yamashita Appointed June 2024	Since his appointment as Representative Director of Pigeon Corporation, Mr. Shigeru Yamashita has led that company's efforts to promote management transformation, strengthen corporate governance, and maximize corporate value, and has abundant experience and insight in business management. In light of this, the Company has appointed Mr. Yamashita as a new independent outside director in the expectation that he will provide sufficient advice and oversight of all aspects of the Company's management from an independent perspective as an independent outside director of the Company, and that he will appropriately perform the duties of independent outside director of the Company.		

\*1 The status of "Significant current positions" is as of September 30, 2024.

\*2 In addition to the number of times Board of Directors' meetings were held as stated in the table above, there was one written resolution that was deemed equivalent to a Board of Directors' meeting in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

\*3 Fuminao Hachiuma's meeting attendance is for meetings after his election and appointment at the 92nd Ordinary General Meeting of Shareholders held on June 21, 2023.

### Message from a New Outside Officer



Shigeru Yamashita  
Independent Outside Director

#### Creating new value that is uniquely SUBARU, even in times of great transformation, to enhance both social value and economic value

I believe that the purpose of corporate governance is to achieve sustainable business growth and enhance corporate value over the medium to long term. However, to actually produce results, it is necessary for corporate governance to function effectively from the dual perspective of "defensive" (preventing fraud and compliance violations and protecting human rights and the environment) and "offensive" (taking risks to generate future business growth and cash flow by planting seeds and implementing strategies) activities.

Though my experience is in a different industry, as a company head I have always believed that corporate value consists of both social value and economic value, and I have practiced management for enhancing both. Social value can ultimately be judged by whether or not a company is essential to society. The driving force to make this happen is each employee, so it is extremely important to share the Company's philosophy with employees. In this sense, I feel that SUBARU's vision of being a company "Delivering Happiness to All" and its value of providing "Enjoyment and Peace of Mind" are firmly rooted within the organization as the foundation of our work.

In the midst of major transformation in the automotive industry, SUBARU must make strategic decisions, including major investments, in a state where it does not know the right answer and must fumble for the way forward, such as how to address EVs. As a response, SUBARU has begun to implement "monozukuri innovation" initiatives, which include a significant reduction in development time. I believe that SUBARU's status as the creator of the world-class EyeSight technology is what allows it to create new value that is uniquely SUBARU. As an outside director, I would like to encourage timely and decisive management decisions to improve the Company's corporate value over the medium to long term.

## Executive Officer Training

Category	Training policy / Major ongoing programs
Directors	<b>Policy</b> SUBARU provides its directors and auditors with information and knowledge regarding its business activities that is necessary for them to fulfill their responsibilities to oversee and audit directors and auditors on an ongoing basis
Auditors	<b>Training</b> <ul style="list-style-type: none"> <li>Refresher courses focusing on information regarding the Companies Act and other laws and regulations related to corporate governance</li> <li>Opportunities for participation in seminars and programs hosted by government agencies, Japan Federation of Economic Organizations, Japan Association of Corporate Directors, Japan Audit &amp; Supervisory Board Members Association, etc.</li> </ul>
Outside directors	<b>Policy</b> SUBARU provides its outside officers on an ongoing basis with information relating to the Company's corporate statement, corporate culture, business environment, and other matters, mainly through arranging appropriate opportunities, such as operations briefings from business divisions and factory tours, as well as creating an environment for officers to share information and exchange opinions more easily.
Outside auditors	<b>Training</b> <ul style="list-style-type: none"> <li>The following programs are provided to outside Board members at the time of appointment and subsequently to keep them updated:                             <ul style="list-style-type: none"> <li>Opportunities for discussions with and briefings from responsible executive officers about the corporate statement, corporate culture, business environment, and the performance, situation and issues of each business division/department</li> <li>Inspection tours at manufacturing/R&amp;D/distribution sites</li> <li>Discussions with directors and corporate auditors on management issues</li> <li>Social gatherings with directors and corporate auditors</li> <li>Participation in Company-wide business events, such as improvement activity debriefing sessions</li> </ul> </li> </ul>
Executive officers	<b>Policy</b> SUBARU gives executive officers similar opportunities as those given to directors and auditors, for the purpose of developing human resources to lead its management in the future.  <b>Training</b> <ul style="list-style-type: none"> <li>Opportunities for participation in external programs aimed at fostering the mindset required for executive management and motivating self-improvement actions</li> <li>Lectures by invited experts in specific topics to share and increase literacy in the related field (legal affairs, compliance, IT, the SDGs, media response, etc.)</li> <li>Strategy-building camps for all executive officers</li> <li>Recommendation and support for participation in appropriate external seminars and programs</li> </ul>

Note: Expenses to be incurred for offering the above training to directors and auditors, including outside officers and executive officers are borne by the Company.

Category	Major results in FYE March 2024
All executives	<ul style="list-style-type: none"> <li>Newly appointed directors and executive officers participated in external seminar programs</li> <li>Held a total of three classroom lectures by invited experts on management issues such as adapting to electrification and sustainability</li> </ul>
Outside directors	<ul style="list-style-type: none"> <li>Operations briefings offered by executive officers and others, and related discussions</li> </ul>
Outside auditors	<ul style="list-style-type: none"> <li>Held a total of four discussions with directors and corporate auditors on management issues</li> <li>Outside directors and outside corporate auditors participated in external presentations and exhibits about future technologies and quality solutions</li> </ul>



## Effectiveness Evaluation of the Board of Directors

Each year, SUBARU's Board of Directors (BoD) analyzes and evaluates the Board's effectiveness in accordance with Article 23 of the Corporate Governance Guidelines and considers and implements improvements to address any issues identified. In addition, a summary of the results of these improvements is disclosed as appropriate.

In FYE March, 2024, aiming to apply the results of the evaluations toward enhancing the BoD's functions, the BoD confirmed efforts to address issues recognized in previous evaluations, reorganized the evaluation items on the survey and expanded interviews to cover all directors, and assessed and analyzed the reasons and underlying factors behind differences in the recognition of issues. The results of this process are reported below.

### Methods of Evaluation and Analysis

Process period and method	December 2023 to February 2024 Self-evaluation survey created by a third-party body; interviews
Eligible participants	Survey: Directors (8) and auditors (4) for a total of 12 respondents Interviewees: Chair of the BoD, Representative Director and President, Representative Director and Deputy President, and independent outside directors (3) for a total of 6 interviewees
Process	1. Third-party body conducts anonymous self-evaluation survey of directors and auditors 2. Third-party body conducts interviews with the chair of the BoD, Representative Director and President, Representative Director and Deputy President, and independent outside directors 3. Third-party body aggregates and analyzes survey responses and interviews 4. BoD verifies and discusses reports received from third-party body
Evaluation items on the survey	(a) BoD roles and functions (f) BoD risk management and internal control (b) BoD composition (g) Executive Nomination Meeting and Executive Compensation Meeting operation (c) BoD operation (h) Shareholder dialogue (d) BoD support system (i) Continued BoD improvements (e) BoD culture and communication

### Evaluation Results

Based on the report received from the third-party body aggregating and analyzing results, the SUBARU BoD discussed and confirmed the following points:

#### 1. General evaluation

The BoD of the Company was confirmed to be effective under the new management system in its support of strong, ambitious, and strategy-driven execution.

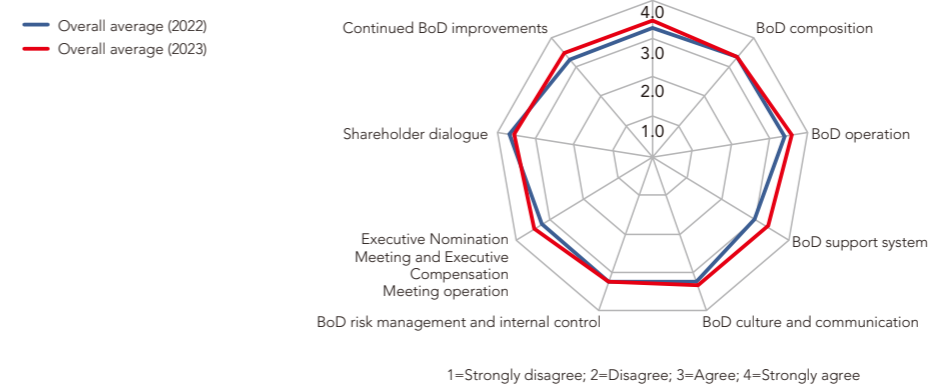
#### 2. Characteristics of the Company BoD

Item	Outline
A BoD with a focus on the monitoring function	The independent outside directors understand the premise that SUBARU is in a unique position in the industry, and they are discussing issues accordingly. SUBARU has a clearly presented strategic direction, the execution side is enthusiastically engaged, and the BoD, which supports and watches over execution, is currently well established.
Environment allowing free and open discussion	The environment facilitates expression and allows for free and open discussions.
High awareness of compliance and risk management	There is a high awareness of compliance and risk management, with five Risk Management and Compliance Committee reports conducted during the year.
Secretariat functioning as a support department	There were nearly no comments of dissatisfaction from independent outside directors in terms of information provision, prior explanations, Board meeting materials, etc. The secretariat functions well as the nexus between supervision and execution.

### Progress in FYE March 2024 and Issues for Action in FYE March 2025

Action Status in FYE March 2024		Issues for FYE March 2025 Onward	
Issues identified	Initiatives to rectify issues from the previous year	Assessment	Direction of issues for action
Discussion of medium- to long-term management strategy	Management roundtable discussions were flexibly utilized and substantial discussions were held. Information will be continuously and regularly updated on the progress of medium- and long-term management strategies, etc.	Improvement	Discussions will continue to be stimulated about how to set agendas in accordance with the progress of the electrification strategy and other elements of the New Management Policy and how to monitor the entire Group.
Further bolstering the support system for independent outside directors	By increasing opportunities for information input to independent outside directors, such as information sharing outside of Board meetings and site visits, we have strengthened the system to support the fulfillment of their functions as independent outside directors.	Improvement	Efforts will be made to expand opportunities for communication with top executives and corporate auditors in order to encourage independent outside directors to further fulfill their functions.
Further improving the effectiveness of the Executive Nomination Meeting and evaluating function	Since the CEO transition has just occurred, further discussions will be needed going forward on how to evolve the CEO succession process. For the Executive Nomination Meeting, involvement in the executive succession process, including the establishment of a candidate cultivation scheme and planned development through effective use of the skill matrix, is an issue for future exploration.	Needs further improvement	The process of cultivating and selecting executives, with a focus on the CEO, will be further deepened through efforts such as reviewing the process of appointing independent outside directors, developing and utilizing a skills matrix for all executives, and deepening discussions about succession.

### Results of the Questionnaire



### Evaluation Items

Evaluation items		Evaluation items	
(a) BoD roles and functions	Recognition of the roles and functions of the BoD	(e) BoD culture and communication	Diverse values
	Delegation of authority to execution		Stakeholder perspectives
	Reporting system		Directors and business divisions
Supervision of corporate management	Inside and outside directors		
(b) BoD composition	Size of the BoD	Directors and corporate auditors	
	Composition of the BoD (ratio of inside to outside directors)		
(c) BoD operation	Composition of the BoD (diversity and expertise)	(f) BoD risk management and internal control	Risk management
	Frequency, length, and time allocation of meetings	Group governance	
	Relevance of agenda items	Internal control and compliance	
	Timing of proposals and discussions	(g) Executive Nomination Meeting and Executive Compensation Meeting operation	
	Quality and quantity of documents	Supervision of proper disclosure of information to shareholders and investors	
	Timing of document distribution	(h) Shareholder dialogue	Sharing the views of shareholders and investors
	Prior explanation	Enhancing dialogue with shareholders and investors	
	Content of explanations and reports	(i) Continued BoD improvements	Status of improvements based on the previous fiscal year's effectiveness evaluation
	Discussions by the BoD		
	Leadership by the Chair		
(d) BoD support system	Environment and systems for the provision of information		
	Provision of information to outside officers		
	Training of outside officers		
	Training of inside officers		

## Auditing

### Auditing by Corporate Auditors

In addition to attending important meetings such as the Board of Directors, the Company's corporate auditors engage in activities that include exchanging opinions with executive officers and communicating individually with the directors and corporate auditors of Group companies. Through these efforts, they gather extensive information on business execution, including the development and operational status of internal controls across the Group, as well as verify their effectiveness. Additionally, necessary advice and recommendations are provided based on the observations obtained from these audit activities.

### Activities in FYE March 2024

#### Major Activities of the Corporate Auditors

- **Confirming management monitoring and execution**  
Each corporate auditor attended important meetings, including those of the Board of Directors, Executive Management Board Meeting, and Risk Management and Compliance Committee. When in attendance, they monitored management decision-making processes, sought explanations as necessary (including through opportunities other than those meetings), and actively expressed their opinions.
- **Communication with directors, executive officers, and others, and confirmation of internal control status at various business establishments, including Group companies**  
Through exchanges of opinions with directors, executive officers, and others, as well as visits to and inspections of major business establishments and Group companies, and collaboration with the directors and corporate auditors of Group companies, the corporate auditors confirmed the status of business execution, including the development and operation of the Group's internal controls.  
Through regular meetings with the Legal Department, Risk Management and Compliance Office, and Internal Audit Department, they confirmed the status of risk management practices across the Group.
- **Cooperation in the three-party audit system**  
Corporate auditors conducted regular reporting sessions with the Internal Audit Department and accounting auditors, facilitating information sharing and exchanges of opinions that fostered close cooperation in the three-party audit system. By implementing coordinated audit activities, they carried out mutual verification of the effectiveness of internal controls across the Group.

#### Board of Corporate Auditors Number of Meetings Held: 12

- **Matters for resolution**  
Audit policy, audit plan and division of audit duties, consent to agenda items for the General Meeting of Shareholders (appointment of corporate auditors), evaluation and selection/dismissal of the accounting auditors, consent to the audit fee for the accounting auditors, preparation of the audit report, etc., for the current fiscal year
- **Matters for reporting**  
The Board of Corporate Auditors shared reports and insights based on findings obtained from individual corporate auditor activities. Additionally, the Board received reports from the responsible departments on risk management issues from a preventive audit perspective, enabling them to verify the appropriateness of management execution.

### Internal Audit

The Internal Audit Department evaluates the development and operational status of internal controls and the effectiveness of risk management from an independent and objective standpoint, while verifying the appropriateness of business execution at SUBARU and its Group companies in Japan and overseas, providing advice and proposals for improvement as required.

#### System and Initiatives

The Internal Audit Department, comprising 18 members, reports directly to the President. This department formulates a business audit plan at the beginning of each fiscal year, taking into consideration the risks and internal control status of the entire Group, and conducts operational audits accordingly.

#### Reporting of Business Audit Results

Audit reports on business execution are distributed to all directors, corporate auditors, and relevant departments, and simultaneously presented to the President at a monthly reporting meeting. Reports are also provided to the Board of Directors semi-annually and to a joint meeting composed of all executive officers on a quarterly basis.

## Outside Auditors

- Nomination Criteria**
- The independent outside auditors are expected to perform a management oversight function independent from the management team and undertake their role of auditing from the viewpoint of legality and appropriateness on the basis of broad and advanced knowledge.
  - SUBARU has established criteria for independence of outside officers in addition to the criteria for independence established by the Tokyo Stock Exchange, and appoints independent outside auditors who meet those criteria.

### Reasons for Appointing the Outside Corporate Auditors and Major Activities in FYE March 2024

Name	Reasons for appointing	Meeting attendance	Significant concurrent positions*1
Yuri Furusawa Appointed June 2022	Ms. Yuri Furusawa has held key positions in the Ministry of Land, Infrastructure, Transport and Tourism, and has been involved in the promotion of work style reform, active participation by women and diversity in the Cabinet Secretariat, as well as in overseas business development in the private sector, giving her a broad perspective and a high level of insight. In light of this, the Company has appointed Ms. Furusawa with the expectation that she will appropriately perform her duties as an independent outside auditor of the Company.	Board of Directors*2 Attended 13 meetings/100% attendance Board of Corporate Auditors Attended 12 meetings/100% attendance	Outside Audit & Supervisory Board Member, Kubota Corporation
Yasumasa Masuda Appointed June 2023	Mr. Yasumasa Masuda has served as CFO at Astellas Pharma Inc. and has deep insight in overall management with focus on financing and accounting. He has also served as an Independent Non-Executive at Deloitte Tohmatsu LLC and an Outside Director and Chairman of the Audit Committee at Olympus Corporation, giving him a broad perspective and a high level of insight. In light of this, the Company has appointed Mr. Masuda with the expectation that he will appropriately perform his duties as an independent outside auditor of the Company.	Board of Directors*2 Attended 10 meetings/100% attendance*3 Board of Corporate Auditors Attended 10 meetings/100% attendance*3	

\*1 The status of "Significant current positions" is as of September 30, 2024.

\*2 In addition to the number of times Board of Directors' meetings were held as stated in the table above, there was one written resolution that was deemed equivalent to a Board of Directors' meeting in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

\*3 Yasumasa Masuda's meeting attendance is for meetings after his election and appointment at the 92nd Ordinary General Meeting of Shareholders held on June 21, 2023.

## Internal Control

### Management System

With the aim of increasing the effectiveness of internal controls and risk management, the Internal Audit Department was made independent of the Risk Management Group, overseen by the CRMO (Chief Risk Management Officer), to ensure a higher level of independence of internal audit departments in the organization and to enhance the effectiveness of internal controls.

### Internal Control System

In accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, SUBARU's Board of Directors has adopted a basic policy on putting in place systems that ensure that the performance of duties by directors is in conformity with laws and regulations and with the Articles of Incorporation, and other systems prescribed in the ordinance of the Ministry of Justice as being necessary to ensure the appropriate operations of the Company and the corporate group consisting of the Company and its subsidiaries. The Board of Directors maintains and operates this basic policy, reviewing it as needed.

## Internal Control System Related to Financial Reporting

Regarding internal control reporting systems pursuant to the Financial Instruments and Exchange Act, the responsibility for the development and operation of internal controls related to the Company's financial reporting lies with the CEO (Chief Executive Officer) and CFO (Chief Financial Officer). In addition, the evaluation of the internal control system is based on the final day of the consolidated accounting period and is conducted in accordance with standards that are generally accepted as fair and appropriate for assessing internal controls related to financial reporting.

As a result of the evaluation, it was confirmed that the development and operational status of the internal control system were deemed effective as of March 31, 2024, and an internal control report audited by the accounting auditors was issued to that effect.

 Annual Securities Report (in Japanese only)

[https://www.subaru.co.jp/ir/library/pdf/ms/ms\\_93.pdf](https://www.subaru.co.jp/ir/library/pdf/ms/ms_93.pdf)



## Executive Compensation System

### Revision of Executive Compensation System

To provide more incentive for Company directors and executive officers (excluding outside directors) for achieving sustained improvement of the SUBARU Group's value over the medium and long term, we revised our restricted stock compensation plan in FYE March 2025 as part of our review of the executive compensation system. The revisions primarily focus on the following three points, which were approved at the 93rd Ordinary General Meeting of Shareholders held on June 19, 2024, and have been applied to the executive compensation for FYE March 2025.

#### Greater Ratio of Stock Compensation

In FYE March 2018, we introduced fixed compensation type restricted stock compensation (RS) for directors and executive officers. In FYE March 2023, we added variable compensation type performance share units (PSU), gradually increasing the weight of stock compensation. In the FYE March 2025 revision, we further increased the proportion of stock compensation to strengthen the link between compensation and the enhancement of corporate value. As a result of this revision, the composition ratio of basic compensation, annual performance-linked bonuses, and restricted stock compensation for the Representative Director, President and CEO has been set at 1:0.5:0.7 (for the latter, 0.5 for PSUs plus 0.2 for RS). As before, outside directors will only receive basic compensation.

#### Addition of Relative TSR (vs. TOPIX Growth Rate Including Dividends) as a KPI for PSUs

In the FYE March 2025 revision, we added relative TSR (compared to the TOPIX growth rate including dividends) as a new KPI in the quantitative (financial) evaluation, in addition to the previous KPIs. This indicator is aimed at enhancing corporate value.

#### Introduction of a Clawback Clause for Stock Compensation

To improve compensation governance, a clawback clause has been introduced into the stock compensation system alongside the increase in the proportion of stock compensation. If, during the restricted transfer period or within three years after the termination of the restrictions on transfer, it is found that an executive has committed an act of misconduct or that there is a material error in the performance on which the grant of stock was premised, the Company may, based on the details discussed and decided by the Executive Compensation Meeting and by a resolution of the Board of Directors, acquire the executive in question's allotted shares in whole or in part without compensation, or demand that the executive pay an amount equivalent to the market value of the shares in question.

### Overview of Executive Compensation System

#### Basic Compensation

Directors and executive officers receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual executive officer is determined based on their positions, taking into consideration elements such as the business environment.

#### Annual Performance-Linked Bonuses (Short-Term Incentive)

We have set up a compensation table more closely linking compensation to annual performance the higher the rank, based on the KPI of consolidated profit before tax for the fiscal year under review. Based on this table, cash compensation is paid at a certain time of each year. For senior managing executive officers, managing executive officers, and executive officers, specific amounts will be determined after taking into consideration annual performance and level of contribution to human resource development. Such compensation will not be paid to outside directors.

#### Restricted Stock Compensation (Medium-and Long-Term Incentive)

Fixed compensation type RS: Shares of the Company's common stock are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director and executive officer, and other factors.

Variable compensation type restricted stock compensation (PSUs): Units (one unit = one share) are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director and executive officer, and other factors. After an evaluation period, shares of the Company's common stock are granted at an amount equivalent to the number of units multiplied by a payout ratio determined in accordance with achievement levels for each performance indicator target.

#### KPI for PSU in FYE March 2025

Consolidated ROE is used for the quantitative (financial) evaluation, while the qualitative (non-financial) evaluation incorporates employee engagement indicator improvement points and relative TSR (compared to the TOPIX growth rate including dividends).

Restricted stock compensation will not be paid to outside directors.

#### Compensation System for Directors (Representative Director, President and CEO)

	Fixed portion	Short-term incentives	Medium- and long-term incentives	
	Basic compensation	Annual performance-linked bonuses	Variable compensation type (PSU)	Fixed compensation type(RS)
Composition*	1	0.5	0.5	0.2

\*The ratio of annual performance-linked bonuses and restricted stock compensation (variable/fixed compensation types) are indexed to a basic compensation of 1.

### Matters Concerning the Policy for Determining Details of Compensation for Individual Directors

The policy for determining details of compensation for individual directors for FYE March 2025 is as follows.

(Determined at the May 15, 2024 meeting of the Board of Directors)

Policy for Determining Details of Compensation for Individual Directors						
<b>1. Basic policy</b>						
As a basic policy, compensation for directors of the Company is determined in view of the following items:						
(1) Compensation is at a level commensurate with the roles and responsibilities of directors and is appropriate, fair, and balanced.						
(2) The compensation structure is determined by giving consideration to providing motivation for sustained improvement in corporate performance and corporate value and securing excellent human resources.						
Specifically, for directors (excluding outside directors), compensation is composed of basic compensation, annual performance-linked bonus, and restricted stock compensation (for non-resident officers, phantom stock instead of restricted stock). For outside directors, the Company pays only basic compensation in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position. The total amount of compensation for individual directors and the levels of each compensation item are set for every position depending on difference in responsibility by utilizing the research data compiled by outside specialized agencies.						
<b>2. Policy for determining the amount of monetary compensation excluding performance-linked compensation (hereinafter, the "Fixed Monetary Compensation"), performance-linked compensation, and non-monetary compensation (including the policy for determining the timing or conditions for granting such compensation)</b>						
(1) Policy for the Fixed Monetary Compensation						
Directors receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual directors is determined based on their positions, taking into consideration elements such as the business environment.						
(2) Policy for performance-linked compensation						
For annual performance-linked bonus for directors (excluding outside directors), we have set a compensation table based on rank and the KPI of consolidated profit before tax for the fiscal year under review. Based on this table, cash compensation is paid at a certain time of each year. In addition, in order to encourage the achievement of goals in the Group's medium- to long-term strategy, a portion of restricted stock compensation (described in (3) below) to be granted as non-monetary compensation will be PSUs, where the number of shares granted is linked to the degree to performance target achievement. Consolidated ROE, which is emphasized in our medium-term strategy, and TSR, which contributes to the enhancement of corporate value over the medium to long term, are adopted as financial KPIs for these PSUs, while employee engagement is adopted as a non-financial KPI. The KPIs and the composition ratio of each KPI for annual performance-linked bonuses and PSUs shall be reviewed, discussed, and decided by the Board of Directors based on the proposals approved by the Executive Compensation Meeting from as needed based on changes in the environment.						
(3) Policy for non-monetary compensation						
The Company grants restricted stock compensation to directors (excluding outside directors) to enhance incentives for the sustained improvement of corporate value and to promote further value sharing with shareholders. For restricted stock compensation, a portion shall be provided as the fixed compensation type, with the rest as the variable compensation type. Both of these shall be prohibited from being transferred during the recipient's term of office, and this restriction on transfer shall be lifted upon their retirement. For fixed compensation type restricted stock compensation (RS), shares of the Company's common stock are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director, and other factors. For variable compensation type restricted stock compensation (PSUs), units (one unit = one share) are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director, and other factors. After an evaluation period, shares of the Company's common stock are granted at an amount equivalent to the number of units multiplied by a payout ratio determined in accordance with achievement levels for each						
performance indicator target. The maximum number of shares of the Company's common stock to be granted as restricted stock compensation to directors, for RS and PSUs combined, is 150,000 per year. In addition, the Company and its directors shall enter into a restricted stock allotment agreement that includes an overview and provisions that state (1) Company executives shall not, while they serve in their positions as executives and for a set period of time, transfer, create a security interest on, or otherwise dispose of the shares of the Company's common stock that have been allotted to them, and (2) the Company may acquire the said shares of its common stock without compensation if certain events occur. In addition, in the event that certain misconduct is committed and/or certain other events occur during the period up to three years after the expiration of the transfer restriction period, the Company may, based on the details deliberated and decided by the Executive Compensation Meeting and by a resolution of the Board of Directors, demand that the common shares in question be returned in whole or in part, or that an amount be paid equivalent to the market value of the shares in question (clawback). If a director is a non-resident of Japan at the time shares are granted, the Company shall grant phantom stock in place of and equivalent to the restricted stock compensation that would have been granted, and the stock shall also be treated in accordance with the restricted stock allotment agreement.						
<b>3. Policy for determining the proportion of the Fixed Monetary Compensation, performance-linked compensation, and non-monetary compensation to the total amount of compensation, etc., for individual directors</b>						
The Company has set the following as a general guideline for proportions of compensation by type for directors (excluding outside directors) in reference to the compensation levels and compensation mix of companies of a similar scale to the Company or industry peers obtained through an external research company, and in consideration of factors such as the Company's overall salary level and social situations (performance-based compensation is a proportion of the base amount).						
	Basic compensation	Annual performance-linked compensation	Restricted stock compensation		Rate	
			PSU	RS	President	Directors other than the President
Fixed monetary compensation	●				1	1
Performance-linked compensation		●	●		1	0.9
Non-monetary compensation			●	●	0.7	0.6
The Company shall appropriately review the compensation level and compensation mix in consideration of the Company's business environment, as well as the situation of companies of a similar scale to the Company or industry peers, and other circumstances based on reports from the Executive Compensation Meeting.						
<b>4. Matters concerning the determination of details of compensation, etc., for individual directors</b>						
The Board of Directors shall establish an Executive Compensation Meeting, consisting of a majority of independent outside directors, as a voluntary committee in order to ensure fairness and transparency in the decision-making process regarding compensation of executives. The chair of the Executive Compensation Meeting shall be appointed by a resolution of the Board of Directors. The Executive Compensation Meeting shall be delegated the authority to determine the specific amounts of basic compensation, annual performance-linked bonuses, and restricted stock compensation for directors and the timing of their payment, etc., based on resolutions of the General Meeting of Shareholders and the Board of Directors, and shall make decisions after sufficient deliberation by its members, including independent outside directors. For restricted stock compensation, the number of shares allotted to individual directors is determined by the resolution of the Board of Directors based on the base amounts decided at the Executive Compensation Meeting. Revisions of the executive compensation system and other matters pertaining to compensation overall are deliberated and decided on by the Board of Directors based on proposals approved by the Executive Compensation Meeting.						

### Matters Concerning Performance-linked Compensation, etc. in FYE March 2024

The Executive Compensation Meeting, delegated by the Board of Directors, determines the annual performance-linked compensation to be paid to each director by setting a compensation table that is more closely linked to annual performance the higher the rank, based on actual pre-tax income for FYE March 2024. The table on the right shows the amount of the annual performance-linked bonuses for FYE March 2024 and the actual results related to the KPIs used for PSUs.

Performance indicator (KPI)	Results
Consolidated profit before tax	532.6 billion yen
ROE	16.50%
Employee engagement indicator improvement points	-11 points

### Total Compensation for Directors and Auditors for FYE March 2024

(Millions of yen)

Category	Basic compensation (Paid in fixed monthly installments)	Annual performance-linked bonuses	Restricted stock compensation		Total	
			PSU	RS		
Directors: 11	Internal directors: 7	213	244	69	65	591
	Outside directors: 4	38	—	—	—	38
Auditors: 6	Internal corporate auditors: 2	63	—	—	—	63
	Outside auditors: 4	26	—	—	—	26
Total: 17		340	244	69	65	718

\*1 Figures in the above table include two internal directors, one outside director, and two outside auditors who resigned before the last day of FYE March 2024. At the end of FYE March 2024, there were eight directors, including three outside directors, and four auditors, including two outside auditors.

\*2 Total amounts in the above table represent the amounts recorded as expenses at the end of FYE March 2024 and include contingent compensation (such as phantom stock and PSUs granted to non-residents in Japan).

\*3 The amounts for phantom stock and PSUs are calculated based on the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market as of March 31, 2024, and the stock price at the time of grant will be applied for the actual payment.

## Cross-Shareholding

### Policy for Cross-Shareholding

SUBARU holds listed stocks as cross-shareholdings and engages in dialogues with the companies in question. Each year, SUBARU's Board of Directors quantitatively measures and compares benefits from holdings, using dividend yield, and the capital cost involved, using weighted average cost of capital (WACC), in order to verify each. The Company will maintain these holdings only if it deems, based on the results of this verification, that the shares will contribute to its medium-to long-term management and business strategies in a qualitative manner.

### Verification Details for Cross-Shareholding

Based on the above policy, SUBARU has steadily reduced the number of listed stocks held as cross-shareholding. As a result, 60 issues held at the end of March 2015 decreased to 2 issues at the end of March 2021. We consider these two issues to be essential to hold at this time for the following reasons, but we will continue to hold dialogues with these companies at least once a year, and the Board of Directors will evaluate and scrutinize these issues annually to determine whether they should be held or not.

### Investment Stocks Held for Purposes other than Pure Investment

As of March 31, 2024

Issues	Number of shares	Amount reported on the balance sheet (Millions of yen)	Purpose of holding, impact of holding
The Gunma Bank, Ltd.	2,850,468	2,503	The Gunma Bank, a local bank of the area where the Company's main factory resides, is supporting not only SUBARU but also local supplier sites in Japan and abroad through its financial services. As the bank has been the Company's important partner, the Company will continue to hold the bank's shares to promote fair and smooth financial transactions.
Mizuho Financial Group, Inc.	372,097	1,133	The Mizuho Financial Group firms have been supporting SUBARU with financial transactions and other services. In particular, the Mizuho Bank has long been the Company's most important financial partner, providing support in abroad area of management. The Company will continue to hold the group's shares to promote fair and smooth transactions.

### Criteria for Exercising Voting Rights for Cross-Shareholding

With regard to the exercise of voting rights for listed stocks held as cross-shareholding, the Board of Directors deliberates on and determines the criteria for exercise with evaluation items such as whether the company is consistently exhibiting poor performance, whether a sufficient number of independent outside directors are in place and if management is supervised appropriately, and whether there are any corporate governance issues present. Although these are our general principles, we hold dialogues at least once a year with companies whose stock we hold to avoid making blanket decisions. Accordingly, we exercise our voting rights appropriately in light of the performance, management policies, and medium- to long-term management plans of the companies in question, as well as from the perspectives of corporate value enhancement, corporate governance, and social responsibility. In addition, we will continue to verify whether or not our criteria for exercise of voting rights warrant review.

## Dialogue with Shareholders and Investors

SUBARU strives to build long-term relationships of trust with our shareholders, investors, and analysts through constructive dialogue in order to contribute to sustainable growth and medium-to long-term enhancement of corporate value. We will deepen mutual understanding through proactive dialogue, such as financial results briefings by the CEO and CFO and overseas presentation events (North America and Europe), as well as business and technology briefings by management, and regularly report the content of dialogue with shareholders and investors and issues raised to the Board of Directors and relevant departments for further disclosure and enhanced dialogue.

### Internal Promotion System

Under the overall supervision of the CEO and CFO, the management team promotes constructive dialogue. In order to further enhance dialogue, the Investor Relations Department takes the lead in organically coordinating with related organizations, including corporate planning, the Board of Directors Secretariat, finance and accounting, legal affairs, human resources, sustainability, intellectual property, and the Internal Audit Department.

### Providing Feedback Internally

Opinions and concerns identified in dialogue with shareholders, investors, and analysts are reported to the Board of Directors as necessary, and are regularly feedback to directors, corporate auditors, executive officers, and other relevant departments in activity reports.

### Managing Insider Information

In order to prevent undisclosed important inside information (insider information) from being leaked in dialogues, the Company has implemented thorough information management in accordance with the Company-wide rules for the prevention of insider trading. Furthermore, in accordance with SUBARU's Disclosure Policy, we conduct appropriate dialogue with shareholders and investors.



Disclosure Policy

<https://www.subaru.co.jp/en/ir/disclosure.html>

### FYE March 2024 Dialogue Results

In addition to various events and interviews attended by management, we engage in dialogue with shareholders, investors, and analysts of various types in Japan and overseas through product and technology briefings aimed at deepening understanding of our business.

#### Results of Dialogue with Shareholders and Investors

Dialogue events	Times held	Major participants*
Financial results briefings	4 times	President and CEO; Executive Vice President; Senior Managing Executive Officer and CFO; Senior Managing Executive Officer and Chief General Manager of Corporate Planning Division
Small meetings	9 times	President and CEO; Director; Senior Managing Executive Officer and CFO; Executive Officer and General Manager of Investor Relations Department
Securities houses' conferences	6 times	Senior Managing Executive Officer and CFO; Executive Officer and General Manager of Investor Relations Department
Product/technical briefings, factory tours	3 times	Senior Managing Executive Officer and CTO; Engineering Division members; Product & Portfolio Planning Division members; Investor Relations Department members; etc.

Individual dialogue	Times held	Major participants*
Dialogue with investors/shareholders (of which, dialogue with overseas investors/shareholders)	211 times (114 times)	President and CEO; Senior Managing Executive Officer and CFO; Executive Officer and General Manager of Investor Relations Department; Investor Relations Department members
Dialogue with analysts	87 times	Executive Officer and General Manager of Investor Relations Department; Investor Relations Department members

\* Major participants' positions are as of the event in question.

#### Major Topics in Dialogue

Most recent performance	Parts supply issues and production status, U.S. market conditions, pricing policies, etc.
Initiatives for electrification	Amount of investment into the domestic production reorganization plan
ESG-related topics	Initiatives related to carbon neutrality, human capital management, further strengthening of governance, etc.
New Management Policy (announced August 2, 2023)	
Shareholder returns	



# Compliance

## Our Approach

At SUBARU, compliance is positioned as one of our most important management issues. All executives and employees of the SUBARU Group are deeply ingrained with the commitment to adhere to the Compliance Manual, laws, internal regulations, and social ethics and norms, making it an integral part of their behavior at all levels. In the unlikely event of a violation of set standards, not only could the Company incur damages in accordance with legal regulations, but such incidents could erode the trust and confidence of customers, business partners, clients, shareholders, and broader society. We have thus built and operate a compliance system/organization, and carry out activities such as providing different kinds of training so that each employee has a strong awareness that thorough Company-wide compliance forms the foundation of our management and behaves in accordance with this.



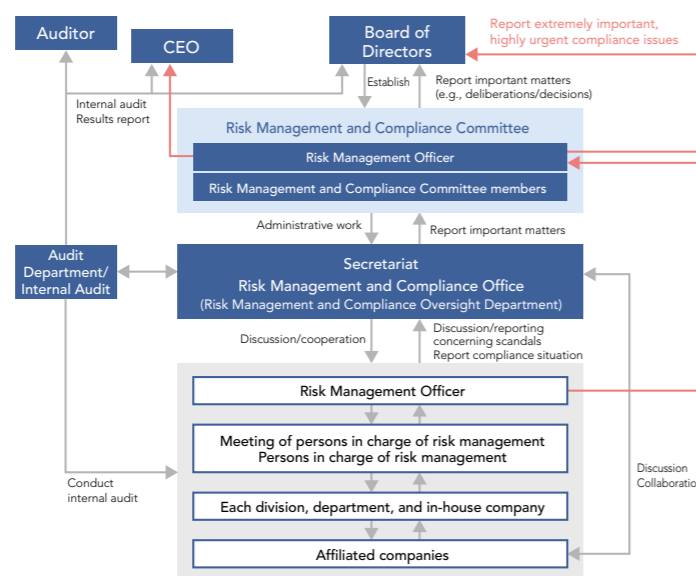
Compliance Manual

## Management System

The SUBARU Group has established the Risk Management and Compliance Committee as an organization to promote compliance, and the CRMO (Chief Risk Management Officer) appointed by the Board of Directors serves as the chairman of the committee and implements global and Group-wide initiatives. In addition, the committee is responsible for the formulation of various policies, etc., and deliberating and deciding on important compliance matters, such as the status of Group-wide compliance activities and the operation of the internal reporting system, as well as for information exchange and liaison. The content of the committee's activities is deliberated and reported on at the Board of Directors' meetings.

We also employ a PDCA cycle, with each department creating its own compliance program each fiscal year to enhance compliance. This involves consistent, structured independent actions for legal compliance management and to foster employee compliance awareness, as well as subsequent verification of compliance status.

### Compliance System



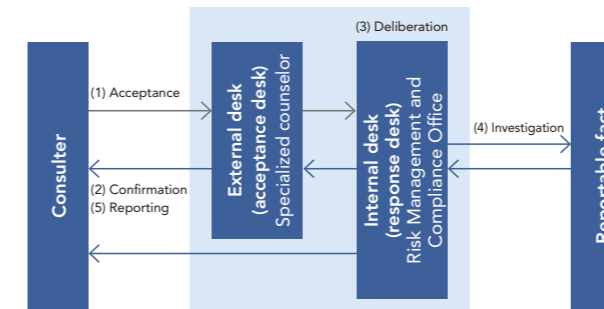
## Compliance Hotline

When regular or temporary employees of SUBARU and its Group companies in Japan detect a problem related to compliance in the Group, they can consult with our Internal Reporting Desk by using the Compliance Hotline.

The Internal Reporting Desk is staffed by employees designated as engaged persons under the Whistleblower Protection Act, who investigate and respond to reports received by telephone, websites, mail, and other methods. We have also established a desk outside the Company staffed by external third-party specialists who have no conflict of interest to increase the hours in which service is available and to increase the confidentiality and security of those contacting the desk.

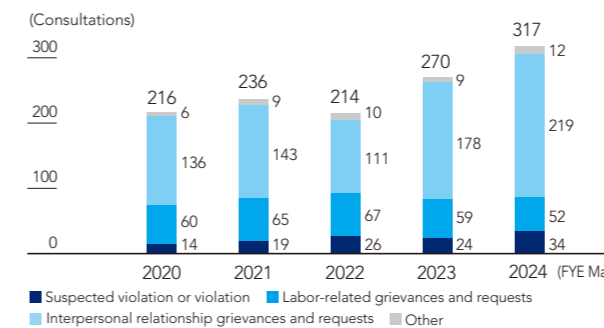
Through initiatives to raise awareness of this system, SUBARU has improved awareness of compliance and fostered an atmosphere where employees can consult even about trivial matters. This has resulted in an increasing trend in the number of consultations over the previous five years. In addition, since more than 80% of consultations are interpersonal relationship or labor-related, this system also contributes to corporate culture reforms as a desk for taking up and resolving workplace issues.

## Subaru Compliance Hotline



- (1) Acceptance of consultations
- (2) Confirmation of the consulting party's intent (anonymity/non-anonymity, requests, etc.)
- (3) Deliberation by the investigation policy meeting (response policy, etc., based on the consulting party's intent)
- (4) Investigation and confirmation of corrective actions by the Risk Management and Compliance Office and cooperating parties (human resource departments, workplace managers, etc.)
- (5) Reporting to consulting party (if necessary)

## Breakdown of Compliance Hotline Consultations and Trend over Time



Consultations in FYE March 2024

Consultations: 317  
Of which, compliance violation concerns and actual violations: 34

In FYE March 2024, there were no serious compliance violations. Eight of the 34 cases involved conduct that could be identified as harassment, such as workplace bullying. For this reason, we are looking to raise greater awareness through various training programs specific to harassment. There were no cases of violations of the Labor Standards Act.

## Bribery Prevention

At SUBARU and its Group companies in Japan, we consider the prevention of bribery in the connection to our businesses as an important issue, and have established the following standards of conduct in the Compliance Guidelines, and are working to ensure specific conduct is rigorously permeated via the Compliance Manual. SUBARU Group companies overseas have also established guidelines on anti-bribery in consideration of local laws and regulations to clarify the conduct required of employees and executives.

- Prohibition of providing, offering, or promising improper entertainment, gifts, favors, or other economic benefits to public officials or persons in similar positions, whether in Japan or abroad
- Prohibition of providing or receiving an amount in excess of socially accepted norms in dealings with business partners and customers who do not constitute public officials or similar persons
- Prohibition of receipt of personal gain as a result of using information obtained in the course of business, establishing boundaries between public and private life

Under its monitoring system for bribery prevention, SUBARU collects information for the early detection of cases that may constitute compliance violations through fact-finding investigations covering all units. Business audits are also conducted by internal audit departments. Furthermore, SUBARU has established a system to report high-risk cases to the Risk Management and Compliance Committee and the Board of Directors, in an effort to strengthen oversight.

In FYE March 2024, there were no fines, penalties, or settlement payments related to violations of anti-corruption laws and regulations within the Group, and no individuals were subject to disciplinary dismissals for such violations.

## Tax Policy

The SUBARU Group is able to conduct its business operations thanks to support from society, and it strongly recognizes the importance of returning profits to society. The Group considers fulfilling its tax obligations to be an essential element of this.

The SUBARU Group strives to ensure compliance with the tax laws and regulations of each country and jurisdiction, pursuant to the international rules and standards set out by international organizations, thereby fulfilling its social obligations through appropriate tax payment, while aiming for sustainable growth through sound business activities.



More detailed information on compliance.

Please refer to SUBARU website for details about Corporate Governance Guidelines and Tax Policy.  
<https://www.subaru.co.jp/en/csr/governance/compliance.html>



Business Overview

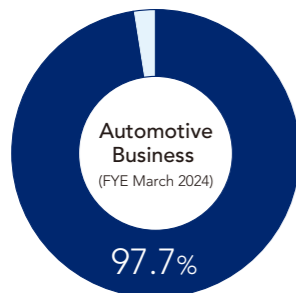
# Automotive Business Unit



SUBARU's history as an automaker began with the launch of the SUBARU 360 in 1958. Since then, we have worked continually to provide new value in automobiles by developing new categories based on our core technologies, such as the horizontally-opposed engine and symmetrical AWD, and by creating new technological value, including EyeSight, the world's first\* driver assist system. These actions have deepened our relationships with customers. In recent years, we have positioned the U.S. as an important market, with a strategy of concentrating limited management resources in fields in which we should extend our strengths and advantages, including product lineups focused on SUVs and sports models. We provide "Enjoyment and Peace of Mind" through high-value-added products. In addition, we are developing core technologies in areas such as BEVs and HEVs, while leveraging alliances to accelerate our initiatives toward achieving carbon neutrality.

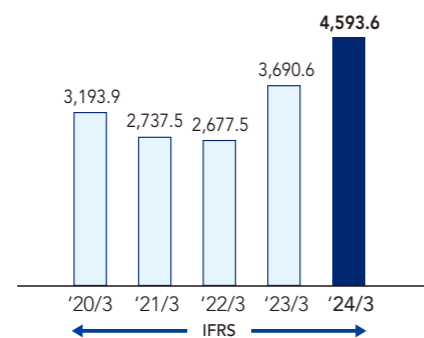
\* EyeSight is the first driver assist system to provide all functionality solely through the use of stereo cameras

Consolidated Revenue Contribution Ratio



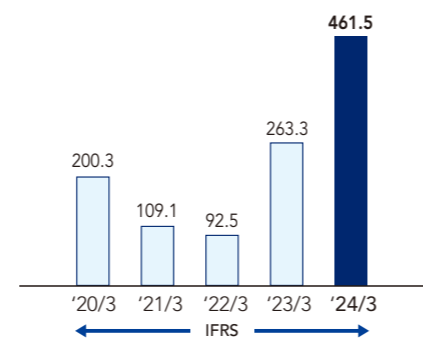
Revenue

(Billions of yen)

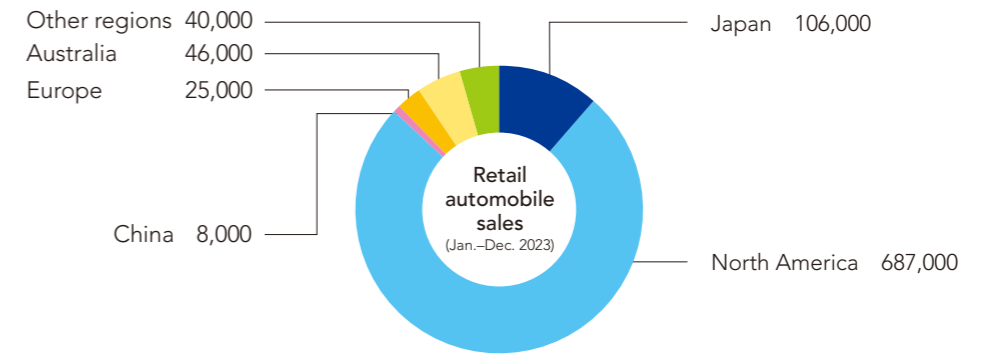


Operating Profit

(Billions of yen)



Automobile Sales by Region



Product Lineup

**SOLTERRA**  
SUV (BEV)



Unit sales: 14 thousand units  
Sales region: Japan, North America, Europe, and other

**LEVORG**  
**LAYBACK**



Sports / Wagon  
Unit sales: 16 thousand units  
Sales region: Japan, Australia, and other

**ASCENT**  
(Other markets: EVOLTIS)  
SUV



Unit sales: 65 thousand units  
Sales region: North America, and other

**WRX**



Sports / Sedan  
Unit sales: 34 thousand units  
Sales region: Japan, North America, Australia, and other

**OUTBACK**  
SUV



Unit sales: 206 thousand units  
Sales region: Japan, North America, Europe, Australia, China, and other

**SUBARU BRZ**



Sports / Coupe  
Unit sales: 15 thousand units  
Sales region: Japan, North America, Europe, Australia, China, and other

**FORESTER**  
SUV



Unit sales: 226 thousand units  
Sales region: Japan, North America, Europe, Australia, China, and other

**LEGACY**



Sedan  
Unit sales: 26 thousand units  
Sales region: North America

**CROSSTREK**  
SUV



Unit sales: 241 thousand units  
Sales region: Japan, North America, Europe, Australia, China, and other

**IMPREZA**



Wagon  
Unit sales: 50 thousand units  
Sales region: Japan, North America, Europe, Australia, and other

OEM

**JUSTY**



**STELLA**



**SAMBAR VAN**



**CHIFFON**



**PLEO+**



**SAMBAR TRUCK**



**REX**



Unit sales: 20 thousand units  
Sales region: Japan (OEM supply from Daihatsu Motor Co., Ltd.)

Notes: 1. Retail unit sales in each region for the period from January 1 to December 31, 2023.  
2. Regional sales results are for the aforementioned period.

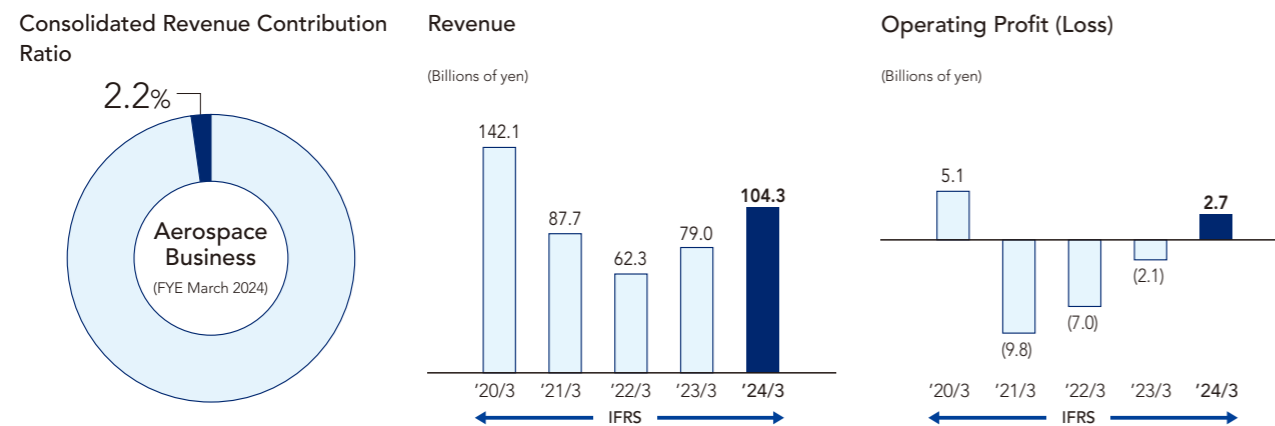


Business Overview

# Aerospace Business Unit



SUBARU's roots trace back to 1917 and the Aircraft Research Laboratory, later to become Nakajima Aircraft. In the SUBARU of today, our Aerospace Business carries on Nakajima Aircraft's passion for Monozukuri, leading Japan's aerospace industry through the development and production of a diverse set of aircraft under three business pillars: defense, commercial, and helicopter. Our defense business is wide-ranging, including the development and production of aircraft systems under an all-Japan framework, as well as of training aircraft for the Japan Self-Defense Forces. In our commercial business, we are responsible for the development and manufacturing of the center wing boxes and various other components of large aircraft such as the Boeing 787 through an international joint development program with U.S.-based Boeing. In our helicopter business, we produce the UH-2 utility helicopter used by the Japan Ground Self-Defense Force and its commercial version, the SUBARU BELL 412EPX.



- Primary Products and Services**
- SUBARU BELL 412EPX
  - UH-2 utility helicopter
  - T-5 and T-7 trainers
  - Flying Forward Reconnaissance System
  - Main wings for P-1 maritime patrol aircraft and C-2 transport aircraft
  - Center wing boxes for Boeing 787, 777, and 777X

## Commercial Business

Since first participating in the Boeing passenger program in 1973, we have been involved in development and production as a key partner of Boeing for more than 50 years. SUBARU manufactures the center wing box, the critical aircraft section where the right and left wings are attached to the front and rear fuselage and major sections. Since the center wing box contains the aircraft's fuel, Boeing requires that we provide high mechanical strength and high fluid tightness, a need we have met by commanding our advanced design and assembly technologies.

The Handa Plant, located in Aichi Prefecture and where center wing boxes for large aircraft are manufactured, is a global-level production center that for more than three decades has provided parts for not only the Boeing 787 but also the Boeing 777X, Boeing 777, the Ministry of Defense's P-1 maritime patrol aircraft, and the C-2 transport aircraft. The plant has manufactured and shipped center wing boxes for more than 3,000 large aircraft.



A center wing box (Handa Plant)

## Defense Business

For half a century, the SUBARU Group has been providing overall operational support, including aircraft manufacturing, scheduled maintenance, refueling, and training, for programs such as Japan Air Self-Defense Force and Japan Maritime Self-Defense Force training aircraft systems, as well as Japan Ground Self-Defense Force utility and combat helicopters. We also boast a significant track record in development for unmanned aerial vehicles, and are actively involved in the operation support of existing systems and the research and development of future systems.

SUBARU also participates in the development of Japan's major defense aircraft systems, including fighter, transport, and patrol aircraft, and we are responsible for the development and production of major components, focusing on areas where we have particular strengths, including main wings, tail fins, and composite materials.

Driven by the increase in the defense budget, the business environment for Japan's defense business has changed significantly. SUBARU will contribute to the defense of Japan through action precisely meeting the needs of our customers with rock-solid technical capabilities backed up by many years of experience and achievements.



The T-5 Japan Maritime Self-Defense Force training aircraft

## Helicopter Business

SUBARU produces the UH-2 utility helicopter used by the Japan Ground Self-Defense Force and its commercial version, the SUBARU BELL 412EPX, on its mass production line at the Utsunomiya Plant. The UH-2 is used for air transportation, lifesaving and rescue missions during disasters, evacuation of residents, firefighting, and other missions to protect the safety and security of the general public.

The SUBARU BELL 412EPX has seen a steady increase in orders. This aircraft boasts high reliability for operation under harsh conditions and excellent serviceability, and is expected to enjoy broad use in Japan and around the world.

We will continue to support safe and reliable flight operations for its customers as a company with manufacturing and maintenance bases in Japan, not only by manufacturing and selling aircraft, but also by supplying parts and performing scheduled maintenance.



The UH-2 Japan Ground Self-Defense Force utility helicopter

## Initiatives for the Future

Toward achieving an enjoyable and sustainable society, SUBARU is promoting DX efforts to save labor in the production process, including the supply chain, and GX initiatives such as the use of sustainable aviation fuel (SAF) and electrification. To realize safe and secure future mobility, the Automotive Business Unit and the Aerospace Company are collaborating to conduct various technological demonstrations.



Demonstration of future mobility technologies

## Consolidated Ten-Year Financial Summary

SUBARU CORPORATION and its consolidated subsidiaries  
Years ended March 31

J-GAAP							IFRS							
		'15/3	'16/3	'17/3	'18/3	'19/3			'19/3	'20/3	'21/3	'22/3	'23/3	'24/3
<b>Operating Results (For the year)</b>							<b>Operating Results (For the year)</b>							
Net sales*1	Millions of yen	2,877,913	3,232,258	3,325,992	3,232,695	3,160,514	Revenue	Millions of yen	3,156,150	3,344,109	2,830,210	2,744,520	3,774,468	4,702,947
Cost of sales	Millions of yen	2,017,490	2,187,136	2,386,266	2,442,706	2,561,753	Cost of sales	Millions of yen	2,558,262	2,728,605	2,337,614	2,240,595	3,037,993	3,710,521
Gross profit	Millions of yen	860,423	1,045,122	939,726	789,989	598,761	Gross profit	Millions of yen	597,888	615,504	492,596	503,925	736,475	992,426
Selling, general and administrative expenses*1	Millions of yen	437,378	479,533	528,916	410,542	403,232	Selling, general and administrative expenses	Millions of yen	298,875	308,227	279,867	303,136	342,015	396,864
Operating income	Millions of yen	423,045	565,589	410,810	379,447	195,529	Operating profit	Millions of yen	181,724	210,319	102,468	90,452	267,483	468,198
Income before income taxes	Millions of yen	392,206	619,003	394,695	297,340	195,838	Profit before tax	Millions of yen	186,026	207,656	113,954	106,972	278,366	532,574
Net income attributable to owners of parent	Millions of yen	261,873	436,654	282,354	220,354	147,812	Profit for the period attributable to owners of parent	Millions of yen	141,418	152,587	76,510	70,007	200,431	385,084
Depreciation/amortization*2, *3	Millions of yen	71,821	72,938	85,653	102,102	102,749	Depreciation/amortization*3	Millions of yen	187,077	192,742	206,317	224,055	239,806	217,780
Capital expenditures*3	Millions of yen	135,346	168,338	196,616	193,789	169,960	Capital expenditures*3	Millions of yen	274,281	284,669	258,229	244,436	257,950	328,469
R&D expenses	Millions of yen	83,535	102,373	114,215	121,084	102,719	R&D expenditures	Millions of yen	102,719	118,735	101,626	113,752	107,780	113,508
<b>Financial Position (At year-end)</b>							<b>Financial Position (At year-end)</b>							
Net assets	Millions of yen	1,030,719	1,349,411	1,464,888	1,561,023	1,612,825	Total equity	Millions of yen	1,689,899	1,720,123	1,786,383	1,901,019	2,109,947	2,565,394
Shareholders' equity	Millions of yen	1,022,417	1,343,732	1,458,664	1,552,844	1,605,291	Equity attributable to owners of parent	Millions of yen	1,682,248	1,712,881	1,777,735	1,890,789	2,100,973	2,563,204
Total assets*4	Millions of yen	2,199,714	2,592,410	2,762,321	2,866,474	2,982,725	Total assets	Millions of yen	3,180,597	3,293,908	3,411,712	3,543,753	3,944,150	4,814,149
Ratio of shareholders' equity to total assets*4	%	46.5	51.8	52.8	54.2	53.8	Ratio of equity attributable to owners of parent to total assets	%	52.9	52.0	52.1	53.4	53.3	53.2
<b>Cash Flows</b>							<b>Cash Flows</b>							
Net cash provided by (used in) operating activities	Millions of yen	311,543	614,256	345,442	366,298	174,006	Net cash provided by (used in) operating activities	Millions of yen	250,732	210,134	289,376	195,651	503,759	767,665
Net cash provided by (used in) investing activities	Millions of yen	(172,780)	(255,676)	(254,252)	(150,711)	(158,327)	Net cash provided by (used in) investing activities	Millions of yen	(190,119)	(25,844)	(272,174)	(179,723)	(336,813)	(703,699)
Free cash flow	Millions of yen	138,763	358,580	91,190	215,587	15,679	Free cash flow	Millions of yen	60,613	184,290	17,202	15,928	166,946	63,966
Net cash provided by (used in) financing activities	Millions of yen	(110,546)	(126,190)	(189,044)	(170,937)	(96,617)	Net cash provided by (used in) financing activities	Millions of yen	(141,551)	(15,818)	13,966	(98,502)	(122,307)	(66,469)
<b>Per Share</b>							<b>Per Share</b>							
Net income (EPS)	Yen	335.57	559.54	365.77	287.40	192.78	Profit for the period attributable to owners of parent (EPS)	Yen	184.44	198.99	99.77	91.28	261.33	509.2
Net assets (BPS)	Yen	1,310.15	1,721.90	1,902.56	2,025.31	2,093.60	Equity attributable to owners of parent (BPS)	Yen	2,193.97	2,233.76	2,318.17	2,465.41	2,739.27	3,409.45
Dividends	Yen	68	144	144	144	144	Dividends	Yen	144	100	56	56	76	106
<b>Other Information</b>							<b>Other Information</b>							
Non-consolidated exchange rate	Yen to the U.S. dollar	108	121	108	111	111	Non-consolidated exchange rate	Yen to the U.S. dollar	111	109	106	112	135	144
Number of shares issued	Thousands of shares	782,865	782,865	769,175	769,175	769,175	Number of shares issued	Thousands of shares	769,175	769,175	769,175	769,175	769,175	753,901
Number of shareholders*5	Persons	70,942	79,594	76,471	132,570	133,879	Number of shareholders*5	Persons	133,879	145,289	142,890	147,507	139,908	121,965
Number of employees (parent only)	Persons	13,883	14,234	14,708	14,879	15,274	Number of employees (parent only)	Persons	15,274	15,806	16,478	16,961	17,228	17,347
Number of employees (consolidated)	Persons	29,774	31,151	32,599	33,544	34,200	Number of employees (consolidated)	Persons	34,200	35,034	36,070	36,910	37,521	37,693
<b>Number of Units</b>							<b>Number of Units</b>							
Consolidated automobile unit sales*6	Thousand units	911	958	1,065	1,067	1,000	Consolidated automobile unit sales*6	Thousand units	1,001	1,034	860	734	852	976
Vehicle unit production	Thousand units	914	951	1,056	1,050	989	Vehicle unit production	Thousand units	989	1,031	810	727	874	970
Domestic	Thousand units	708	715	721	701	617	Domestic	Thousand units	617	664	525	455	575	602
Overseas*7	Thousand units	207	236	335	349	372	Overseas*7	Thousand units	372	367	285	272	299	368

Note: The SUBARU Group has voluntarily applied IFRS since the first quarter of FYE March 2020

\*1 Change of accounting policy effective from FYE March 2019 (deduction of sales incentives from net sales); retroactively applied to the figures for FYE March 2018

\*2 Accompanying a change in accounting policy effective from FYE March 2019, change of depreciation method for certain tangible fixed assets of the Company and its major domestic consolidated subsidiaries from the declining-balance method to the straight-line method

\*3 Total amount of property, plant and equipment and intangible assets

\*4 Partial Amendments to Accounting Standard for Tax Effect Accounting have been applied from FYE March 2019, and retrospectively applied to the figures for FYE March 2018.

\*5 Number of shares per trading unit: 100 shares

\*6 Automobile unit sales of SUBARU CORPORATION and its consolidated subsidiaries

\*7 U.S. production base Subaru of Indiana Automotive, Inc.



### Financial Information

Please visit the SUBARU website for details about financial information.

<https://www.subaru.co.jp/en/ir/library/>



## Five-Year Unit Sales

Years ended March 31

### Consolidated Automobile Sales by Region

	'20/3	'21/3	'22/3	'23/3	'24/3
(Thousand units)					
<b>Domestic</b>					
Legacy	4.7	2.6	4.9	7.6	5.7
Impreza	42.9	30.7	22.5	25.0	32.7
Forester	30.1	22.9	23.4	22.8	20.1
Levorg	11.8	20.1	15.0	15.7	18.6
WRX	8.5	2.8	0.2	3.9	2.0
SUBARU BRZ	1.2	0.8	5.0	4.1	3.8
Solterra	—	—	—	0.4	0.4
OEM	2.7	1.9	1.7	1.7	3.4
Passenger cars	101.9	81.9	72.6	81.1	86.6
Minicars	23.9	19.9	16.8	18.5	12.3
<b>Domestic total</b>	<b>125.8</b>	<b>101.8</b>	<b>89.4</b>	<b>99.7</b>	<b>98.9</b>
<b>U.S.</b>					
Legacy	197.2	186.3	153.1	178.9	203.3
Impreza	196.5	173.6	149.7	193.9	205.0
Forester	200.5	176.2	121.9	116.1	188.7
WRX	21.0	18.7	20.2	28.3	22.1
Ascent	84.6	54.9	58.8	68.0	61.7
SUBARU BRZ	1.8	2.0	2.6	3.4	4.0
Solterra	—	—	—	3.2	10.5
<b>U.S. total</b>	<b>701.6</b>	<b>611.6</b>	<b>506.3</b>	<b>591.8</b>	<b>695.3</b>
<b>Canada</b>					
Legacy	13.0	9.7	11.4	11.6	14.6
Impreza	25.7	24.0	24.5	16.5	30.6
Forester	14.8	10.4	7.3	8.0	11.7
WRX	2.5	2.6	2.6	2.6	3.9
Ascent	4.0	2.7	2.7	3.4	3.5
SUBARU BRZ	0.4	0.3	0.6	0.5	1.2
Solterra	—	—	—	0.6	2.4
<b>Canada total</b>	<b>60.4</b>	<b>49.7</b>	<b>49.1</b>	<b>43.1</b>	<b>67.8</b>
<b>Europe</b>					
Legacy	8.8	3.2	6.0	6.0	11.2
Impreza	13.2	5.9	5.9	8.8	6.5
Forester	12.7	4.3	3.1	5.4	5.4
Levorg	1.9	0.1	0.0	0.0	0.0
SUBARU BRZ	0.4	0.2	0.0	0.3	1.4
Solterra	—	—	—	2.7	2.8
<b>Europe total</b>	<b>37.0</b>	<b>13.7</b>	<b>15.0</b>	<b>23.3</b>	<b>27.3</b>
<b>Australia</b>					
Legacy	8.0	7.2	9.2	11.5	14.1
Impreza	16.1	9.8	12.2	13.7	13.2
Forester	16.9	12.3	10.5	13.5	16.0
Levorg	0.3	0.2	0.1	0.9	0.5
WRX	1.3	1.5	0.8	2.7	1.7
SUBARU BRZ	0.5	0.4	0.4	1.5	1.4
Solterra	—	—	—	—	0.4
<b>Australia total</b>	<b>43.1</b>	<b>31.4</b>	<b>33.2</b>	<b>43.9</b>	<b>47.3</b>

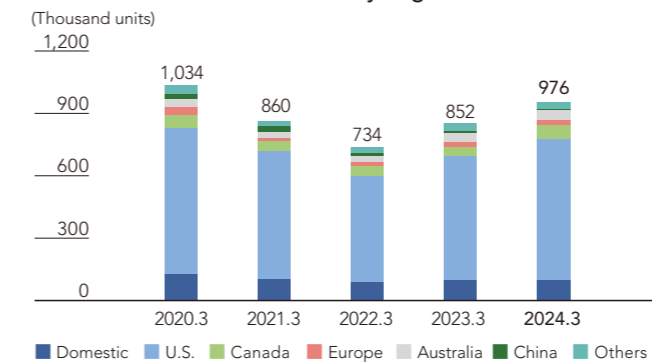
\* Legacy sales figures include sales of the Outback model.  
 \* Impreza sales figures include sales of the SUBARU XV and Crosstrek models.  
 \* Levorg sales figures include sales of the Layback model.

	'20/3	'21/3	'22/3	'23/3	'24/3
(Thousand units)					
<b>China</b>					
Legacy	2.7	4.9	3.9	1.1	0.8
Impreza	1.6	2.2	1.1	0.4	1.3
Forester	15.6	17.4	8.8	4.9	3.8
SUBARU BRZ	0.8	0.0	0.1	3.8	0.5
Solterra	—	—	—	—	0.0
<b>China total</b>	<b>20.6</b>	<b>24.5</b>	<b>13.9</b>	<b>10.1</b>	<b>6.3</b>
<b>Other Regions</b>					
Legacy	3.4	2.2	4.5	4.7	3.3
Impreza	16.0	9.9	10.6	14.8	12.6
Forester	23.5	14.0	10.9	17.3	13.1
Levorg	0.9	0.2	0.0	0.3	0.9
WRX	1.2	0.4	0.3	1.2	1.1
Ascent	0.0	0.7	0.5	0.9	1.0
SUBARU BRZ	0.3	0.1	0.3	1.3	1.1
Solterra	—	—	—	0.1	0.3
<b>Other regions total</b>	<b>45.3</b>	<b>27.5</b>	<b>27.2</b>	<b>40.5</b>	<b>33.5</b>
<b>Overseas total</b>	<b>908.0</b>	<b>758.4</b>	<b>644.6</b>	<b>752.7</b>	<b>877.5</b>
<b>Global total</b>	<b>1,033.9</b>	<b>860.2</b>	<b>734.1</b>	<b>852.4</b>	<b>976.4</b>

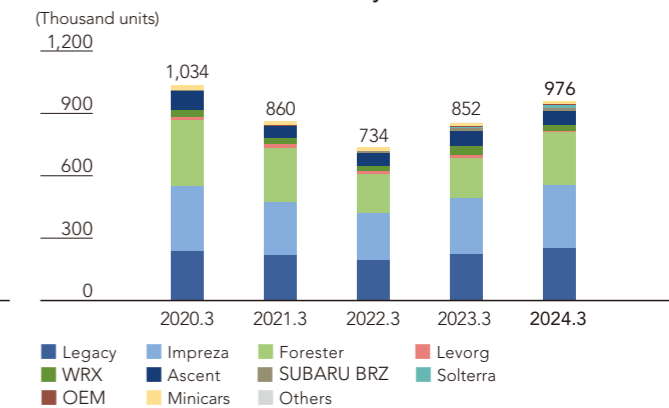
### Consolidated Automobile Sales by Model

	'20/3	'21/3	'22/3	'23/3	'24/3
(Thousand units)					
Legacy	237.8	216.1	193.0	221.4	252.9
Impreza	312.0	256.1	226.5	273.1	301.9
Forester	314.1	257.5	185.9	187.9	258.8
Levorg	15.0	20.5	15.2	17.0	20.0
WRX	34.4	26.1	24.1	38.7	30.9
Ascent	88.6	58.3	62.1	72.3	66.2
SUBARU BRZ	5.4	3.9	8.9	14.8	13.4
Solterra	—	—	—	7.0	16.7
OEM	2.7	1.9	1.7	1.7	3.4
Minicars	23.9	19.9	16.8	18.5	12.3
<b>Global total</b>	<b>1,033.9</b>	<b>860.2</b>	<b>734.1</b>	<b>852.4</b>	<b>976.4</b>

### Consolidated Automobile Sales by Region



### Consolidated Automobile Sales by Model



\* Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

### Other Financial Information

The summary of consolidated financial results and presentation materials for results briefings are published in the Investor Relations section of the SUBARU website.  
<https://www.subaru.co.jp/en/ir/>

## Corporate Data

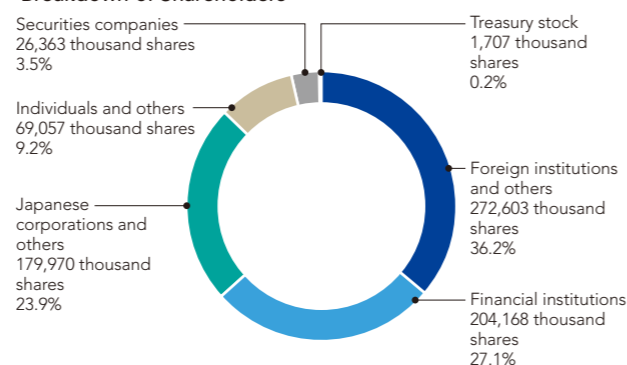
### Corporate Data (As of March 31, 2024)

<b>Company Name</b>	SUBARU CORPORATION	<b>Head Office</b>	Ebisu Subaru Bldg. 1-20-8, Ebisu, Shibuya-ku, Tokyo, Japan
<b>Established</b>	July 15, 1953	<b>Number of Affiliates</b>	94 (86 subsidiaries, 7 affiliated companies, and 1 other affiliated company)
<b>Paid-In Capital</b>	153,795 million yen	<b>Number of Employees</b>	17,347 (consolidated: 37,693) (excluding executive officers, advisors, and transferred employees)
<b>Fiscal Year-End</b>	March 31	<b>Website Addresses</b>	Corporate website: <a href="https://www.subaru.co.jp/en/">https://www.subaru.co.jp/en/</a> Investor information website: <a href="https://www.subaru.co.jp/en/ir/">https://www.subaru.co.jp/en/ir/</a>
<b>Accounting Auditors</b>	KPMG AZSA LLC		
<b>Main Businesses</b>	Automotive: The manufacture, sale, and repair of passenger cars and their components Aerospace: The manufacture, sale, and repair of airplanes, aerospace-related machinery, and their components		

### Stock Information (As of March 31, 2024)

<b>Common Stock Authorized</b>	1,500,000,000 shares
<b>Common Stock Issued</b>	753,901,573 shares
<b>Number of Shareholders</b>	121,965
<b>Number of Shares per Trading Unit</b>	100 shares
<b>Stock Exchange Listing</b>	Tokyo Stock Exchange (Prime Market)
<b>Securities Code</b>	7270
<b>Transfer Agent and Account Management Institution of Special Accounts</b>	Mizuho Trust & Banking Co., Ltd. 3-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8241, Japan Tel: 0120-288-324 (toll free in Japan)

#### Breakdown of Shareholders



Note: Number of shares held are rounded down to the nearest thousand shares.

#### Major Shareholders

Name		Number of Shares Held (in thousands)	Percentage of Total Shares Held
Toyota Motor Corporation	1 Toyota-Cho, Toyota City, Aichi Prefecture, Japan	153,600	20.42
The Master Trust Bank of Japan, Ltd. (Trust account)	1-8-1 Akasaka, Minato-ku, Tokyo, Japan	106,400	14.15
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	39,734	5.28
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A.	11,748	1.56
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan	10,078	1.34
STATE STREET BANK AND TRUST COMPANY 505103	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A.	9,871	1.31
MIZUHO SECURITIES ASIA LIMITED-CLIENT A/C	12TH FLOOR, CHATER HOUSE, 8 CONNAUGHT ROAD, CENTRAL, HONG KONG	8,408	1.12
SSBTC CLIENT OMNIBUS ACCOUNT	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS	8,285	1.10
JP MORGAN CHASE BANK 385781	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM	8,267	1.10
Sompo Japan Insurance Inc.	1-26-1 Nishishinjuku, Shinjuku-ku, Tokyo, Japan	8,267	1.10

Notes: 1. Number of shares held are rounded down to the nearest thousand shares.

2. The percentage of total shares held is calculated based on the number of shares excluding treasury stock of 1,707,449 shares.





## SUBARU CORPORATION

Ebisu Subaru Bldg., 1-20-8, Ebisu  
Shibuya-ku, Tokyo 150-8554, Japan  
Phone: +81-3-6447-8000  
<https://www.subaru.co.jp/en/ir/>