

## 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

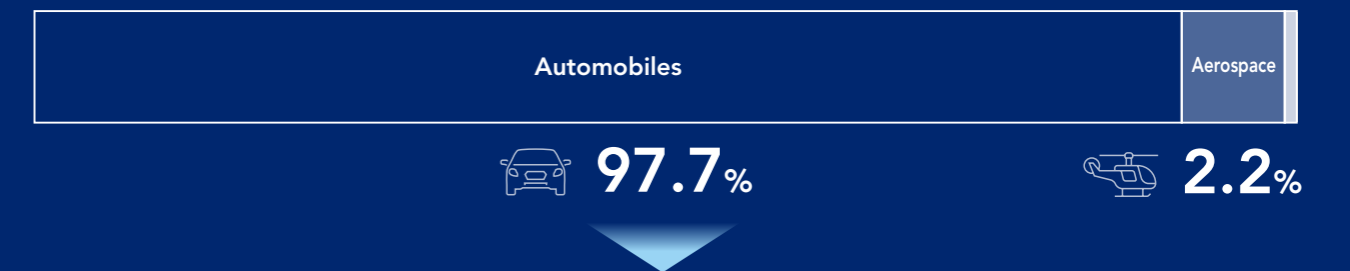
Issuer Rating

**A-**

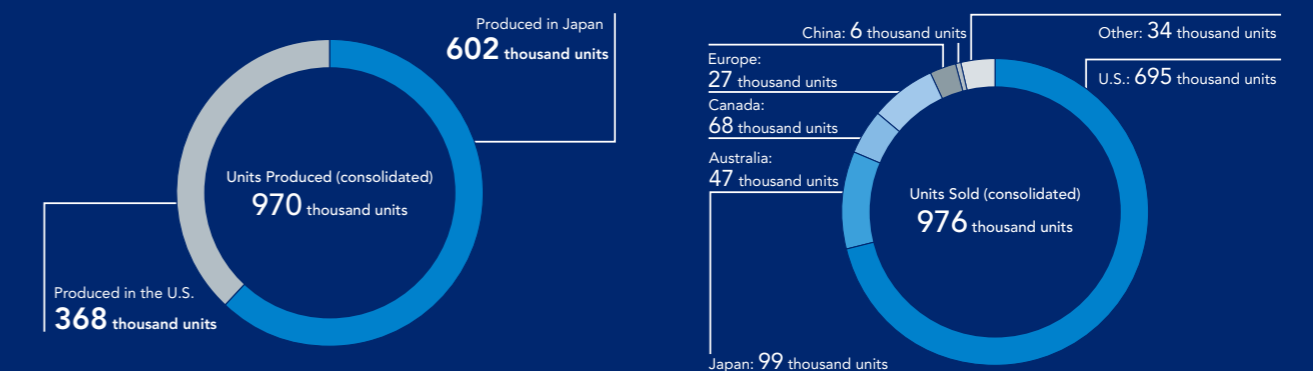
Rating and Investment Information, Inc.  
As of October 11, 2023

## 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

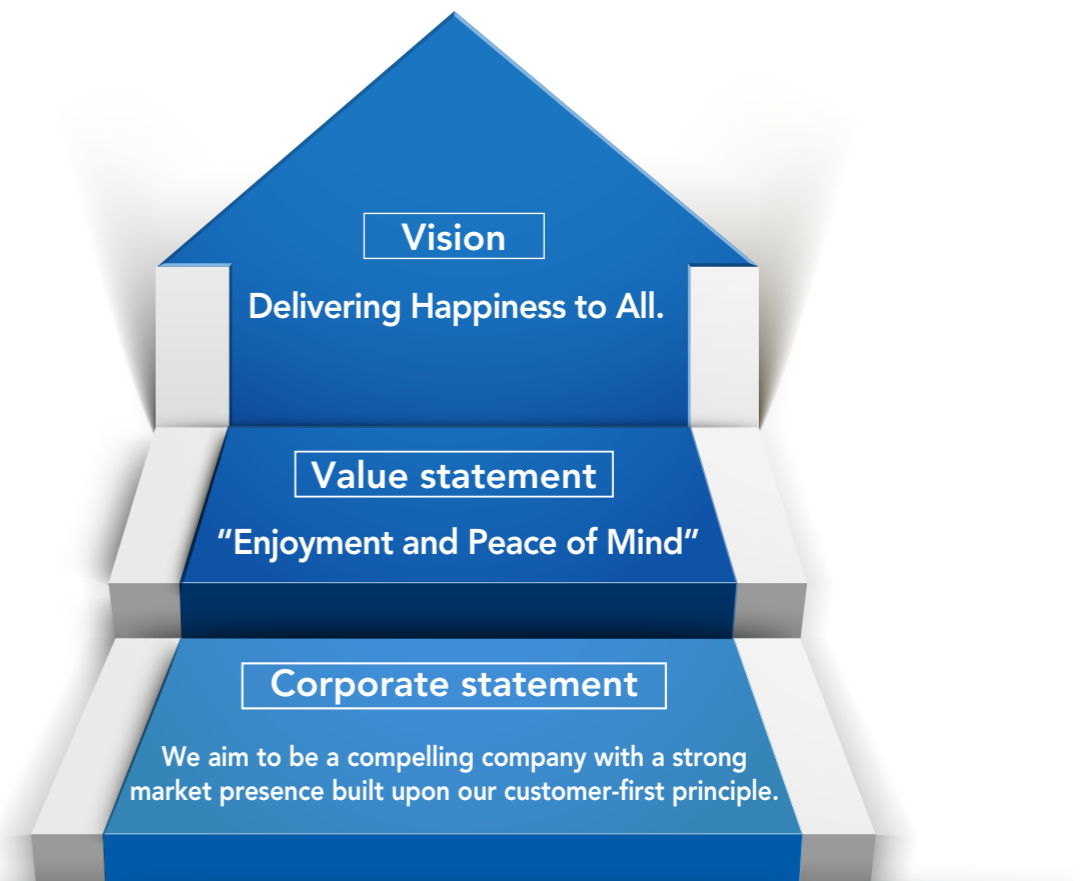
For me, the field is also a place for dialogue with stakeholders such as our shareholders and investors. My desire is to place great value on my connections with those people I meet in the field, and furthermore to bring them happiness. Among the opinions and suggestions I hear from all of you, I know 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.



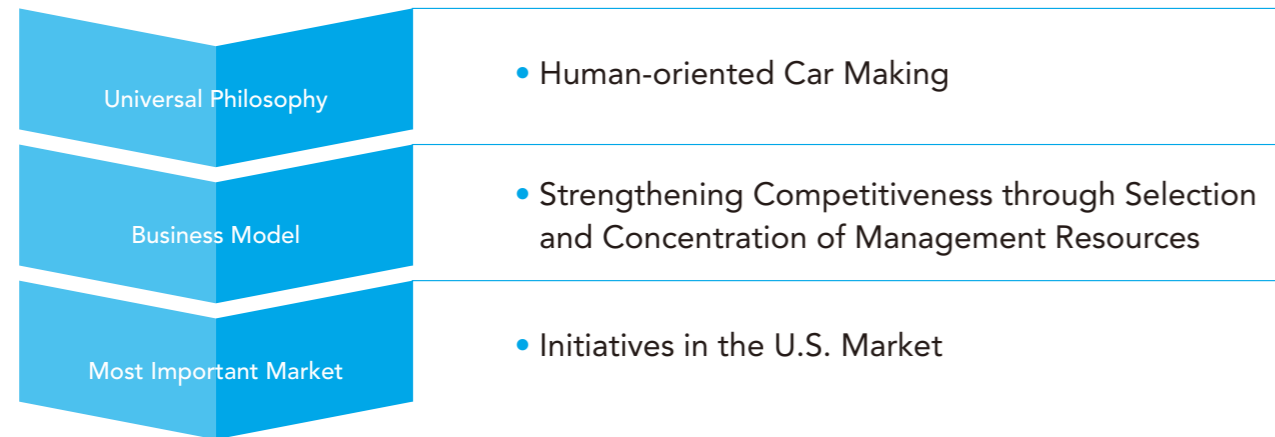
## Delivering Happiness to All

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

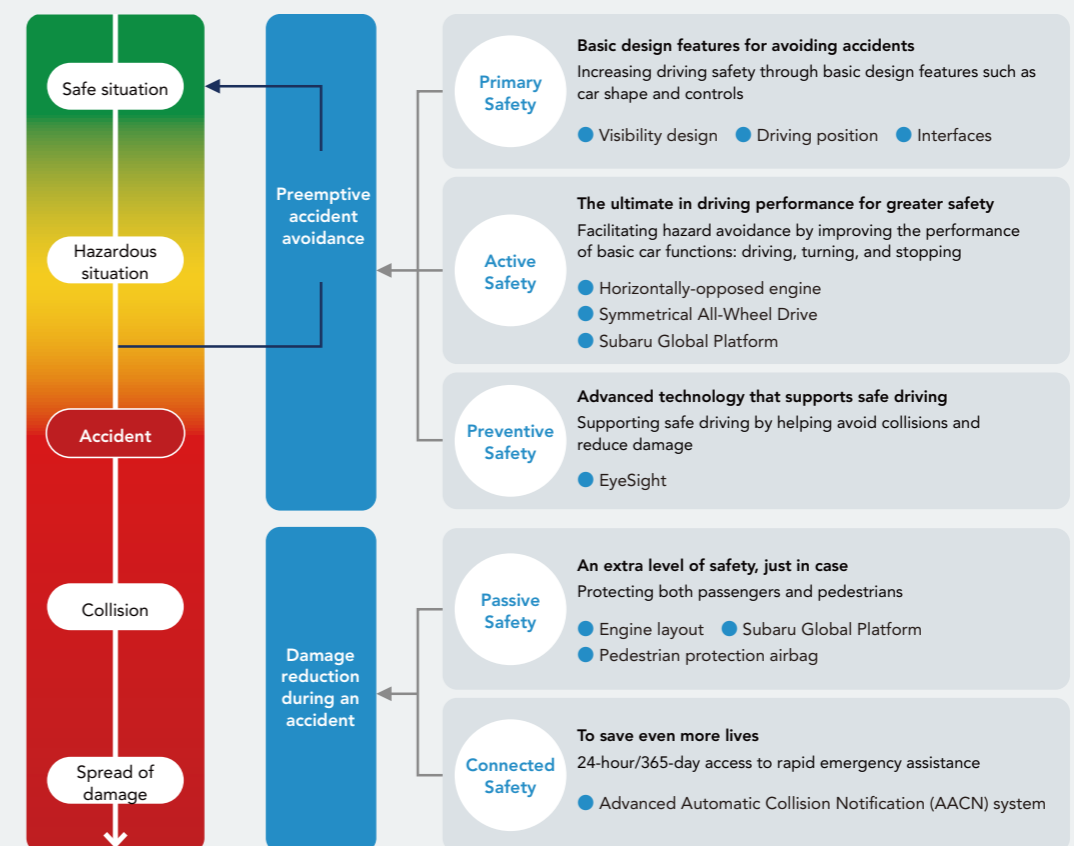
In addition to these efforts, we have been developing driver assistance systems using stereo cameras and radar for more than 30 years, culminating in EyeSight and other advanced safety technologies. EyeSight uses recognition and control by stereo cameras to achieve its primary functions. The cameras 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

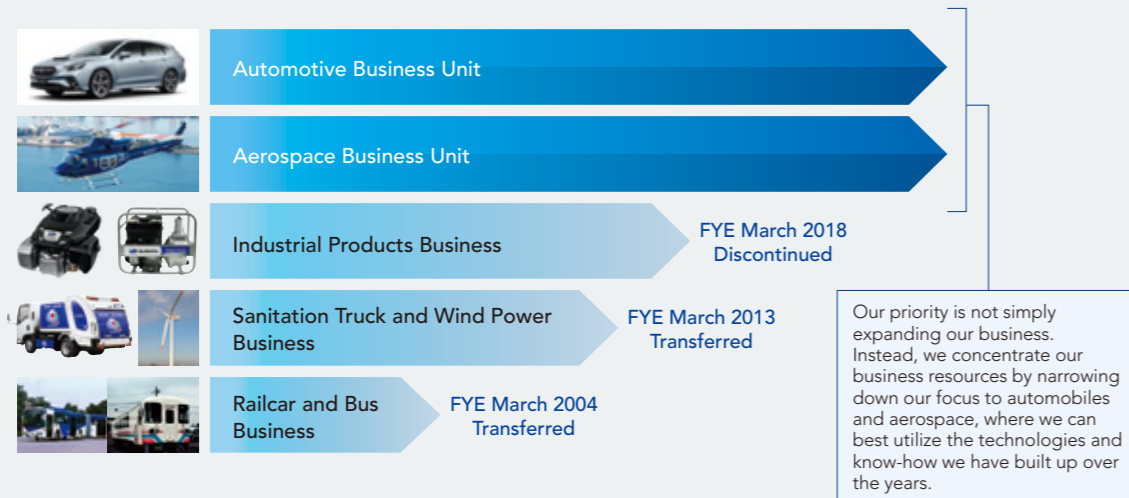


Business Model

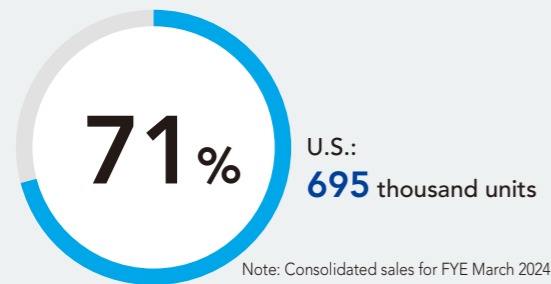
Strengthening Competitiveness through Selection and Concentration of Management Resources

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

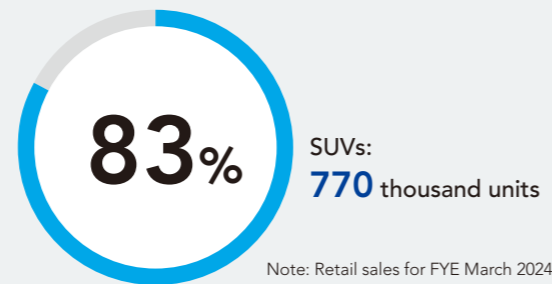


Market Focus



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.

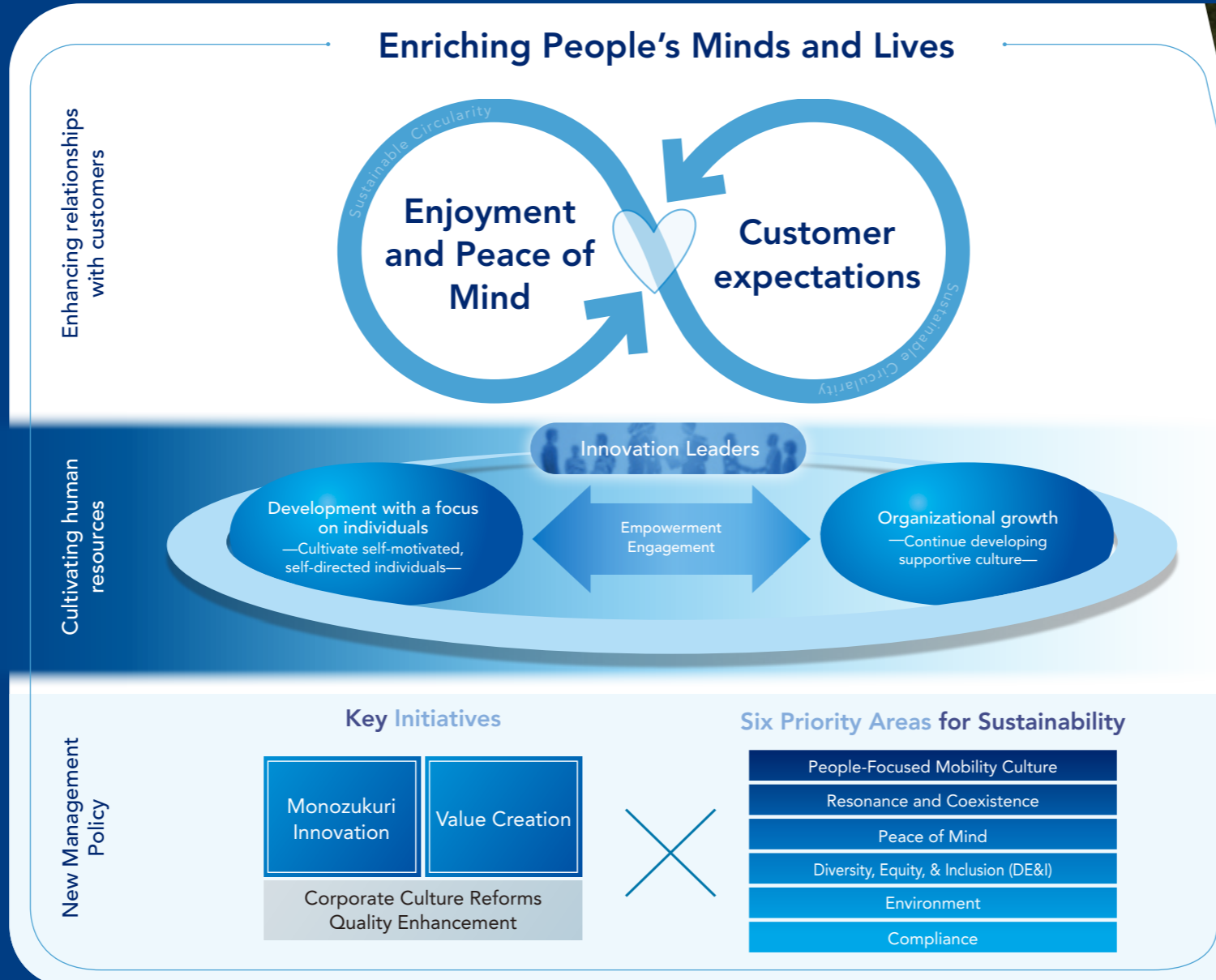
# Value Creation Process

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



## Achieving an Enjoyable and Sustainable Society

## Sustainable Growth of the SUBARU Group

The SUBARU Group's Unique Business Model

Selection and concentration + Differentiation + Added value

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





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.

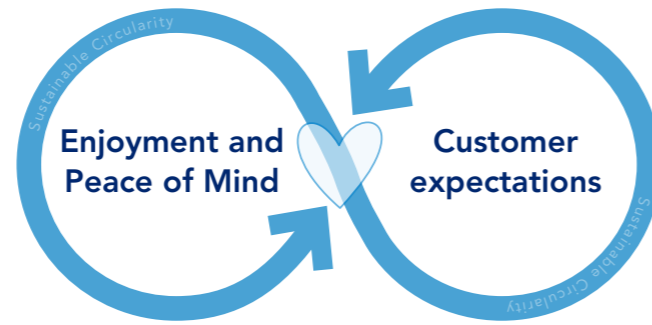


## Enhancing Relationships with Customers

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>Activities to protect the Earth</p>	<p>Subaru Loves to Care®</p> <p>Support for people battling illness</p>	<p>Subaru Loves to Help®</p> <p>Support for those in need of housing and food</p>	<p>Subaru Loves Learning®</p> <p>Support for education</p>	<p>Subaru Loves Pets®</p> <p>Animal welfare</p>
---	---	---	--	---

- 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

Disclaimer: © 2024 Forbes Media LLC. All rights reserved. Used under license.

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.

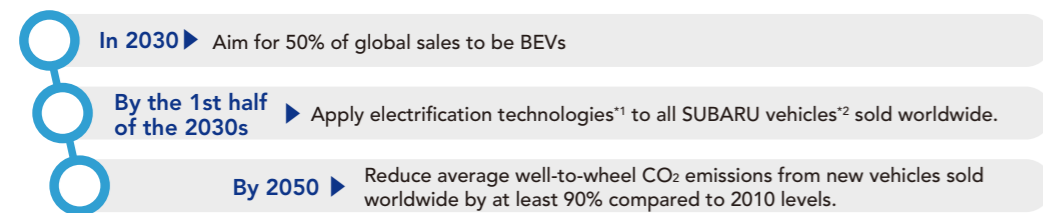
On August 2, 2023, SUBARU announced its New Management Policy. Our milestone for 2030 had previously been to shift to EVs comprising 40% or more of all vehicles sold worldwide, with BEVs and HEVs making up this 40%. In the New Management Policy, we have made a major revision to the target of global vehicle 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/>

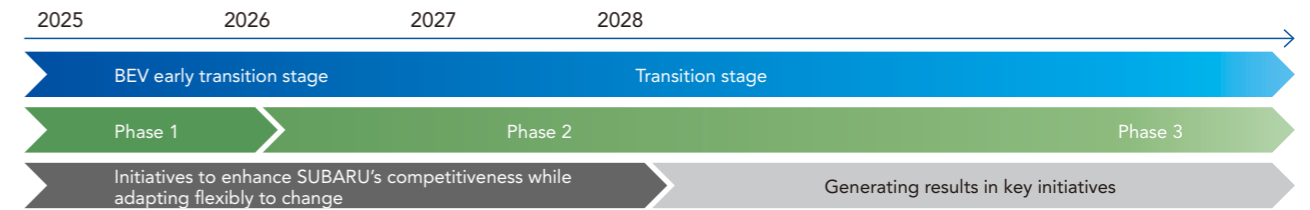


<sup>\*1</sup> Refers to the technology used to foster the use of electricity for EVs, HEVs, and others.  
<sup>\*2</sup> Excluding models supplied by OEMs.

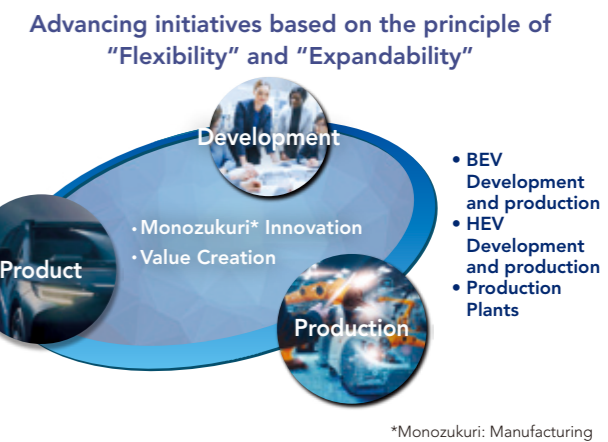
### Toward 2030 Milestones

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.

#### 4 SUVs to be in BEV lineup by the end of 2026 (Joint development)

- BEV SUV manufactured at Subaru's Yajima Plant will also be supplied to Toyota Motor Corporation(TMC)
- BEV SUV manufactured at TMC's U.S. Plant will also be supplied to Subaru



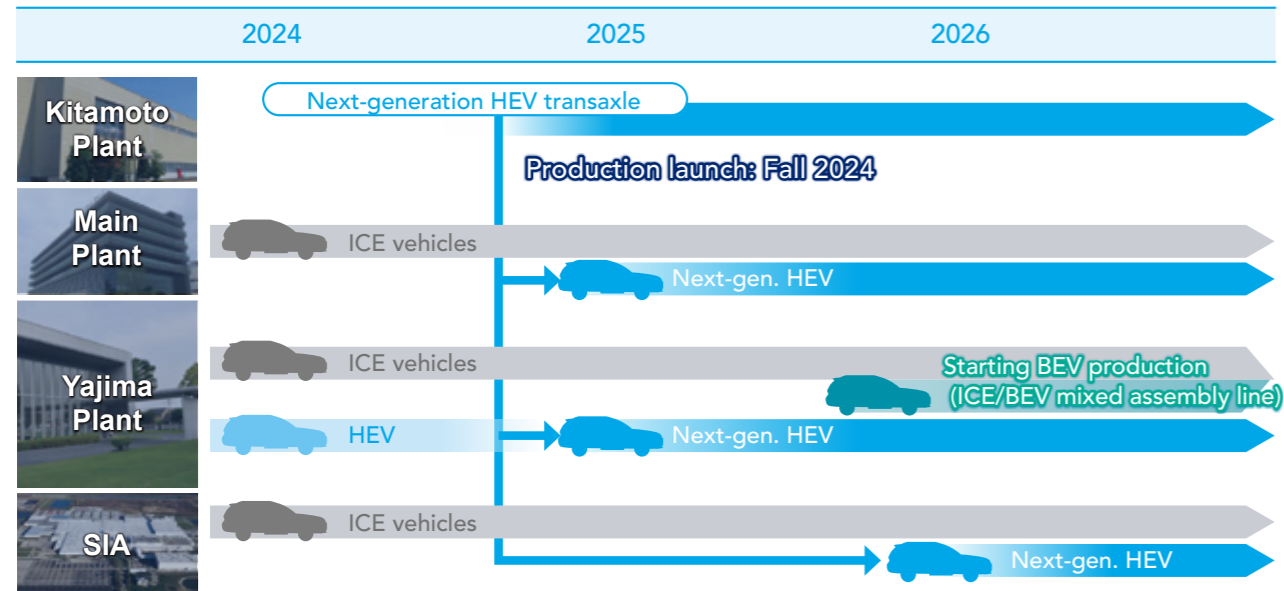
#### Flexibility in Production System

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.

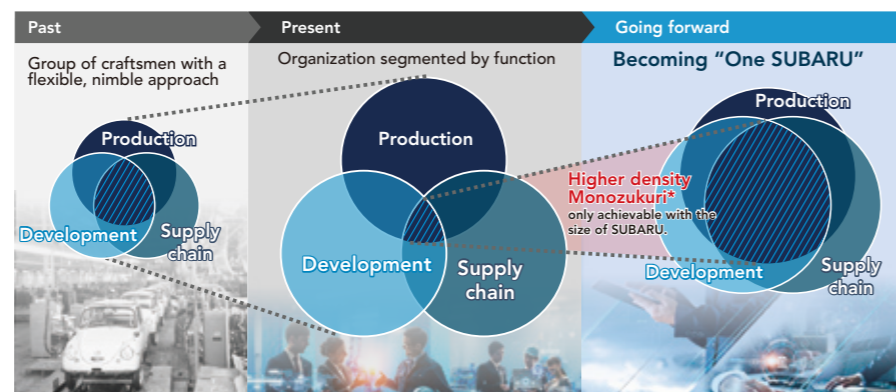
Kosuke Kawai

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.

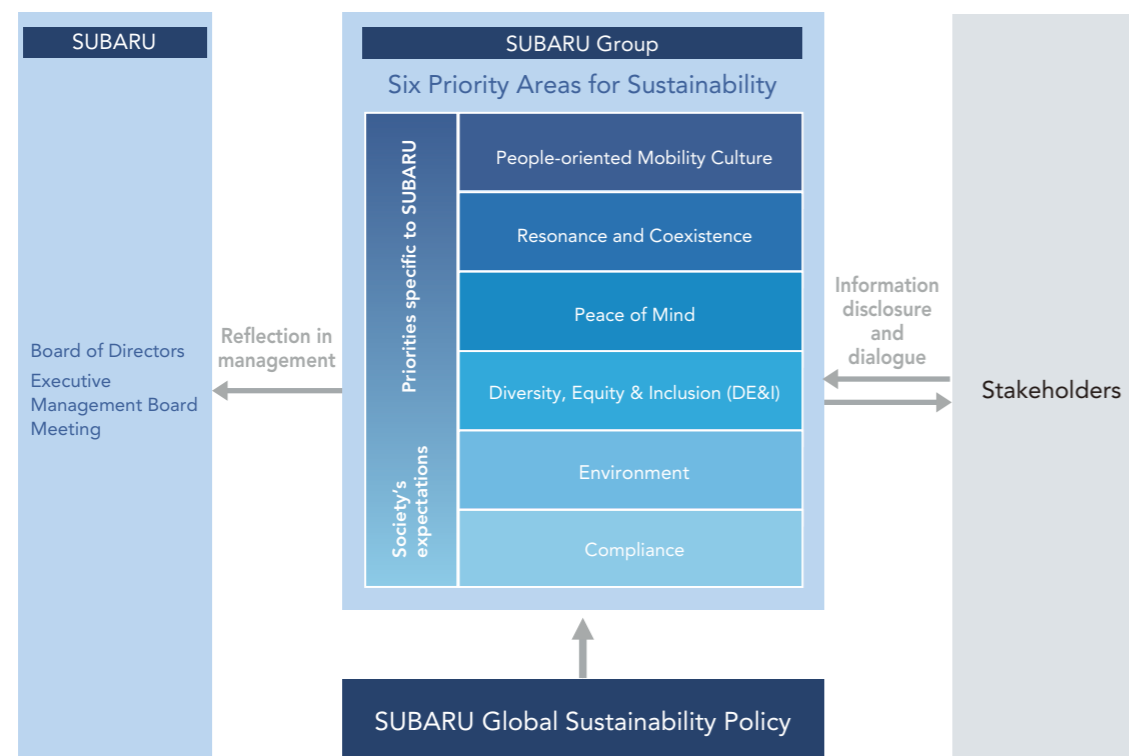
This policy is applied to SUBARU and all its subsidiaries.

**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								
		Continuation of production operations and maintenance of employment at each site								
Peace of Mind	Customers	Improving safety functions	Utilization of athletic teams, boosting of employee morale						Become a company that provides the utmost peace of mind to all stakeholders.	17.16
		Contributing to safe driving	Reinforcement of community exchange and partnership activities							
			Contribution and relationship-building through sporting 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.								
		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)								
		Promotion of accurate, high-quality inspection and maintenance								
		Global penetration of maintenance system with high and consistent quality								
Local communities	Contributing to safety of local communities	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								
		Placing of the highest priority on quality by implementing the Quality Caravan and providing education for fostering quality awareness								
		Collaboration with business partners								
		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								
		Secure and create employment								
		Promotion of plant environment improvement Promotion of a sense of trust regarding stable operations								
		Implementing community safety awareness activities								
		Reduction of environmental impact and prevention of pollution								

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							
		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)							
	BEV development Launch of Solterra, global rollout and sales expansion of BEVs									
	Establishing appropriate disposal schemes for EV batteries									
	Introduction of solar power generation for self-consumption									
	Introduction of hydroelectricity and green electricity									
Compliance	Business partners	Environmental activities in cooperation with business partners	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							
	Promotion of lighter, electric, and biofuel aircraft									
	Establishment and maintenance of an environmental management system									
	Efficient parts storage and transportation									
	Promotion of retailers' continuous efforts for energy saving, water quality conservation, and recycling									
Peace of Mind	Business partners	Maintaining fair relationships	Optimization of logistics and complete knockdown (CKD) costs						12.2 12.5	
		Employees / Local communities	Ensuring comprehensive export control							
			Reinforcement of security and export control initiatives							
		Compliance training								
		Promotion of compliance from the perspective of the SUBARU Group								
		Establishment, dissemination, and management of internal rules and manuals on laws and regulations								
Prevention of harassment										
Governments	Contributing to safe lives of people	Protecting human rights of workers	Maintenance and improvement of the workplace environment by promoting work style reforms and complying with the Labor Standards Act						16.5 16.5.2	
		Business partners	Implementing conflict mineral surveys							
			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								
		Promotion of fair trade on a continuous basis								
		Appropriate management of software license								