



Briefing on the New Management Policy

SUBARU CORPORATION

Atsushi Osaki, Representative Director, President and CEO

August 2, 2023

1. Review of STEP Mid-Term Management Vision Efforts

- Maintain “Enjoyment and Peace of Mind” as the unwavering value that Subaru offers.
- Pursue the Subaru Difference, which provides emotional value as well as functional value.

STEP



1. Review of STEP Mid-Term Management Vision Efforts

- Efforts focused on strengthening the mindset of employees and the organizational structure and systems, with quality enhancement as the top priority
- Monozukuri (manufacturing) Innovation underway with Subaru Manufacturing Revamp initiatives.

STEP



Quality Enhancement

Execute initiatives and deliver results to customers with quality as top priority



The Subaru Difference

Environment

Contribute to the realization of a carbon-neutral society through unique technology and innovation.

Peace of Mind

Aim for “zero fatal road accidents* in 2030.”

Enjoyment

Continue to achieve Subaru’s driving dynamics in the age of electrification.

Through the STEP initiatives, "Quality First" and "The Subaru Difference" to meet the expectations of our customers have been embedded in the Subaru DNA.

1. Review of STEP Mid-Term Management Vision Efforts

Accolades for Products

2022 American Customer Satisfaction Index



American Customer Satisfaction Index

Rated #1 in Safety for three years in a row.**
Rated #1 in Drive Performance.**
Rated #1 in Service Quality.**
Rated #1 in Dependability for two years in a row.**
Rated #1 in Product Quality for two years in a row.**
Rated #1 in Satisfaction.**

IIHS TOP SAFETY PICK+

Since 2013, Subaru has received a cumulative total of 69 *IIHS TOP SAFETY PICK+* awards*² as of February 2023, which is more than any other brand*³.



Accolades for Company / Brand

Forbes Best Brands for Social Impact 2023



Subaru is recognized by Forbes as one of America's best brands for social impact.*⁴

Axios Harris Poll 100 Reputation Rankings

Subaru has been ranked in the top 20 of the Axios Harris Poll 100 Reputation Rankings for three consecutive years (2021-2023).



*1: Compared to all other measured mass-market automotive companies in the 2022 American Customer Satisfaction Index (ACSI®) surveys of customers rating their own automotive company's performance. The #1 rating in Dependability and Satisfaction is shared with one other automotive company. The #1 rating in Product Quality is shared with three other automotive companies. ACSI and its logo are registered trademarks of The American Customer Satisfaction Index, LLC.

*2: Claim applies to U.S.-spec vehicles.

*3: Based on research conducted by Subaru of America, Inc. and Subaru Canada, Inc.

*4: From Forbes. © 2023 Forbes. All rights reserved. Used under license.

2. Vision for 2030

- Electrification plan update
- Determination for 2028



Once-in-a-century transformation

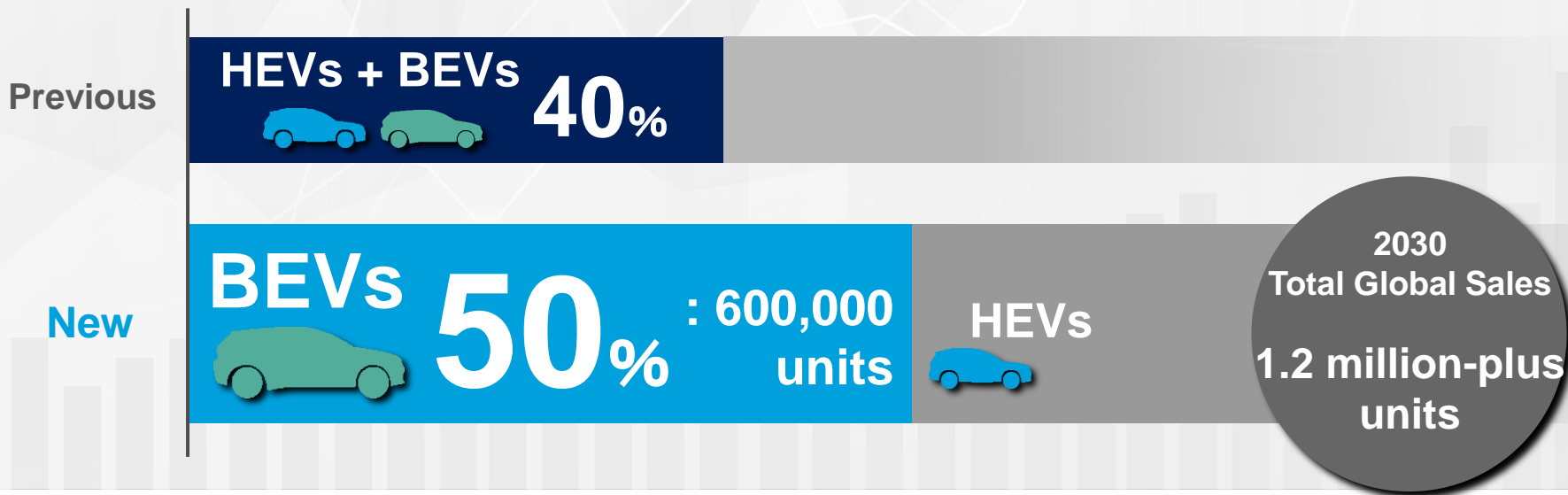
Non-Linear Transformation

Unprecedented Speed

3. Electrification plan update

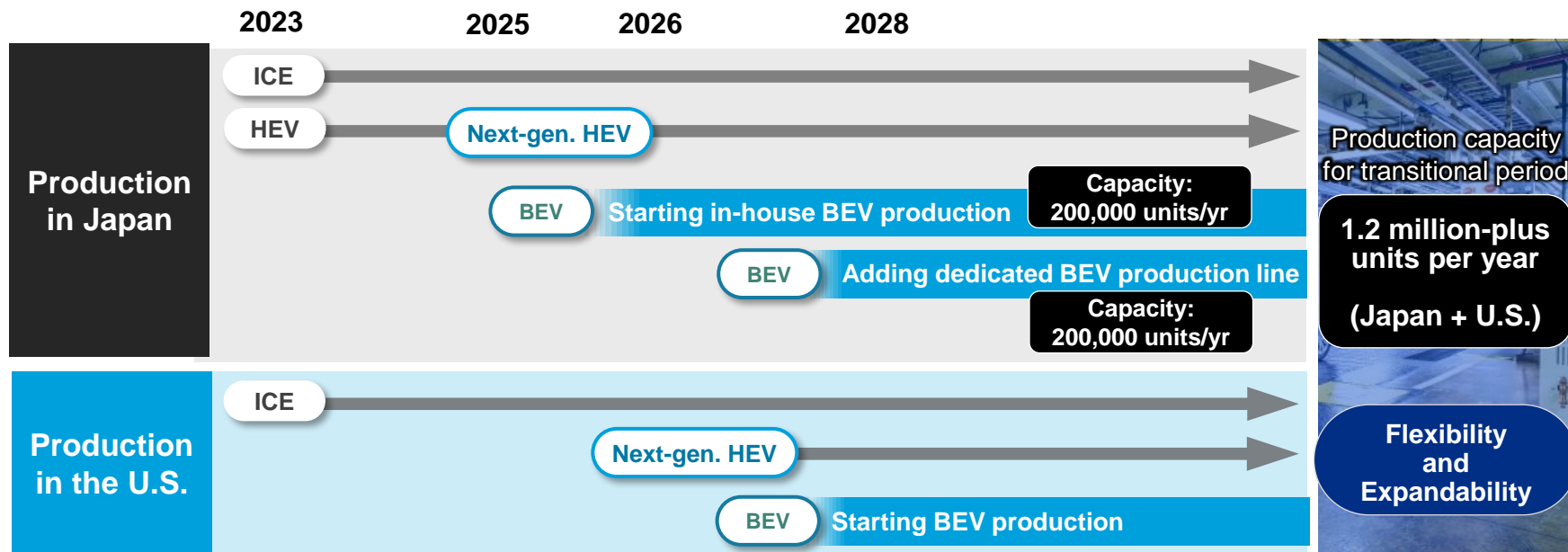
- Electrification sales target for 2030 raised to "50% of total global sales to be BEVs."

Subaru's electrification sales target for 2030 (Ratio, Volume)



3. Electrification plan update

- Respond to market changes by reorganizing the production structure based on the "flexibility and expandability" policy.
- Start production of BEVs and the next-generation HEVs in the U.S.



4. Determination for 2028

- Under the new management, Subaru will pursue “**Monozukuri* Innovation**” and “**Value Creation**” while restructuring all the way from the production structure to the development process and product planning.

New Management Initiatives



- **Monozukuri* Innovation**
- **Value Creation**



* Monozukuri: Manufacturing

4. Determination for 2028

Monozukuri*
Innovation

**Value
Creation**

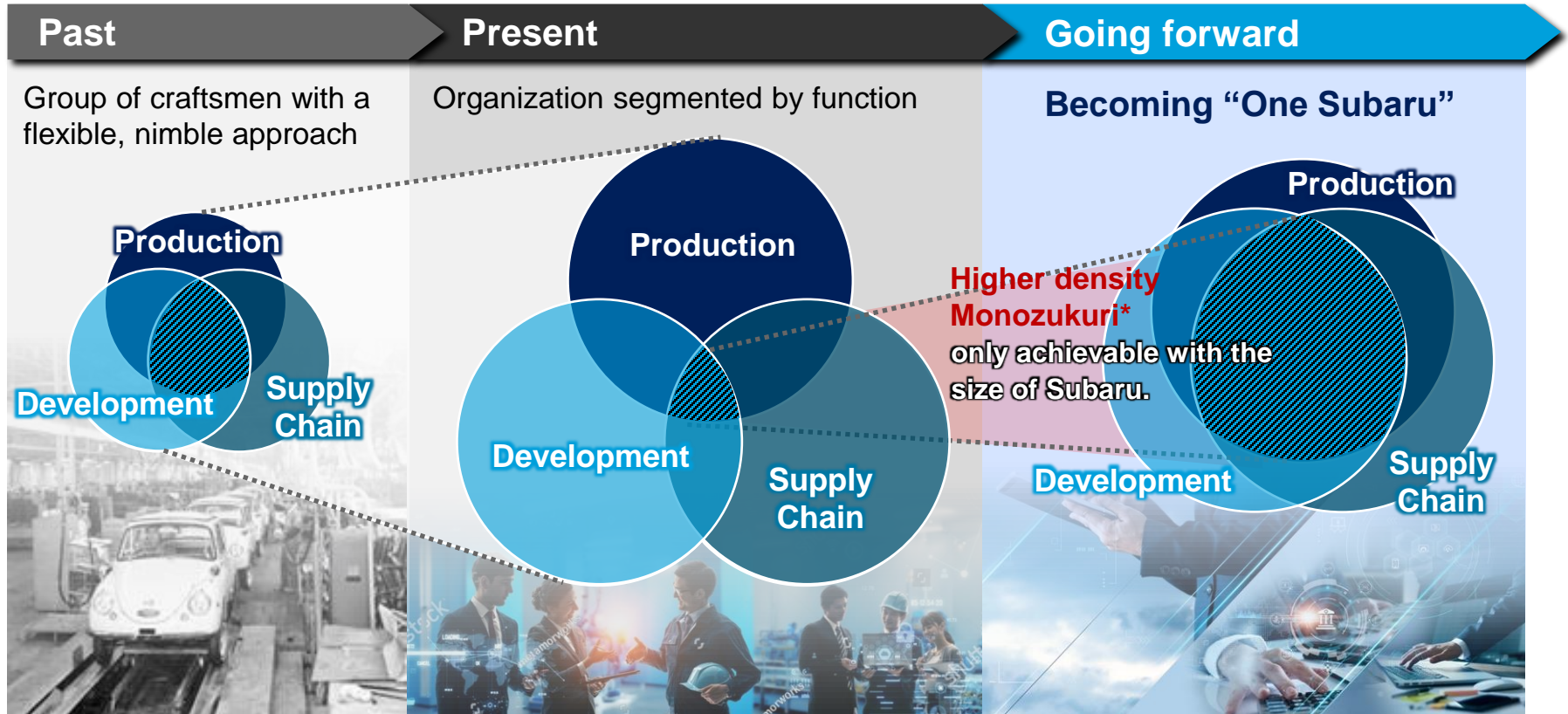
**To become the world's leading company in
"Monozukuri"* and "Value Creation"**

Aim to achieve this goal at an early stage by
shifting our focus and resources to BEVs.

* Monozukuri: Manufacturing



4. Determination for 2028 – “Monozukuri* Innovation”

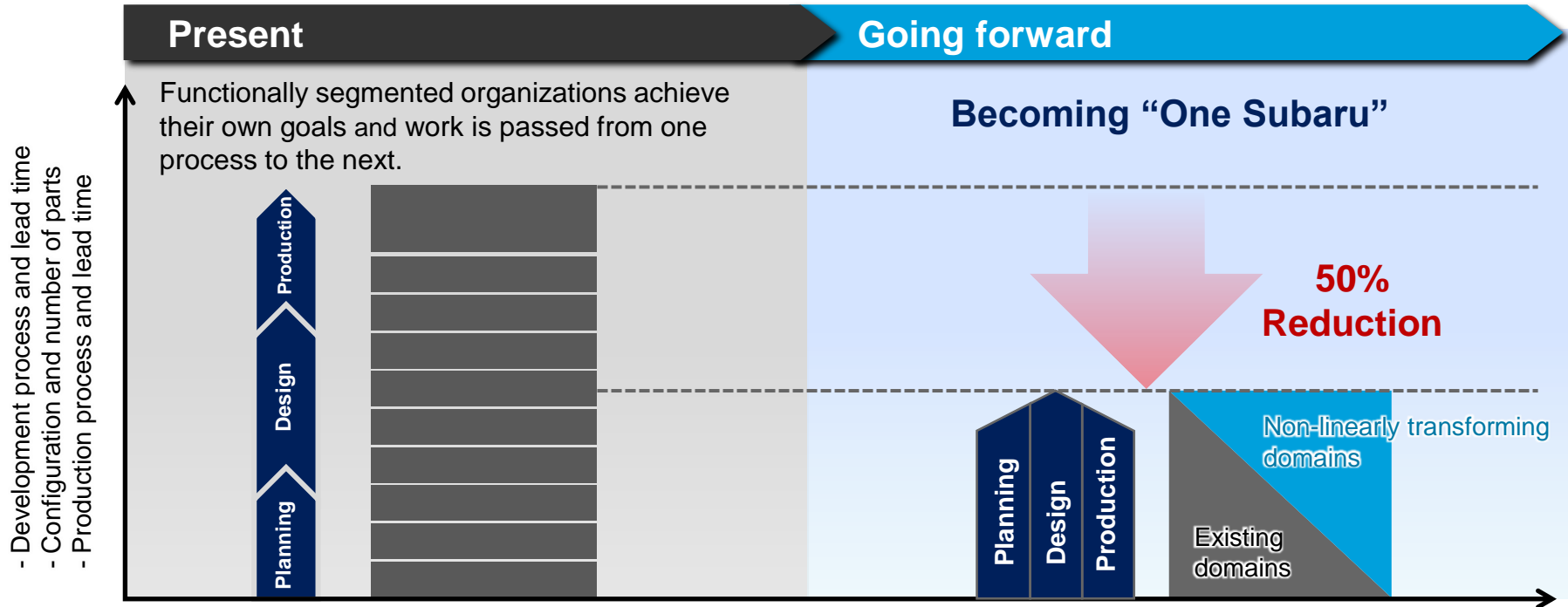


* Monozukuri: Manufacturing

4. Determination for 2028 – “Monozukuri* Innovation”

- Achieve world-leading Monozukuri* and Value Creation by cutting the product development process and lead time in half, the configuration and number of parts in half, and the production process and lead time in half.

* Monozukuri: Manufacturing



4. Determination for 2028 – “Value Creation”

- Subaru's monozukuri, which has always been centered on the lives of its customers, has long created memories in their hearts. This has evolved into the Subaru Love Promise, to which Subaru, together with our retailers, is deeply committed.
- The Subaru Love Promise initiatives strongly connect Subaru, its customers, its retailers and its communities, with Subaru's unique monozukuri / products at the core. Subaru will protect and expand this as a source of value creation for society and the future.

Subaru Love Promise

Strong people-to-people ties between Subaru, customers, retailers, and communities.



* Monozukuri: Manufacturing

4. Determination for 2028 – “Value Creation”

- Further evolve “Enjoyment and Peace of Mind” in the BEV era.
- Enhance “seamless & stress-free” user experience with the latest technology in the BEV era.
- Pursue the Subaru-unique initiatives of “Retaining Value” and “Continuing to Deliver New-Car Feel”.

The value Subaru delivers through technology

● “Retain value” “Continue to deliver new-car feel”

- Subaru-unique OTA
- Value proposition in joint efforts with retailers



● Seamless & Stress-free

- On board / off board user experience
- No wait time



● Enjoyment and Peace of Mind

- Subaru’s strengths enhanced with electrification technology.



The unfading emotional value that comes from spending time with Subaru vehicles

Longevity

From “Reliable” “Long-lasting”
to “Always up-to-date” “Memories”

Versatility

From “Practical”
to “Capable of anything”

Adventure

From “Desire to go further”
to “Excited” “Desire for self-challenge”

Safety

From “Safe”
to “Peace of mind”

Subaru will become even closer to our customers’ lives.

4. Determination for 2028

Expansion of BEV Lineup

Introduce four additional BEV models by the end of 2028.

By the end of 2026: **4 SUVs*** *Incl. Solterra

By the end of 2028: **4 more models**

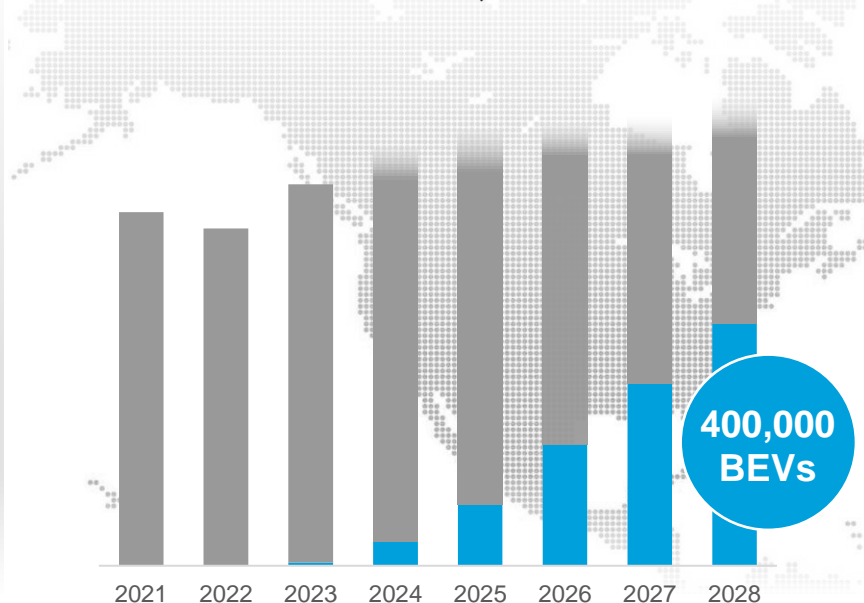
A total of
8 models in
BEV lineup
by the end of
2028



Images are for illustration purposes only.

BEV Sales in the U.S.

Aim for U.S. sales of 400,000 BEVs in 2028.



5. Cultivating people and organizations that drive innovation

- Accelerate individual growth along with organizational growth.
- Create a foundation for developing Innovation Leaders.
- Continue developing the mindset of each division/department to foster innovation in the organization.



| 6. Financial and Capital Policy

While maintaining financial soundness (capital equity ratio of 50% or more) and financial stability (suitable net cash position)

Make aggressive growth investment to prevail in the age of electrification:

● **Electrification investment (production, development):**

Approximately **1.5 trillion yen** by around 2030

(including 250 billion yen already announced for domestic production reorganization. This could vary significantly depending on our approach to battery investment.)

Ensure consistent shareholder returns with stronger focus on improving capital efficiency:

- **Pay stable and continuous dividends and flexibly repurchase shares** based on a comprehensive assessment of business performance, investment plans, and the business environment. (Aim for total return ratio of 30-50%)

“Industry-leading profit margins” remains a goal to be achieved when the initiatives are completed.





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