Human Resources

Human Resource Development

Our Approach to Human Resource Development
The Subaru Group aspires to grow “from a company making things, to a company making people smile,” as upheld as the goal of the STEP mid-term management vision, and to become a company that is trusted by customers and other stakeholders. We believe that the key to realizing this is the entire workforce of the Subaru Group.

To achieve STEP, the Subaru Group will work to provide an environment that enables all employees to both grow and feel pride in their work, and will reform the corporate culture to create a company that is open to new ideas so that each and every employee can readily contribute their thoughts and opinions. By empowering employees to exert their full potential toward enhancing the appeal of the Subaru brand, we will continue to boost the Group’s corporate value.

Training and Education

Our Approach
Subaru has positioned human resource development as an extremely important element of our efforts to achieve STEP. To help employees remain motivated to achieve their own professional development, Subaru utilizes the personnel system, which consists of occupational skill certification programs, a performance appraisal system, a goal management system, and personnel rotations, as well as the education and training systems, as a tool for the development of human resources.

In addition, Subaru’s affiliated companies in Japan and overseas promote initiatives in accordance with the business domain of each company and regional characteristics.

Regular Reviews and Career Development
Through the operation of the personnel system, each employee’s job outcomes and performance levels for skills are objectively evaluated. In addition, under the goal management system, all Subaru employees have an interview four times a year (for goal setting, interim confirmation, outcome confirmation, and evaluation sharing) and the supervisors and subordinates agree on the challenges necessary for growth.

Both men and women are treated appropriately and there is no gender gap in the basic salary.

Programs for Upgrading Skills
Subaru has put in place a wide-ranging training system to enable all employees to fulfill the roles required of them at each qualification level.
Respect for Human Rights       Quality       Making Safe Vehicles

Human Resources       Customers       CSR Procurement       Social Contribution

Based on a program of skills education. A leading example of this is the Subaru Technical School (STS), which opened in 2006 with the goal of training young technicians to become future leaders. At the STS, trainees learn technical expertise and skills according to their rank.

In FYE2020, 655 employees took and completed the courses, bringing the cumulative total of successful trainees to 5,511.

Voice

Comment from a Trainee at STS

The instructors were patient and enthusiastic in teaching us inexperienced people, and I was able to acquire knowledge and skills that we could apply immediately in the workplace. I will not waste the knowledge and skills I learned at the STS but will work more diligently as an employee of a traditional company to make vehicles that our customers can drive with peace of mind.

Seita Matsui
Fifth Painting Section, Second Production Department, Manufacturing Division

Rank-specific Education

Rank-specific education takes the form of newly appointed personnel training, which is provided to all employees at the time of promotion and tailored to their qualifications. Subaru has established programs that facilitate growth through practice and reflection to enable employees to assuredly demonstrate the abilities required for each qualification. For regular employees, these mainly focus on problem-solving, while for mid-level and manager class employees, they include human resource development and leadership. In FYE2020, about 2,000 employees took and completed these programs.

Managerial Talent Development

Subaru offers training for selected mid-level and manager class employees with the aim of continually fostering the next generation of managerial talent.

Education by Job Skill

Subaru has established an in-house training program called the "professional program," which employees are encouraged to apply to in order to improve their business skills and acquire new ones. Subaru also offers support, mainly for mid-level employees, to attend business school.

Globally Focused Talent Development

Subaru has developed programs focused primarily on improving foreign language skills and encourages wide-ranging skills development tailored to the challenges and operational needs of individual employees.

Initiatives to Transfer Skills

The transfer of skills at Subaru involves cultivating talented individuals capable of safely and efficiently making high-quality products by improving their ability to adapt to change, their ability to standardize and sustain that standardization, and their ability to achieve further enhancements through continuous improvement. At the Gunma Plant, we are systematically cultivating technicians based on a program of skills education.
Diversity

Our Approach
For the Subaru Group to continue offering customers the unique value of the Subaru brand, Subaru employees need to be able to exert their unique talents informed by their own personal values and characteristics. This is why Subaru values the differences in gender, nationality, culture, and lifestyle among its employees and strives to create workplace environments where everyone can make a meaningful contribution.

In addition, Subaru’s affiliated companies in Japan and overseas promote initiatives in accordance with the business domain of each company and regional characteristics.

Management System
The Diversity Promotion Office leads the efforts of the Subaru Group in relation to diversity. The Office has designated “supporting female employees to take on more active roles,” “promoting the employment of people with disabilities,” “promoting the reemployment of post-retirement age workers,” and “promoting the recruitment of non-Japanese workers” as priority themes. Among them, Subaru has placed particular emphasis on efforts to support and empower female employees.

Initiatives

Empowerment of Female Employees
Subaru is promoting initiatives for the empowerment of female employees, mainly by supporting employees in their efforts to balance work and childcare and in their pursuit of career development.

Subaru set itself the target of increasing the number of female managers by five times the 2014 level in 2020, and achieved this goal in 2019, a year ahead of schedule. Subaru is further strengthening its efforts aimed at developing female managers by setting a new target to increase the number of female managers to 12 times or more the 2014 level by 2025.

To support career development, Subaru has conducted a wide range of initiatives, including the mentor system and the career development training for female team leaders. We believe that sharing development plans with supervisors of female employees is indispensable for the career development of female employees, and each year we provide opportunities for the supervisors to discuss such plans with the Human Resources Department. In FYE2020, sessions to share development plans were held for general managers in all development-related departments, where the participants confirmed the promotion of a training-based development policy. In FYE2021, we will introduce a new career vision training program for female employees in their 20s with the aim of fostering career awareness among women at an early stage of their careers.

In addition, we conduct interviews with employees returning to work after childcare leave to support the early resumption of their full roster of duties. Our aim is to ease their anxiety about building a career while balancing work and family responsibilities and to foster their career awareness.

In the future, Subaru will further strengthen job rotation, which helps female employees to expand their work horizon and develop themselves to a greater degree.

Supporting Reemployment
Subaru has also established a reemployment support system for employees who resigned for reasons beyond their control, such as the relocation of their spouse. From the introduction of the system in 2009 to March 2020, 11 employees have returned to work at Subaru using this system.

Employment of People with Disabilities
Subaru strives to create workplace environments in which people with disabilities can truly shine. To achieve this goal, Subaru leverages the ideas and opinions of our employees with disabilities and their family members.

As of April 2020, Subaru has 291 employees with disabilities, mainly engaged in manufacturing work, and the percentage of employees with disabilities is 2.3%.*1 In FYE2020, Subaru held study group sessions for personnel in charge of hiring people with disabilities at our affiliates in Japan to share awareness toward achieving the legally prescribed rate of employment of people with disabilities on a groupwide basis.

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In FYE2020, sessions to share development plans were held for general managers in all development-related departments, where the participants confirmed the promotion of a training-based development policy. In FYE2021, we will introduce a new career vision training program for female employees in their 20s with the aim of fostering career awareness among women at an early stage of their careers.

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In the future, Subaru will further strengthen job rotation, which helps female employees to expand their work horizon and develop themselves to a greater degree.

Number of Female Managers (Subaru non-consolidated)
2014: 4 managers
2020: 22 managers (as of April)

Status of Female Employees (Subaru non-consolidated)

<table>
<thead>
<tr>
<th>Proportion of female employees</th>
<th>FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of female managers</td>
<td>7.1%</td>
</tr>
<tr>
<td>(Breakdown)</td>
<td></td>
</tr>
<tr>
<td>General managers and equivalent positions</td>
<td>1.3%</td>
</tr>
<tr>
<td>Managers and equivalent positions</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Supporting Balance between Work and Childcare

Employment of People with Disabilities

<table>
<thead>
<tr>
<th>Number of employees with disabilities (person)*1</th>
<th>April 2016</th>
<th>April 2017</th>
<th>April 2018</th>
<th>April 2019</th>
<th>April 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment rate of people with disabilities (%)</td>
<td>2.13</td>
<td>2.17</td>
<td>2.28</td>
<td>2.30</td>
<td>2.30</td>
</tr>
</tbody>
</table>

*1 Including the number of employees with disabilities at Subaru's specified subsidiary company.

*2 According to the method of calculation specified in Act on Employment Promotion etc. of Persons with Disabilities, one person with severe disabilities is counted as two persons with disabilities.
Universal Design Initiatives

In order to ensure compliance with the Guidelines for the Creation of Comfortable Working Environment*, Subaru makes improvements to the working environment, work methods, environmental facilities and others in an organized and planned manner. We also proactively adopt universal design for our facilities, aiming to make the breakrooms, restrooms, smoking areas, and cafeterias barrier-free, thereby providing all employees with comfortable workplaces.

Subaru has adopted universal design for the entry/exit gates, restrooms, and other facilities of the West Main Building of the Gunma Plant, as was done at the head office.

* “Guidelines for the Creation of Comfortable Working Environment” as stated in the Industrial Safety and Health Act of Japan

Specified Subsidiary Company SUBARU Bloom Co., Ltd.

SUBARU Bloom Co., Ltd. (SBC) proactively employs people with disabilities. As of April 2020, 69 employees and 18 instructors engage in the cleaning service provided by SBC to Subaru’s dormitories and plants. As a company proactively employing people with disabilities, SBC has registered with the "Supporter Company for Employment of People with Disabilities" program implemented by Gunma Prefecture’s Department of Employment Support for People with Disabilities.

In FYE2020, SBC widely accepted study visits by local people and also introduced its initiatives to those in charge of the employment of students by companies at two neighboring special education dormitories and plants. As a company proactively employing people with disabilities while working to stabilize the management of the company and improve its operational quality, SBC will continue to expand its network for the education of students by companies at two neighboring special education dormitories and plants. As a company proactively employing people with disabilities, SBC has registered with the "Supporter Company for Employment of People with Disabilities" program implemented by Gunma Prefecture’s Department of Employment Support for People with Disabilities.

In FYE2020, the number of employees aged 60 and older totaled 461.

Reemployment of Retirees

Subaru introduced the Senior Partner Program and the Senior Staff Program with an eye to helping solve employment problems faced by employees after retiring at the age of 60 and to make more effective use of human resources. We have reviewed the programs to proactively utilize the experience and abilities of retired employees for the education of younger employees and to pass down the skills possessed by the retirees to future generations. As a result, all those who want to be reemployed can now work for Subaru and other Group companies.

In FYE2020, the number of employees aged 60 and older was 130 (of whom 40 were reemployed by Group companies).

Reemployment Rate (for Subaru on a non-consolidated basis)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Retirees (Persons)</th>
<th>Applicants for reemployment (Persons)</th>
<th>Reemployed (Persons)</th>
<th>Reemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>98 (of whom 29 were reemployed by Group companies)</td>
<td>114</td>
<td>98</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>83 (of whom 21 were employed by Group companies)</td>
<td>108</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>86 (of whom 27 were employed by Group companies)</td>
<td>107</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>130 (of whom 40 were employed by Group companies)</td>
<td>164</td>
<td>130</td>
<td></td>
</tr>
</tbody>
</table>

Employment of Non-Japanese Employees

Subaru employs non-Japanese new graduates and mid-career workers as regular and temporary employees regardless of their nationality. In order to help non-Japanese employees to deepen their understanding of their work, we prepare our safety and quality policy-related documents, work manuals, and other documents in multiple languages. At the Gunma Plant with lots of non-Japanese employees, we have stationed interpreters in English, Portuguese, Tagalog, Spanish, Chinese and other languages at each of the facilities to foster communication between Japanese and non-Japanese employees.

Moreover, we provide Japanese employees with opportunities to receive language training and engage in overseas training, thereby helping them to enhance their ability to communicate with people from other countries and understand cultural differences. These initiatives contribute to revitalizing the company and securing human resources in a stable manner. As for foreign trainee workers, we basically provide them with education on safety and quality under the Technical Intern Training Program and also implement other measures to develop them into human resources who can utilize their abilities for their own countries after returning home.

Our overseas sites and affiliated companies independently employ human resources and work to secure human resources in line with their own policies and business details.
Regular Employment System for Temporary Workers
Subaru has a regular employment system for temporary workers. We offer an opportunity to sit for an examination for regular employment to temporary workers who want to become regular employees and whom have comprehensively judged to be qualified to take the examination based on the recommendations from their workplaces and other information. This system contributes to increasing the motivation and vigor of temporary workers. For nine years from FYE2012 to FYE2020, a total of 1,334 temporary workers became regular employees under the system.

<table>
<thead>
<tr>
<th>FYE</th>
<th>Number of those who became regular employees (persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>81</td>
</tr>
<tr>
<td>2013</td>
<td>164</td>
</tr>
<tr>
<td>2014</td>
<td>118</td>
</tr>
<tr>
<td>2015</td>
<td>137</td>
</tr>
<tr>
<td>2016</td>
<td>181</td>
</tr>
<tr>
<td>2017</td>
<td>112</td>
</tr>
<tr>
<td>2018</td>
<td>113</td>
</tr>
<tr>
<td>2019</td>
<td>205</td>
</tr>
<tr>
<td>2020</td>
<td>223</td>
</tr>
</tbody>
</table>

Occupational Health and Safety

Our Approach
Subaru regards occupational health and safety as a critical management issue, and our Health and Safety Philosophy is “Subaru makes health and safety the first priority in all our work.” Further, in addition to our Basic Health and Safety Policy, each of the Subaru Group companies in Japan and overseas establishes their own occupational health and safety policies in line with their business details, regional characteristics, and local laws and regulations, and implements initiatives based on the policies.

Yajima Plant, Gunma Plant

Basic Health and Safety Policy
With the aim of reducing industrial accidents, traffic accidents, diseases, and fires and other disasters to zero, every individual will strive to create a safe, comfortable workplace through efforts to improve facilities, environments, and work methods, and to enhance management and awareness, based on a shared recognition of the importance of health and safety.

Established April 2002 Central Health and Safety Committee

Management System
Subaru established the Central Health and Safety Committee, which is composed of members from management (the director in charge of health and safety and the manager in charge of on-site health and safety) and from the labor union, with a view to protecting employees from industrial accidents and illness and improving the working environment. The committee is chaired by the director, and its vice-chairperson is elected from labor union members. It holds a meeting three times a year. The Central Health and Safety Committee engages in discussions on themes such as the following: the Basic Health and Safety Policy; identification and elimination of the risks that may cause industrial accidents; assessment and minimization of risks; investigation into industrial accidents and the causes of industrial diseases, and countermeasures against them; improvement of the working environment; health and safety education; road safety; and fire prevention. Moreover, based on the Basic Health and Safety Policy, the Site Health and Safety Committee discusses the specific initiatives to be implemented at their own sites, and raises awareness about the Policy among all on-site employees, including non-regular employees and also employees of affiliated companies. In addition, we have stationed industrial physicians, registered nurses and public health nurses across the company to promote occupational health and safety for employees. As for affiliated companies under the control of the Site Health and Safety Committee, we provide them with related information, as necessary for the promotion of their occupational health and safety activities.
I always check for safety before performing any action. Wearing the safety declaration badge, on which it is clearly stated, In order to raise their safety awareness, all Subaru employees their awareness about the prevention of industrial accidents, and safety activity targets and plans as a unified team and raise to workplace leaders so that all employees can share the health and safety policies for the fiscal year. At the start of every fiscal year, each of our sites holds the Health and Safety Kickoff Meeting, where the head of the site communicates the health and safety policies for the fiscal year to workplace leaders so that all employees can share the health and safety activity targets and plans as a unified team and raise their awareness about the prevention of industrial accidents, road safety and health management.

Initiatives
At the start of every fiscal year, each of our sites holds the Health and Safety Kickoff Meeting, where the head of the site communicates the health and safety policies for the fiscal year to workplace leaders so that all employees can share the health and safety activity targets and plans as a unified team and raise their awareness about the prevention of industrial accidents, road safety and health management.

Prevention of Industrial Accidents
Wearing the safety declaration badge
In order to raise their safety awareness, all Subaru employees wear the safety declaration badge, on which it is clearly stated, “always check for safety before performing any action.”

Health and Safety Organization Chart

- Representative Director and President
- Executive Management Board Meeting
- Central Health and Safety Committee
- Cross-Company Health and Safety Committee
- Head Office Health and Safety Committee
- Tokyo Office Health and Safety Committee
- Gunma Plant Health and Safety Committee
- Aerospace Company Health and Safety Committee

Health Promotion
Subaru is fostering employees’ health promotion measures along with occupational health and safety activities so that all employees can work healthily, soundly and vigorously, take on challenges and achieve growth, believing that the health of employees and their families is essential for all its business operations. In 2020, we established a department dedicated to health promotion, and stationed public health nurses and clinical psychologists at all our sites for employees to easily get health-related advice at their sites. We inform employees of the availability of the consulting service via the intranet. Also, in the activities conducted by the Health Promotion Subcommittee since 2018 under the control of the Central Health and Safety Committee, staff in charge of industrial health and those in charge of personnel affairs work together to visualize issues related to health, while implementing measures against smoking as well as a lifestyle improvement program in consideration of employees’ work styles, receiving advice from industrial physicians. Subaru will continue to conduct health promotion activities for its employees and their families.

In order to support the physical and mental health of employees, Subaru is taking two-pronged approach. Specifically, we work to prevent the onset of lifestyle-related diseases among employees to support their physical health and also strive to prevent the onset of mental illness to support their mental health.

Prevention of lifestyle-related diseases
By encouraging employees to undergo regular health checkups, we are striving to promote early detection of lifestyle-related diseases among employees and help those suffering from the diseases to recover. We also collect data about employees with some signs of these diseases, including numerical data, to help them improve their lifestyles and prevent the outset of the diseases.

1) Measures to increase the rate of employees who undergo regular health checkups
We work to have all employees undergo regular health checkups by flexibly providing them with options in consideration of their workplaces and work situations. For those who need to take reexaminations, we share part of the cost. We also provide those diagnosed to have a high health risk with advice from public health nurses and give them necessary instructions to raise their health awareness.

2) Activities to encourage employees to do physical exercise and improve their dietary habits
We are implementing a total health promotion plan (THP) and various other physical exercise programs for employees, while also holding seminars to help them improve their dietary habits.

3) Measures against smoking
We are implementing measures to completely separate smoking areas from non-smoking areas on our premises and to reduce the rate of smokers among employees. In order to prevent passive smoking, we are relocating the indoor smoking areas to outside the buildings and conducting awareness raising activities for the complete separation of smoking and non-smoking areas at all our sites. Also, we are working to reduce the rate of smoking employees to 25% by 2025. To this end, we have designated two or more “non-smoking days” per month and have been conducting an event in which employees’ “lung age” is measured as well as an event in which employees can enjoy collecting stamps by...
walking without smoking during the lunch break. We also established internal clinics to help smokers stop smoking and are cooperating with the health insurance association to encourage smoking employees to meet the challenge of quitting smoking. Moreover, we give financial support to employees who visit external clinics to stop smoking. We are thus conducting a range of activities against smoking.

(4) Increasing employees’ health awareness at the canteens
All our canteens, we provide healthy dishes prepared under the supervision of registered dietitians so that employees can enjoy meals rich in vegetables. We also provide low-salt, low-fat, high-protein and low-sugar dishes alternatively from day to day, with a view to helping employees raise their health awareness by eating at the canteens.

- Prevention of mental illness
We are implementing “selfcare” and “line care” measures for the prevention and early detection of mental illness among employees. Specifically, we help employees detect their own mental stress and deal with it through “selfcare,” and request their managers to give them instructions and advice individually and improve the workplace environment as “line care.” We also proactively support employees who took leave due to mental illness when they return to their workplaces.

(1) Selfcare
We include selfcare training and a stress check in the level-specific collective training provided to employees, so that participants can learn how to self-manage their mental health. We also provide new employees with internet-based cognitive behavioral therapy (iCBT) training and make a counseling service by industrial physicians and clinical psychologists available to employees.

(2) Line care
We published the mental health manual for managers and have included line care training in the collective training for managers, give feedback about the results of collective analysis of employees’ stress checks, and dispatch public health nurses to our workplaces with high health risks to make improvements through the exchange of opinions between the nurses and the managers. For the departments engaging in technological development, we foster workplace improvement activities in which employees themselves voluntarily work to revitalize their workplaces, promote management systems that attribute importance to individual employees’ engagement and to increasing their work motivation, and enhance bidirectional communications between managers and their subordinates. These measures are contributing to preventing the onset of mental illness and the prolongation of such illness period among employees.

(3) Return to work program (for return to work on a trial basis and gradual return to full-time work)
We are implementing this program for employees who have been taking leave to return to their workplaces smoothly, under which our industrial health staff and the personnel department collaborate to support such employees in returning to work on a trial basis or gradually returning to full-time work.

In addition, we hold health seminars for female employees to deal with the health concerns that they may have when facing their life events. According to the results of the post-seminar questionnaire surveys, 95% or more of participants are satisfied/nearly satisfied with the seminars. We are thus dealing with the concerns of female employees and supporting them in working with smiles on their faces.

Industrial Accidents
As for industrial accidents and close calls that happened at our sites and affiliated companies, we comply with the following rule for the prevention of similar incidents at the sites: the department that has faced the incident shall disclose related information to other departments on the premises and affiliated (partner) companies via the department in charge of health and safety at the site.

For FYE2020, we had 24 industrial accidents, of which three were lost time accidents and none were fatal accidents. The accident frequency rate was 0.60.

Reporting line for industrial accidents

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Healthy dishes prepared under the supervision of registered dietitians

*I-neko (good cat),” which won the grand prize in the employees’ competition for a health promotion mascot character held as part of the workplace improvement activity.
Work-Life Balance

Our Approach

As a precondition to increase customer satisfaction, the Subaru Group believes it is vital to provide employees with workplaces where they can work with vigor and peace of mind and demonstrate their abilities to the fullest. In order to help diverse employees to maintain their work-life balance, we are diversifying work style options and expanding the relevant systems. Moreover, our affiliated companies in Japan and abroad are fostering initiatives suitable for local business conditions and regional characteristics.

Initiatives

■ Work Style Reforms

Subaru’s response to the Act on the Arrangement of Related Acts to Promote Work Style Reform*

<table>
<thead>
<tr>
<th>Item</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accurate calculation of employees’ working hours</td>
<td>In July 2018, introduced a company-wide attendance management system for the central management of all electromagnetic records (computer logs and clock-in and clock-out records) for the accurate calculation of employees’ working hours.</td>
</tr>
<tr>
<td>Encouraging employees to take at least five paid days off per year</td>
<td>In FY2020, began implementing measures for all employees, including an initiative to encourage employees who are newly entitled to take 10 or more paid days off to take at least five days off within seven months after the entitlement. Also established operational rules to ensure that all employees can take at least five paid days off per year.</td>
</tr>
<tr>
<td>Imposing an upper limit on overtime working hours</td>
<td>Has been limiting the number of overtime work hours to 590 hours and below annually and to 79 hours and below monthly, setting the criteria stricter than those stipulated by law.</td>
</tr>
<tr>
<td>Raising the premium pay rate for overtime work exceeding 60 hours per month</td>
<td>Has been implementing necessary measures since FY2011.</td>
</tr>
<tr>
<td>Equal pay for equal work</td>
<td>Began reviewing the amount of allowances granted to non-regular employees in FY2021.</td>
</tr>
</tbody>
</table>

* This law was enacted in June 2018 to revise the labor-related laws to foster work style reforms.

■ Appropriate Management of Working Hours

When introducing a new attendance management system in FYE2019 to manage employees’ working hours in the unit of one minute, we recalculated employees’ past working hours in reference to electromagnetic records such as computer logs. As a result, it was revealed that not all employees’ working hours had been appropriately managed. We therefore conducted a survey targeting all employees and made appropriate payments in a retrospective manner to employees who were confirmed to have been unpaid for part of their working hours.

■ Reduction of Long Working Hours

In addition to “no-overtime days,” Subaru also established in FYE2016 “ultra no-overtime day,” on which all managers and general employees leave work on time across its sites. Moreover, mainly targeting the staff of the development and administrative departments of the Gunma Plant and the development department of the Tokyo Office, we make it a rule to lock the doors on the office floor at 10:00 p.m., thereby making all those working on the floor leave before the doors are locked. By clearly imposing limits on overtime work, we are helping employees to be more conscious about their working hours.

■ Flex-time system

Subaru introduced the flex-time system in FYE1999. Subsequently in FYE2017, we reduced the number of the core working hours for the system from four to two hours, thereby enabling employees to work in styles more suitable for their job details and job schedules. They can now control their working hours more flexibly. For example, they can leave work earlier during the low-peak period for their work. The flex-time system thus contributes to reducing employees’ working hours and improving their private life.

Message

Aiming to provide employees with safe and comfortable workplaces

Takayuki Hino
Safety Planning Coordinator
Human Resources Department
Secretariat of the Central Health and Safety Committee

Employees are the company’s most important resource and are a driving force for the company to enhance its competitiveness, on the precondition that they are healthy and can work safely with peace of mind.

As a member of the secretariat of the Central Health and Safety Committee, I work in partnership with on-site safety coordinators, industrial physicians, public health nurses, and registered nurses to propose and implement health and safety initiatives on a daily basis in a manner suitable for the situation of each site. We aim to provide employees with safe and comfortable workplaces so that they can cheerfully leave home for work and also cheerfully return home after work.

Subaru’s response to the Act on the Arrangement of Related Acts to Message

Occurrence of Work Related Accidents and Accident Frequency Rate (non-consolidated)

<table>
<thead>
<tr>
<th>Year</th>
<th>Lost time</th>
<th>Lost time I</th>
<th>Lost time II</th>
<th>Rate of lost-worktime injuries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.71</td>
<td>-20</td>
<td>-2</td>
<td>0.68</td>
</tr>
<tr>
<td>2017</td>
<td>0.58</td>
<td>-14</td>
<td>-2</td>
<td>0.65</td>
</tr>
<tr>
<td>2018</td>
<td>0.37</td>
<td>-6</td>
<td>-1</td>
<td>0.60</td>
</tr>
<tr>
<td>2019</td>
<td>0.37</td>
<td>-7</td>
<td>-2</td>
<td>0.60</td>
</tr>
<tr>
<td>2020</td>
<td>0.00</td>
<td>-2</td>
<td>-3</td>
<td>0.00</td>
</tr>
</tbody>
</table>

* This law was enacted in June 2018 to revise the labor-related laws to foster work style reforms.
Paid Leave

Subaru grants employees annual paid leave in the number of days commensurate with their length of service. At each of our sites, labor and management cooperate to encourage employees to take the leave.

| Annual paid leave utilization rate* (for Subaru on a non-consolidated basis) |
|-----------------------------|------------------|------------------|------------------|------------------|
|                             | FYE2016 | FYE2017 | FYE2018 | FYE2019 | FYE2020 |
| Encourage employees to take leave at each site every month | Proportion of paid days off taken by employees (%) | 84.2 | 84.4 | 86.2 | 85.7 | 86.4 |

* Percentage of the number of days off taken by employees of the total number of annual paid days off granted to them. For members of the labor union, it was 90.7% in FYE2020.

Support for the Maintenance of Balance between Work and Elderly Care

For employees to continue working with peace of mind, it is important to help mitigate the concerns and burdens of employees and their families concerning the care of the elderly family members. Based on this belief, Subaru has distributed the copies of the Elderly Care Support Handbook to all employees of Subaru and other Group companies to inform them of the related systems available internally and externally and of the contacts through which they can ask for advice. We have also established a specific long-term care support system to help reduce the burdens imposed on employees.

Number of employees who took long-term care leave (for Subaru on a non-consolidated basis)

| System for employees to take leave to care for family member in need of long-term care |
|-----------------------------------------------|------------------|------------------|------------------|------------------|
| Number of employees who took this leave (persons) | FYE2016 | FYE2017 | FYE2018 | FYE2019 | FYE2020 |
|                                                | 9 | 4 | 5 | 9 | 30 |

Childcare leave system

Subaru’s employees can extend the period of childcare leave to the end of the first April after the child becomes two years old.

| Number of employees who took childcare leave (for Subaru on a non-consolidated basis) |
|---------------------------------------------|------------------|------------------|------------------|------------------|
| Those who took the leave (persons)          | FYE2016 | FYE2017 | FYE2018 | FYE2019 |
| Male | 6 | 8 | 10 | 21 |
| Female | 101 | 88 | 88 | 80 |
| Total | 107 | 96 | 98 | 101 |

System for employees to take leave for childcare

| Rate of employees who returned to work (%) |
|------------------------------------------|------------------|------------------|------------------|------------------|
| Male | 100 | 100 | 100 | 100 |
| Female | 98 | 100 | 100 | 97.5 |

Special Childcare Leave taken by employees

In FYE2020, 42 male employees took childcare leave, with 30 taking it for a month or longer and half of them taking it for three months or longer. Also, under the Special Childcare Leave system, which allows employees to take up to five days off at the birth of their children, 80.4% of male employees entitled to take the leave actually took it. We will continue to provide workplaces where employees can take this leave in addition to childcare leave.

Average number of days off taken by male employees under the childcare leave system: 95 days
Largest number of days off taken by a male employee: 349 days
• **Short working hours system for childcare**
  Employees can use this system until their children become fourth graders at elementary school and can also concurrently use the flex-time system (with two-hour core working hours).

**Employee Attitudes Survey**

Subaru conducts the Employee Attitudes Survey with an eye to increasing employees’ motivation and revitalizing the organization. The survey results are reported to the management team and are also utilized to identify problems and formulate the countermeasures at each of our workplaces.

In the FYE2020 survey, 14,429 employees or about 90% of the total number of regular employees replied to the questionnaire, and 63% of the respondents answered, “Feeling proud of being a Subaru employee.”

**Results of the Employee Attitudes Survey**

<table>
<thead>
<tr>
<th>Question</th>
<th>FYE2019</th>
<th>FYE2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication and openness</td>
<td>53</td>
<td>56</td>
</tr>
<tr>
<td>Work-life balance</td>
<td>57</td>
<td>59</td>
</tr>
<tr>
<td>Sympathy with the corporate philosophy</td>
<td>64</td>
<td>70</td>
</tr>
<tr>
<td>Work satisfaction</td>
<td>51</td>
<td>56</td>
</tr>
<tr>
<td>Pride in the company</td>
<td>62</td>
<td>63</td>
</tr>
</tbody>
</table>

**Labor-Management Communication**

**Our Approach**

Subaru and its labor union have been on good terms with each other based on mutual understanding and trust. The company acknowledges that the union has the right to unite and engage in collective bargaining and other collective actions, while the union recognizes that the company has the right to manage the business, and the two parties respect the legitimate use of their mutual rights.

The Labor and Management Council regularly holds meetings for smooth corporate management and mutual communication. Specifically, participants exchange opinions regarding the management policies, outline of the business results, and production and sales, and also discuss issues such as labor conditions, challenges concerning work styles, and the occupational health and safety policies. In the labor-management negotiations on the revision of wages (salaries and bonuses) and other labor conditions, the two parties work to reach an agreement for revision or the establishment of new rules. For issues that might have a significant impact on employees, the parties discuss them fully before informing employees of the results.

**Number of Employees Belonging to the Labor Union (as of October 1, 2019)**

The following shows the data for FYE2020.

- Members of the Subaru Labor Union: 14,997 persons
- (Total number of employees: 16,280 persons, excluding managers)
- Confederation of Subaru Affiliated Labor Unions
  Number of members: 27,524 persons
### Employee Data

#### Number of employees

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 30</td>
<td>4,381</td>
<td>437</td>
<td>4,818</td>
</tr>
<tr>
<td>30 to 39</td>
<td>3,915</td>
<td>249</td>
<td>4,164</td>
</tr>
<tr>
<td>40 to 49</td>
<td>3,893</td>
<td>347</td>
<td>4,240</td>
</tr>
<tr>
<td>50 to 59</td>
<td>2,634</td>
<td>106</td>
<td>2,740</td>
</tr>
</tbody>
</table>

#### Breakdown of new graduate hires by job category

<table>
<thead>
<tr>
<th>Category</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career-track employee (in technological fields)</td>
<td>154</td>
<td>23</td>
<td>177</td>
</tr>
<tr>
<td>Career-track employee (in other fields)</td>
<td>28</td>
<td>10</td>
<td>38</td>
</tr>
<tr>
<td>Clerk</td>
<td>78</td>
<td>14</td>
<td>92</td>
</tr>
<tr>
<td>Skilled worker</td>
<td>238</td>
<td>21</td>
<td>259</td>
</tr>
</tbody>
</table>

#### Composition of mid-career hires by age

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 30</td>
<td>66</td>
<td>10</td>
<td>76</td>
</tr>
<tr>
<td>30 to 39</td>
<td>75</td>
<td>9</td>
<td>84</td>
</tr>
<tr>
<td>40 to 49</td>
<td>17</td>
<td>3</td>
<td>20</td>
</tr>
<tr>
<td>50 and older</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
</tbody>
</table>

#### Comparison of fixed wages between male and female employees

**Fixed wages Male: Female**

- Managers: 1.0:88
- General employees: 1.0:98

*The same salary system is adopted for both male and female employees. Differences in fixed wages are due to age- and job grade-related differences.*