



Toward a sustainable society,
created together with our stakeholders
Leveraging the strength of “One SUBARU,”
we bring people and society together with smiles.

Atsushi Osaki
Representative Director, President
CEO (Chief Executive Officer)

Toward the SUBARU Group Vision

Enhancing flexibility and agility to navigate rapid environmental changes

A considerable amount of time has already passed since the automotive industry began to be described as entering a once-in-a-century transformation. In particular, the non-linear transformation and the pace of developments over the past two years since I assumed the role of President have exceeded our expectations. Even looking at just the past year, the entire automotive industry has faced unprecedented upheaval. Even amid such highly uncertain conditions, SUBARU has maintained a steady corporate direction while, over the past two years, significantly enhancing its agility and ability to respond swiftly—leveraging the scale of the company to evolve these capabilities. Looking ahead, it is both our mission and my responsibility as CEO to further enhance our flexibility and expandability, and to continue delivering optimal products to our customers through resilient Monozukuri (manufacturing) and value creation.

Since joining the Company, I have consistently adhered to a hands-on, on-site approach. Through my career in design, manufacturing, and quality assurance, I have always gone directly to the field to seek answers whenever I encountered challenges or obstacles. Even after assuming the role of President, I make it a priority to visit the field whenever possible, listening firsthand to our Group employees and the voices from production, development, and sales sites around the world. These insights serve as the starting point for my management decisions. Over the past two and a half years, I have repeatedly seen firsthand that the answers lie in the field. Going forward, we will continue to value insights from the field and make management decisions with speed, even amid a rapidly changing environment.

Creating a Resilient Corporate Culture through the “One SUBARU” Initiative

Breaking down organizational barriers —achieving overall optimization and speed through the CXO structure

When I first became President, I recognized a challenge: despite not being one of the largest companies in the automotive industry, our organization faced many internal barriers. In an era of rapid change, I believed it was essential to remove these barriers and unite as one, leveraging our nimble company size to make decisions from an overall optimization perspective and act with speed. From this vision, we launched the “Becoming One SUBARU” initiative.

In 2024, we established the Innovation Hub at the Gunma Plant, creating a space where members from all divisions, as well as partner companies and suppliers, can collaborate and freely discuss across the entire engineering chain, from planning and design to development, procurement, and production technology. This has strengthened connections both within and outside the Company, significantly enhancing our speed and flexibility.

Subsequently, we identified five priority themes and appointed Chief X Officers (CXOs), establishing a structure with strong authority to drive cross-organizational initiatives. Today, this leadership structure with five CXOs is functioning extremely effectively. It facilitates organic connections between divisions that previously had limited communication, implementing initiatives and systems that have, as a result, significantly accelerated the speed of product development. Building on these achievements, in FYE March 2026, we appointed a Chief Logistics Officer (CLO) and a Chief Human Resources Officer (CHRO). Going forward, we will further strengthen the system that enables CXOs to collaborate both vertically and horizontally, adapting to the objectives and progress of each project.

We view “Becoming One SUBARU” not merely as an organizational reform, but as an evolution of our corporate culture to continuously adapt to change. United by a shared vision, our Group employees will cherish connections between people and continue delivering SUBARU’s unique value to society.

Fostering a culture that encourages challenges —organizational reforms to unlock the potential of our people

At the core of SUBARU's value creation are our people. Looking ahead, tackling the unknown is essential for shaping the future, and the driving force behind these challenges is the strength of each and every employee. Our employees have a deeply rooted sense of diligence and integrity; however, it is also true that concerns about failure and hesitation to seek support have, at times, made it difficult for them to take the first step toward new challenges. For this reason, under the concept of "Becoming One SUBARU," over the past year we have worked on initiatives such as establishing organizational structures that promote cross-departmental communication and strengthening human resources measures. In addition, management has actively engaged with employees, encouraging their challenges and recognizing failures, fostering a culture that further supports and motivates taking on new initiatives. As a result, I feel that the number of employees willing to take on challenges, particularly among younger staff, has steadily increased. A culture that embraces both challenge and failure is gradually taking root within SUBARU.

The same thinking guided our decision to evolve one of the Six Priority Areas for Sustainability, "Diversity," into "Diversity, Equity & Inclusion (DE&I)." At SUBARU, we are proud to have many talented individuals full of potential, bringing diverse perspectives and creative ideas. By unlocking the seeds of potential in each individual and nurturing them collectively, we generate innovation. I believe that cultivating a culture to sustain this cycle is a fundamental mission of management.

Challenges that shape the future —our commitment to see them through as "One SUBARU"

We have long been preparing to realize our initiatives in "Monozukuri Innovation" and "Value Creation." At the same time, the reality is that there are many aspects of implementation that can only be understood by taking action. As "One SUBARU," all Group employees will unite to take on challenges and see them through to completion. As the Company's leadership, I will strive to amplify the growing wave of change while inspiring motivation to create the future together.

Progress in "Monozukuri Innovation" and "Value Creation"

New challenges in increasingly advanced and complex vehicle manufacturing

The SUBARU Group is firmly committed to "Monozukuri Innovation," combining flexibility and expandability, in line with the New Management Policy announced in August 2023. We will provide further details in the future, but we already feel that "Monozukuri Innovation" is taking root rapidly. In pursuit of a carbon-neutral society, we have taken a decisive turn toward battery electric vehicles (BEVs), choosing this path based on our resources and opportunities. Although BEV demand has recently plateaued, our view remains unchanged that BEVs will continue to be central in the medium to long term. The challenge of planning and developing new BEVs with vehicle structures vastly different from conventional internal combustion engine (ICE) models, and beginning production at new factories built from scratch on undeveloped land, represents a major turning point in "Monozukuri Innovation," moving beyond traditional frameworks and giving us a competitive edge over other companies. Going forward, we aim to extend the elements of "Monozukuri Innovation" pioneered with BEVs to our ICE-based products as well.

Value creation leveraging SUBARU's unique, strong relationships with our customers

Under the New Management Policy, another key initiative is "Value Creation." We have defined the value we want to provide our customers as "Enjoyment and Peace of Mind." However, the moments and opportunities

when customers experience this "Enjoyment and Peace of Mind" differ for each individual. For this reason, we place the highest priority on initiatives that stay close to our customers. Our strength lies in the deep connections we maintain with our retailers and customers. During the period that customers own their vehicles, we strive to ensure their appeal remains intact and foster long-term relationships, challenging ourselves to create new value based on the concept of "retaining value." To achieve this, we will further increase customer touchpoints, incorporate their feedback into product development, and apply it to post-purchase services as well. Accordingly, we reorganized our after-sales division to strengthen the system.

The Future of SUBARU, Close to Society

Turning "Enjoyment and Peace of Mind" into a foundation for a sustainable society

SUBARU aims to achieve a balance between realizing a sustainable society and the sustainable growth of the SUBARU Group, leveraging its corporate value and strengths to the fullest. Guided by this vision, in FYE March 2025 we expanded the Six Priority Areas for CSR into the Six Priority Areas for Sustainability. Going forward, we will place greater emphasis on social value in all aspects of our corporate activities and expand the scope of our initiatives to encompass all stakeholders.

In the "Peace of Mind" area, one of the Six Priority Areas for Sustainability, we are advancing initiatives aimed at achieving zero traffic fatalities by 2030. While this is a highly important challenge in addressing this social issue, there are, in reality, many hurdles to overcome. For example, in cases such as collisions involving vehicles driving the wrong way or being trapped between large vehicles, it is difficult to achieve zero fatalities through SUBARU's products and technologies alone. It is possible to enhance safety by equipping vehicles with numerous sensors, but the resulting increase in cost could hinder widespread adoption. That is why we view the installation of safety technologies in all models at an appropriate price as a key challenge, and we are working to promote the wider adoption of vehicles equipped with such technologies by leveraging the technical capabilities we have built over the years. In addition, we aim to realize a sustainable society by mobilizing the entire company to help reduce traffic accidents across society as a whole—through collaboration with other companies, partnerships in infrastructure development*, and initiatives to raise public awareness of traffic safety. We believe that "Peace of Mind" extends beyond ensuring safety—for example, encompassing the sense of being cared for through connected technologies and the ongoing relationships with local dealerships. SUBARU aims to foster a sustainable cycle that values human connections and drives initiatives that benefit society.

* On June 24, 2025, Kajima Corporation and Subaru Corporation
Launch Real-World Demonstration Tests of Cooperative Vehicle-Infrastructure Autonomous Driving Using Optical Fiber Sensing Technology
https://www.subaru.co.jp/news-en/2025_06_24_140859/

To our stakeholders

By ensuring that customers can enjoy their SUBARU vehicles for many years, we not only enrich their lives but also offer a choice that is gentle on society. Going forward, we will continue to build a better future together with all of our stakeholders.

Since assuming the role of President in 2023, I have implemented initiatives to strengthen our ability to respond with flexibility and resilience in these turbulent times. These efforts have steadily been embedded and have now moved into the execution phase. Looking ahead, we will continue to take on the challenge of creating new value as "One SUBARU." Without yielding to difficult circumstances, we trust in the capabilities we have built and forge ahead to shape the future. This spirit embodies the unchanging essence of SUBARU and our promise to build the future together with all our stakeholders. Please look forward to what's ahead.

Delivering Happiness to All

Our vision of becoming a company “Delivering Happiness to All” is inspired by the very happiness we have perceived in our customers’ behavior and feedback, which we cherish in the deep relationships we have with them. We will put these customers who have nurtured the SUBARU brand first, and continue to pursue our goal of delivering happiness to people, society, and even the Earth.

Vision

Delivering Happiness to All.

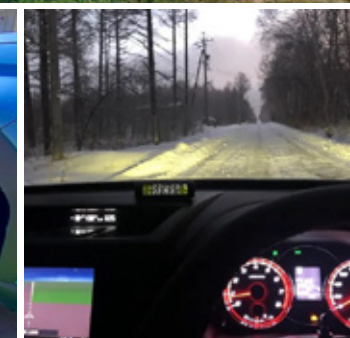
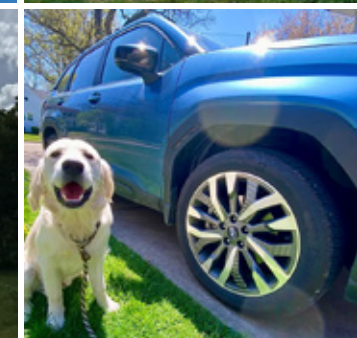
Value statement

“Enjoyment and Peace of Mind”

Corporate statement

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

Thank you for 27 years of service. Congratulations to all the great engineers and other people at Subaru that made the best family car I’ve ever seen.



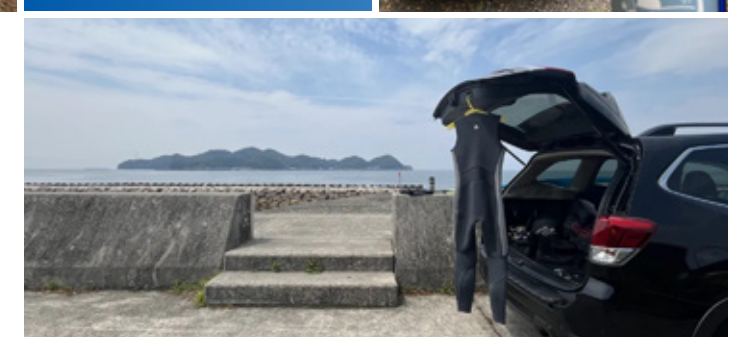
Outstanding stability, even on snowy roads, makes for a fun drive. Even after eight years, it feels like a partner that will be with me much longer than that.



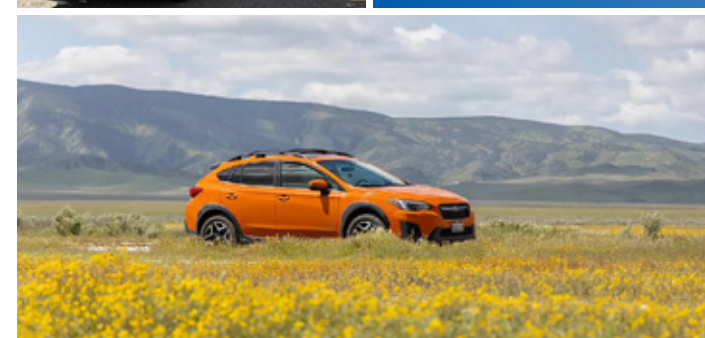
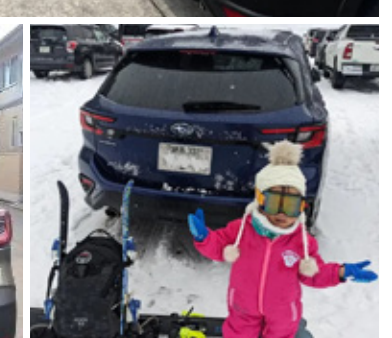
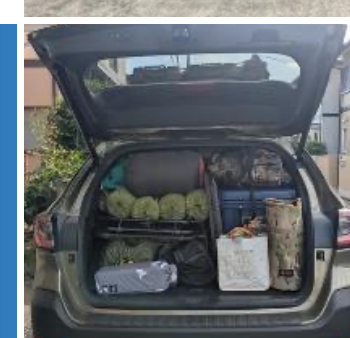
Wilson, my Subaru Outback. Got us through every highway, backroad, and forest road... no matter how spicy it got. Without Wilson, this trip would not be the same.



Commuting, traveling, driving—whatever the occasion, my time on the road is so comfortable and enjoyable that I often find myself just cruising along without any particular destination. That’s the kind of partner my Outback is to me.



Thanks for creating a vehicle that not only keeps you safe but also creates a drive for you to get out there and explore.



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

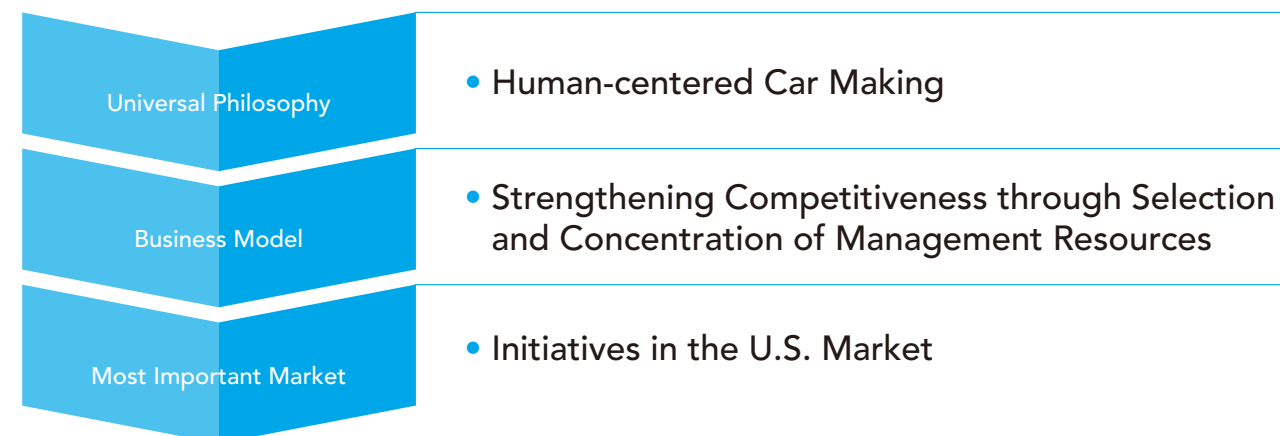


Dear Subaru,
<https://www.subaru.com/owners/dear-subaru.html>



welcome to uncommon
https://www.youtube.com/playlist?list=PLjDqOMK-xK1_y7W9Qgkqh6U1sQgL_ChN6

Accumulated Strengths and Business Model



Universal Philosophy

Human-centered Monozukuri

SUBARU has defined its value statement for customers as “Enjoyment and Peace of Mind.” We believe that peace of mind is realized only when safety and trust in the brand is achieved. Enjoyment is built on peace of mind, and encompasses the pleasure 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 are continuously advancing 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 prevent emergencies 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 long been committed 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 driving, turning, and stopping. Driving performance 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 / Human-centered Monozukuri

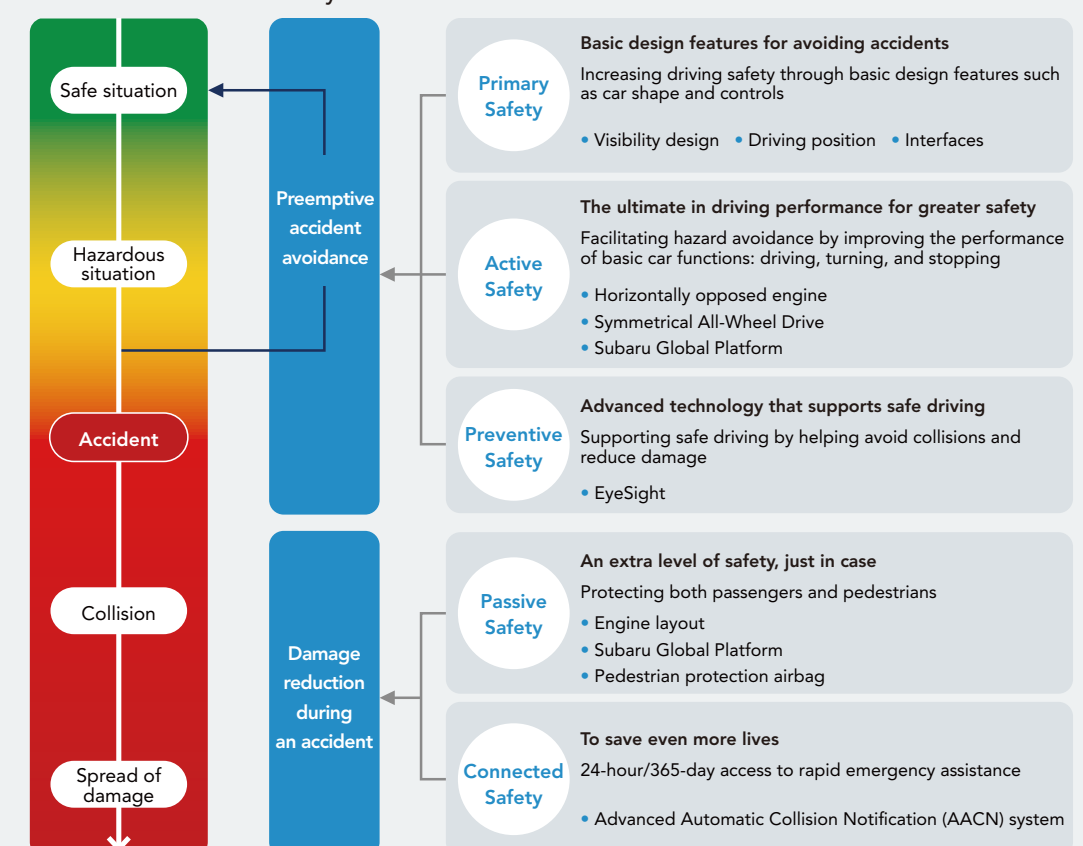
In addition to these efforts, we have been developing driver assistance systems using stereo cameras and radar for more than 30 years, leading to the development of EyeSight and other advanced safety technologies. EyeSight uses stereo cameras for recognition and control to perform its primary functions. The cameras constantly monitor the road ahead and can measure distances in a way similar to human vision. It offers superior recognition capabilities, identification of vehicles, pedestrians, and lane markings, while providing wide viewing angles, long detection ranges, and accurate 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, even in low-visibility conditions. 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. SUBARU will enhance the safety performance of its cars from every perspective as we aim to achieve zero fatal traffic accidents in 2030. We will do this by making the five areas of Primary Safety, Active Safety, Preventive Safety, Passive Safety, and Connected Safety even better.

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

SUBARU’s All-Around Safety



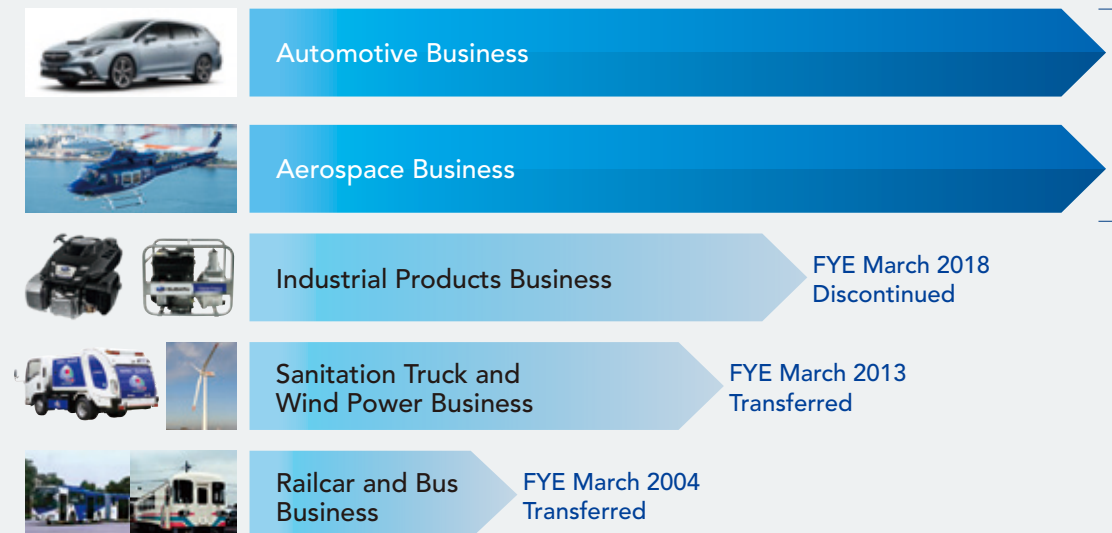
Business Model

Strengthening Competitiveness through Selection and Concentration of Management Resources

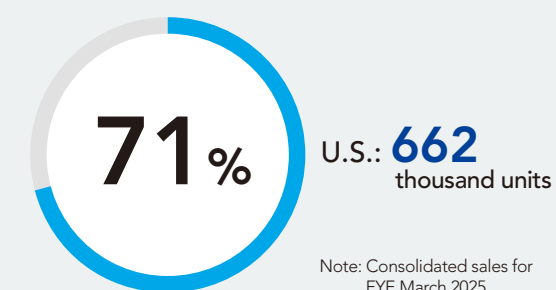
To maintain our earnings power and achieve sustainable growth in a highly competitive environment, it is of utmost importance that customers recognize SUBARU's unique value. It is also vital to implement detailed strategies for differentiation and creating added value. By focusing on fields and markets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

Business Focus Areas

Our priority is not simply expanding our business. Instead, we concentrate our business resources by focusing exclusively our focus to automobiles and aerospace, where we can best utilize the technologies and know-how we have built up over the years.

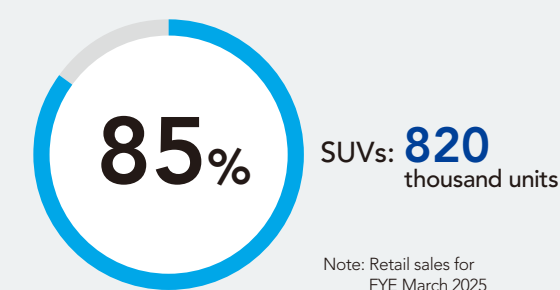


Market Focus



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.

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 growth was driven by initiatives to develop products tailored to U.S. market needs, establishing a strong sales foundation.

In 2025, our goal is to reach sales of 675,000 units (up 1.1% 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 to Communication

SUBARU's unique AWD technology has earned a strong reputation for enabling our cars to handle snow-covered roads in the snowbelt with ease. In addition, SUBARU vehicles are widely recognized as enjoyable cars that provide a high level of stability and peace of mind in a wide variety of environments, including ordinary roads, unpaved roads, and rainy weather, even outside the snowbelt, thanks to high third-party ratings for Passive Safety performance. While customers experience SUBARU's safety and value in different ways, what truly makes SUBARU unique is that many express genuine "love" for their vehicles. With love as the keyword, we have been engaged in the Love Campaign, a marketing campaign that asks customers about their life with their SUBARU. It creates a personal story for each customer, deepening their attachment to SUBARU as a unique expression of individuality and encouraging them to share this passion with others. This deepened attachment and resonance have led to the strength of the SUBARU brand.

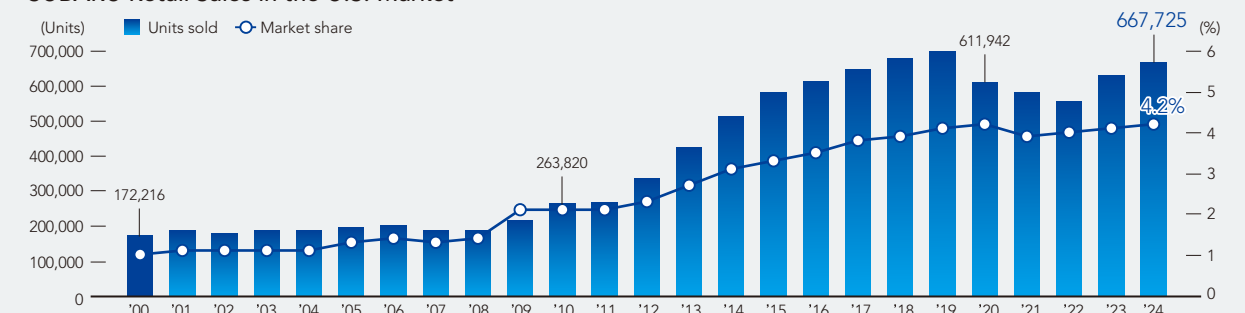
② The SUBARU Group's Strong Sales Network

We refer to the businesses that meet customers in-person and provide our products and services as "retailers" instead of "dealers." As members and representatives of the SUBARU team, they work with each customer in each region with sensitivity to their feelings and values. Since retailers are important partners to us, we have focused on supporting their activities, from new car sales to after-sales service, and have grown together with them. Through these efforts, we have built a strong trust and deepened ties with those who share SUBARU's intended direction, resulting in our competitive advantage in the U.S. market. As of March 31, 2025, we have a total of 641 retailers, with plans to expand this to approximately 650 in the future. However, rather than simply increasing the number of retailers, we are prioritizing profitability by expanding sales per existing retailer, followed by reinvestment from retailers into the SUBARU business.

③ SUBARU's Unique Initiatives: Committed to Customers and Communities

In addition to products, each retailer is rooted in the local community, and each staff member carefully builds relationships with customers, which fosters trust, resonance, and love for the SUBARU brand and leads to SUBARU's growth. Our Love Promise is tailored to local communities to realize a better society together with our retailers, with the vision that everyone involved with SUBARU will feel love and respect. This initiative helps our customers understand the retailer's thoughts and attitude toward the community and each staff member's personality and values, fostering a stronger and deeper relationship of trust. Participation in the Love Promise helps to motivate each staff member and to recruit and retain human resources. Today, more than half of our retailers have now signed on, resulting in even larger activities that utilize local networks. Love Promise has come to generate more significant impacts both internally and externally. The relationship between SUBARU, retailers, and customers is what gives us our distinctive presence that sets us apart from other brands, and an important element in generating SUBARU's uniqueness.

SUBARU Retail Sales in the U.S. Market

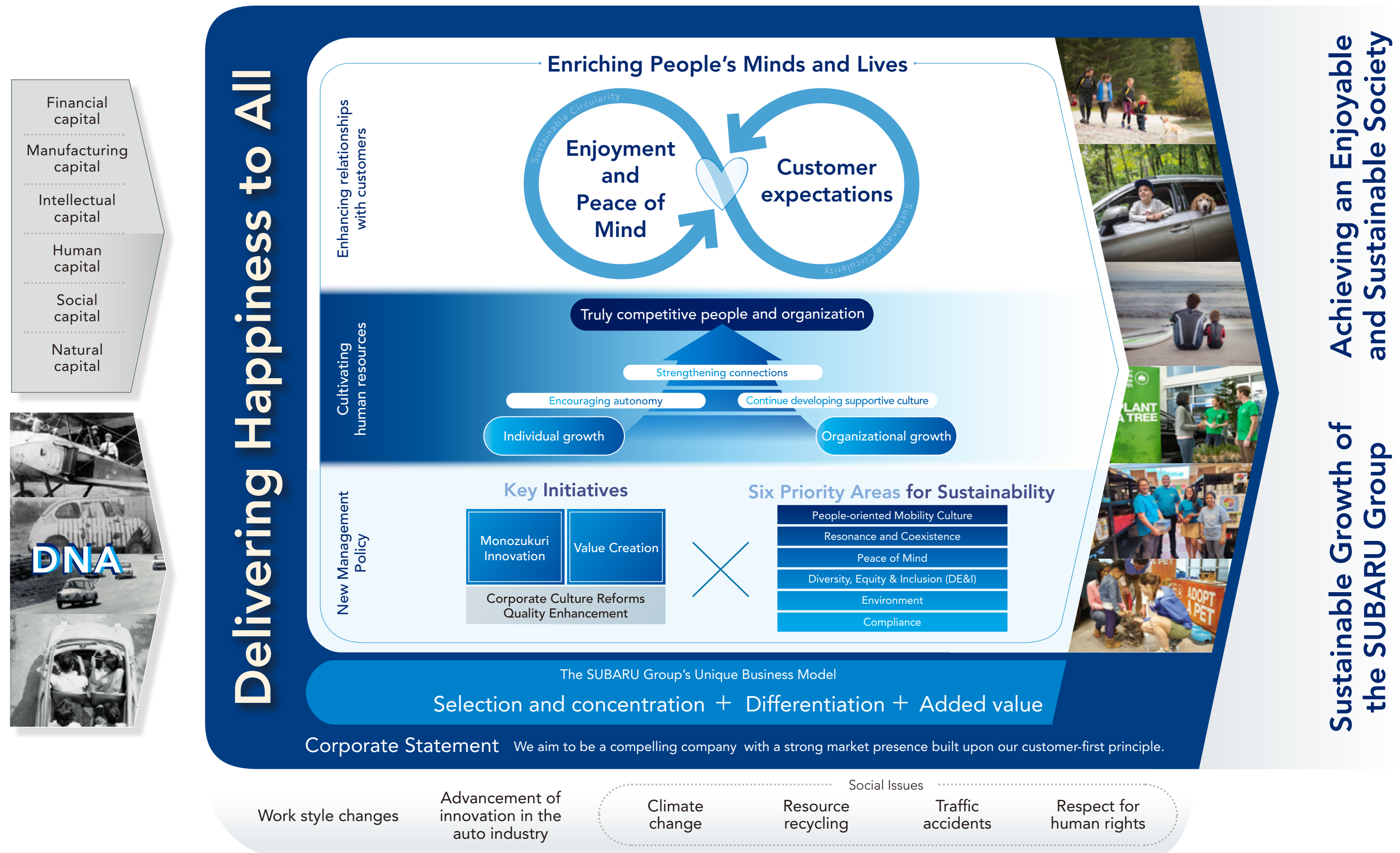


Value Creation Process

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 its DNA as an aircraft manufacturer and based on our human-centered approach to Monozukuri, we are committed to nurturing relationships with our customers by staying close to them and continuing to provide product at the core "Enjoyment and Peace of Mind." The driving

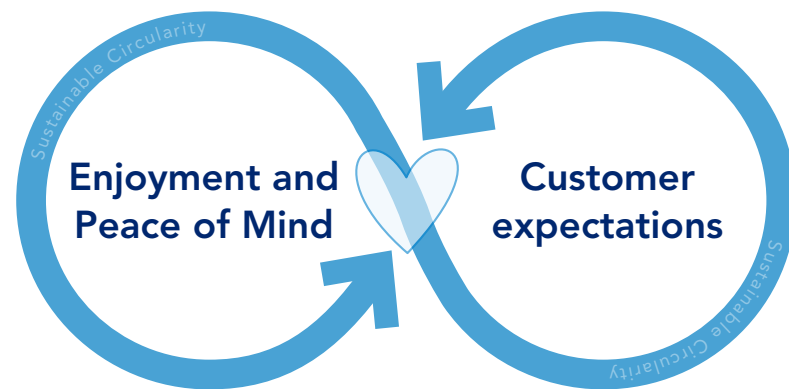
force for making this a reality has always been our human resources. The SUBARU Group's sustainable growth and the realization of an enjoyable and sustainable society will be powerfully driven forward by truly competitive people and organizations, created from growth of both individuals and organizations.



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, suppliers 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 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, 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.

SUBARU Moments



I feel like I ought to park next to the other SUBARU.

- 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 vehicles can sometimes be seen clustering together in parking spaces at shopping malls and restaurants, or politely yielding the road to one another.

Our Goals of Being More Than a Car Company®: Love Promise® Initiatives

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.

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 17 years from 2008.



Total of more than U.S. \$320 million donated to approximately 2,700 local and regional charities nationwide since 2008 in partnership with retailers¹

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 17 years has grown into a more significant activity that makes use of community networks built through collaboration with more than 640 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 organizations¹ 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. These four national charities are SUBARU's partners during the Subaru Share the Love Event: The 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

Subaru Loves the Earth®	Subaru Loves to Care®	Subaru Loves to Help®	Subaru Loves Learning®	Subaru Loves Pets®
Activities to protect the Earth	Support for people battling illness	Support for those in need	Support for education	Animal welfare

- 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/>

Unique SUBARU Value, Created with People and the Earth

At Subaru, we are driven by a powerful commitment to live the Subaru Love Promise® each day, ensuring that love and respect are felt by all—our communities, our employees, and our customers—at every interaction. Our H.E.A.R.T. pillars of Honesty, Empathy, Appreciation, Respect, and Trust form the foundation of our culture and our pledge to customers.

Honesty
Empathy
Appreciation
Respect
Trust



Yoichi Hori
Chairman and CEO
Subaru of America, Inc.



Jeffrey A. Walters
President and COO
Subaru of America, Inc.

These values define how we treat our customers, as well as how we support our people and engage with the communities where we live and work. They differentiate us from other automakers, guide us in every interaction, and fuel our focus on safety, workplace well being, and community partnership.

The Subaru Love Promise® Retailer of the Year Awards

The Love Promise Retailer of the Year Award shines a spotlight on exceptional Subaru retailers who contribute to their local communities while taking efforts to turn customer transactions into lifelong owner relationships.

In 2024, Five Star Subaru of Grapevine, a retailer in Grapevine, Texas, was named Retailer of the Year, which is the most prestigious of the awards.



Initiatives by Five Star Subaru of Grapevine, recipient of the 2024 Subaru Love Promise® Retailer of the Year Award

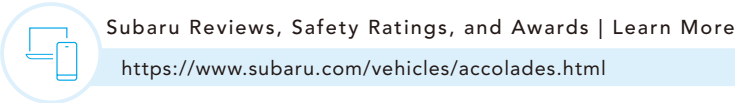
Since opening in 2016, Mr. Tony Hooman, General Manager and his team have been diligently focused on Subaru Love Promise initiatives at Five Star Subaru of Grapevine under the guidance of owner Sam Pack. Over the last eight years, they have donated more than \$1.3 million to over 50 local and national charities, most notably partnering with Grapevine Relief and Community Exchange (GRACE) and Serving Our Seniors (SOS). These are two local organizations that support children, families, and senior citizens living in Tarrant County, Texas. In 2023 alone, Five Star Subaru of Grapevine employees volunteered over 900 hours and continue to assist community organizations and customers in need. The retailer has been a top-selling store since its first year of business, nurturing customer relationships and earning the Subaru Love Promise Customer and Community Commitment Award since its inception.



Congratulations to Five Star Subaru of Grapevine, the 2024 Subaru Love Promise® Retailer of the Year
<https://www.youtube.com/watch?v=uOWDERdzKNI&t=11s>

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.



► Ranked as Top Automaker in Forbes “1 Best Brands for Social Impact for Third Consecutive Year

For the third consecutive year, SUBARU has been ranked #1 among 19 well-known automotive brands for social impact, according to Forbes.

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1. A leading global economic magazine based in the U.S.



► Ranked Highest in Customer Service Index by J.D. Power²

With retailers, we have achieved the #1 ranking for customer satisfaction among Mass Market Brands in the J.D. Power 2025 U.S. Customer Service Index (CSI) Study. SUBARU earned the top rating across every Voice of the Customer measure evaluated—including service initiation, service advisor, service facility, vehicle pick-up, and service quality.

2. Earned the top rating for mass market brands, mass market SUVs/minivans, and mass market passenger vehicles in J.D. Power's 2025 U.S. Customer Service Index Study, measuring satisfaction with service at franchised dealer and aftermarket service facilities for maintenance or repair work among owners and lessees of one- to three-year-old vehicles.



► Top Ranking in 2025 American Customer Satisfaction Index Survey Automobile Study

SUBARU was ranked No. 1 overall in the 2025 American Customer Satisfaction Index (ACSI®) Automobile Study. The result highlights SUBARU's strength in safety and dependability among other top-category claims. SUBARU earned an overall score of 85, up 2% over last year's ranking, and pulled ahead of all other brands in the mass-market segment.

The ACSI study and rankings are based on customers' opinions of their own vehicles, and results are reported on a 100-point scale. In the ACSI 2025 Automobile Study of mass-market vehicles, SUBARU was rated³ as follows.

- #1 Brand for Vehicle Safety, six years in a row
- #1 Brand for Product Quality, five years in a row
- #1 Brand for Overall Product and Service Quality, three years in a row
- #1 Brand for Perceived Value, three years in a row
- #1 Brand for Dependability, two years in a row
- #1 Brand for Driving Performance, two years in a row

3. Compared to all other measured automotive companies in their respective segments in the 2025 American Customer Satisfaction Index (ACSI®) survey of customers rating their own automotive company's performance. ACSI and its logo are registered trademarks of the American Customer Satisfaction Index LLC.



SUBARU's unique customer relationships

► Fostering Customer Relationships: Creating Shared Experiences through SubieEvents

SUBARU returned as title sponsor of the 2025 Subiefest Enthusiast Events—a nationwide celebration of Subaru owners and fans held across six U.S. cities. More than a promotional effort, this program serves as a platform for building lasting relationships through shared values and immersive experiences.

The enthusiast events attract thousands of Subaru vehicles and fans who can experience unique opportunities like test driving the latest Subaru EV, hybrid, and gas models, get a ride along with a SUBARU Motorsports USA driver, participate in an autocross course with their personal vehicle, attend tech seminars, and more.

To support the Subaru Loves Pets® pillar of the Subaru Love Promise®, SUBARU partners with local pet organizations to have animals for adoption at every enthusiast event, as well as shaded, grassy “rest stops” for all dogs who attend the events.

These family friendly experiences allow customers to connect emotionally with the brand, build a stronger connection within their community, and deepen their sense of belonging.



► Subaru Ambassadors Program

Subaru Ambassadors are customers who share a deep empathy and passion for the SUBARU brand, actively support our Love Promise initiatives in their communities, and voluntarily share the appeal of our products and brand. In 2024, our ambassadors volunteered hundreds of thousands of hours and hosted 4,661 events in their local communities, making a meaningful impact while sharing their love of SUBARU. Their efforts help strengthen connections with other customers and local communities, while also generating authentic, customer-driven messages that resonate in ways traditional corporate communications often cannot.

Together with these passionate and proactive Ambassadors, SUBARU is committed to realizing our vision of becoming More Than a Car Company.

Toward Achieving an Enjoyable and Sustainable Society

SUBARU's manufacturing has always been centered on the lives of our customers. 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. With 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 at SUBARU will continue to work with our retailers to be a trusted part of our customers' lives. Together With products, we will work to achieve an enjoyable and sustainable society.

New Management Policy

SUBARU's Business Environment

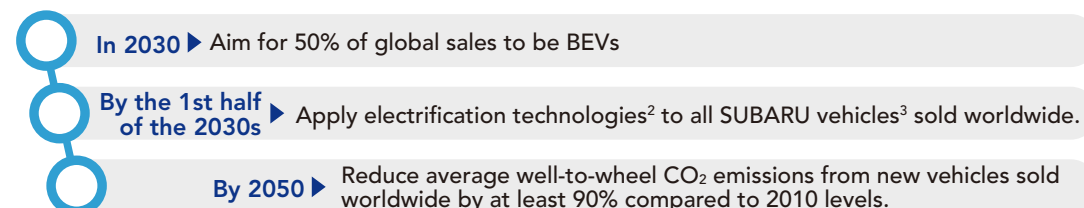
The automotive industry has become increasingly diverse in response to changing customer preferences, increasingly sophisticated and complex cars, and stricter regulations in various countries. Furthermore, as the industry as a whole is said to be undergoing a once-in-a-century period of profound transformation, we must confront and outperform not only our competitors in the same industry but also those from other industries that have emerged with completely new values.

Though the global BEV market experienced rapid growth after 2020, this growth has slowed since around 2024, while the popularity of HEVs is rapidly increasing. In addition, the business environment in which we operate continues to change with unprecedented speed and discontinuity, including environmental regulations and tariff policies in the U.S. starting in 2025. As a range of different changes happen all at the same time, it is more important than ever for companies to determine their direction and map out a strategy for sustainable growth.



CO₂ Reduction Roadmap

SUBARU aims to reduce its well-to-wheel¹ CO₂ emissions by 90% or more from 2010 levels by 2050 in working to bring about a decarbonized society. To achieve this goal, we will apply electrification technology to all SUBARU vehicles sold worldwide by the early 2030s. We have greatly adjusted our goals from the New Management Policy announced in August 2023, now a 2030 milestone of 50% of all vehicles sold worldwide being BEVs, presuming global vehicle sales of 1.2 million-plus units.



New Management Policy (announced August 2, 2023)
<https://www.subaru.co.jp/en/outline/about/policy/index.html>

Updated New Management Policy (announced May 13, 2024)
<https://www.subaru.co.jp/en/outline/about/policy/update/>

SUBARU Business Update (announced November 1, 2024)
<https://www.subaru.co.jp/en/outline/about/policy/update/202411/>

Financial and Capital Policy Update (announced February 7, 2025)
<https://www.subaru.co.jp/en/outline/about/policy/index.html>

As part of our medium- to long-term efforts to achieve carbon neutrality, we are looking to the BEV business to become a mainstay of our operations in the future. On the other hand, with growth in the BEV market currently in a slowdown, we expect that reaching a 50% BEV sales ratio may be delayed past the 2030 target. This is given various external factors such as the spread of charging stations, environmental regulations in various countries, and revisions of subsidies and tax incentives for BEVs. In addition to this situation, we are currently in the process of refining our efforts toward 2030 in light of U.S. policy trends, and we plan to disclose updated plans in due course.

1. Well-to-Wheel: Approach to calculating CO₂ emissions including the emissions produced by the generation of electricity to be used by EVs and other vehicles.
 2. Excluding models supplied by OEMs.
 3. Refers to the technology used to foster the use of electricity for EVs, HEVs, and others.

Initiatives with Flexibility and Expandability

At this stage, it is difficult to foresee the future direction with respect to this topic. Therefore, while keeping a close eye on the trends in regulations and the market, SUBARU is taking various actions based on the recognition that it is extremely important to ensure flexibility and expandability, using this concept to adapt to such changes flexibly and to expand at once when the direction of the shift becomes clear. At this time, we expect this early transition stage to BEVs to take longer than initially anticipated, and we will continuously adapt to these environmental changes by advancing each initiative based on the approach of flexibility and expandability.

Flexibility in Product Development in the BEV Early Transition Stage

We are exploring various options for the development of BEVs, including in-house development and alliance cooperation, but for the four BEVs planned for our lineup by the end of 2026, we are developing them jointly with Toyota Motor Corporation. In this development, we are working together under the slogan, "to make ever-better cars," by bringing together our respective strengths in technology and expertise, with engineers from both companies engaging in mutual learning and collaboration. Joint development has led to the accumulation of technology and expertise in preparation for the era when BEVs are mainstream, as well as to curbing development costs for both companies.

The first jointly developed model, the Solterra, was unveiled in November 2021, and in April 2025, we announced the second-ever model of the global BEV lineup as the new Trailseeker¹, which deftly combines the driving performance unique to BEVs with utility at a high level. The Trailseeker is scheduled to be launched to the U.S. market in 2026 or thereafter. In July 2025, the third model, the new Uncharted², was announced, combining usability and exceptional driveability with powerful performance unique to BEVs, catering to diverse customer lifestyles. This model is also planned to be launched to the U.S. market in 2026 or thereafter.



All-new Subaru Trailseeker (U.S. model)



All-new 2026 Subaru Uncharted (U.S. model)

1. April 18, 2025: Subaru Reveals Two Battery Electric Vehicles at the New York International Auto Show
https://www.subaru.co.jp/news-en/2025_04_18_101813/

2. July 18, 2025: World Premier of All-New Battery Electric Vehicle Subaru Uncharted
https://www.subaru.co.jp/news-en/2025_07_18_170516/

In this BEV early transition stage, we also believe that HEVs will be of extreme importance, and we have been developing a uniquely SUBARU next-generation hybrid system based on the TOYOTA Hybrid System. This has featured in the mainstay Foresters and Crosstreks from their 2024 model year, launched to great acclaim in the Japanese and North American markets.

Among many choices, the final decision is, ultimately, made by the customer. To provide more options to our customers, we believe it is important to provide flexibility in our products by offering not only BEVs but also a wide range of ICE-based products.



Flexibility in Production System in the BEV Early Transition Stage

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, which has already been introduced to the market, Toyota Motor Corporation plans to supply us with BEVs produced at its U.S. plant in the future, and we will supply BEVs (SUBARU vehicle name: Trailseeker) to Toyota Motor Corporation to be produced at the Yajima Plant of Gunma Plant in around 2025. 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 the fall of 2024, the Kitamoto Plant, which was previously the production and sales base for the Industrial Products Business, was renovated and production of transaxles, the core unit of the next-generation hybrid system, began. The next-generation hybrid system was first installed in vehicles manufactured at our plants in Japan, and is scheduled to be installed in vehicles manufactured at SIA in the U.S. beginning in 2026. In response to the recent increase in demand for HEVs, we will increase transaxle production capacity at the Kitamoto Plant from just over 186,000 units to just under 300,000 units by 2027. 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 environmental regulation trends, and is in consideration of plans to supply BEVs produced at the Yajima Plant to Toyota Motor Corporation.

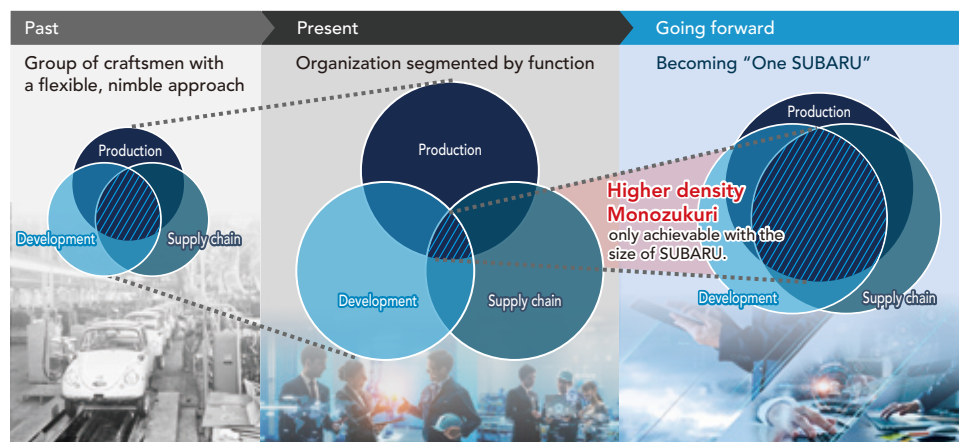
Progress in the Major Challenges of “Monozukuri* Innovation” and “Value Creation”

Although the external environment is undergoing significant changes, our commitment to “Monozukuri Innovation” and “Value Creation” for the future has not changed in any way since the policy was first announced. We are not merely advancing initiatives for “Monozukuri Innovation” and “Value Creation;” our goal is to become a world's leading company in “Monozukuri” and “Value Creation” so that SUBARU does not fall behind in this era of profound transformation.

“Monozukuri Innovation” Initiatives

Once referring to ourselves as a “group of craftsmen with a flexible, nimble approach,” we have used Monozukuri to bring unique technologies to the world, such as AWD and EyeSight. We have also evolved highly efficient mixed production methods over the years based on the concept of variable-mix, variable-volume, short-run production in small plants. However, As times have changed, customer preferences have changed, cars have become more complex, and the areas to be addressed have become more diverse. This has led to rapid progress in the division of functions, especially in the areas of product development, production and the supply chain, including specialization in individual areas and outsourcing of work to suppliers. As a result, we have established a Monozukuri method where each function waits for the previous process, like a relay race. We believe that this form is the result of efficient and effective response, to the extent possible, to the constraints that have arisen in the process of growth while adapting to the changing times.

On the other hand, we are now in a once-in-a-century period of profound transformation, and we must fight and outperform not only competitors in our industry, but also those in other industries. In this environment, through “Monozukuri Innovation,” we will promote the integration of manufacturing, development, and the supply chain, which is possible only with our corporate scale, and “becoming one SUBARU” to thoroughly pursue high-density Monozukuri.



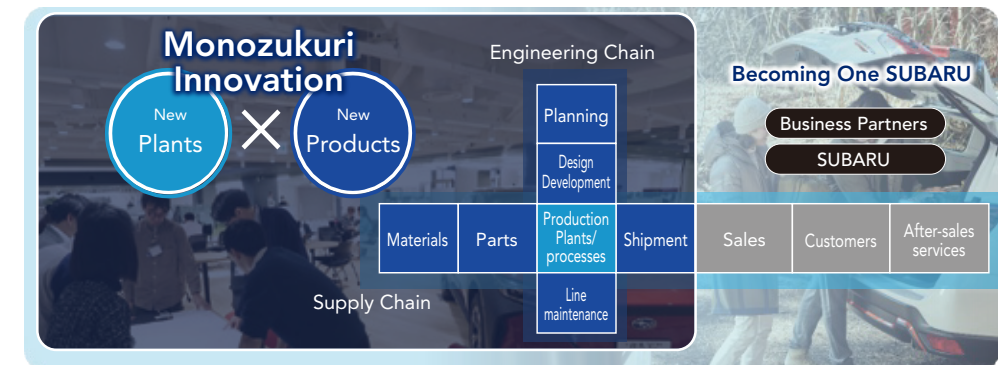
* Monozukuri: Manufacturing

The structure of BEVs differs significantly from conventional vehicles. In planning and developing these new products, and then producing them in a new plant built from the ground up, we identify an opportunity to profoundly transform our monozukuri approach and processes. We promote agile Monozukuri that integrates the supply chain, which is the flow of materials and logistics, and the engineering chain, encompassing the development process, through modularization of production lines, construction of flexible sub-lines, and “Obeya activities*” in which employees and business partners gather to discuss development, production, and various matters in a collaborative environment. At the same time, for new products such as BEVs that will be produced on these lines, we will significantly reduce the number of parts by optimizing vehicle structures and specifications during the development stage, including planning and design, which will drive us toward achieving a 50% reduction in production processes.

In addition, we will maximize the location advantages of our strategically concentrated manufacturing facilities, including the Kitamoto Plant in Saitama, which are densely located within a short distance of Ota City, Gunma Prefecture. With this highly efficient package, which also includes our supply chain network and the establishment of a logistics framework based on these foundations, we aim to achieve a 50% reduction in development lead times, number of parts, and production processes, evolving to the next generation of Monozukuri.

* Obeya activities: Cross-functional alignment among project members to enable agile development through a holistic view/approach, aimed at value creation, problem solving and accelerated development across organizational boundaries.

The Future of Monozukuri



Value Creation Initiatives

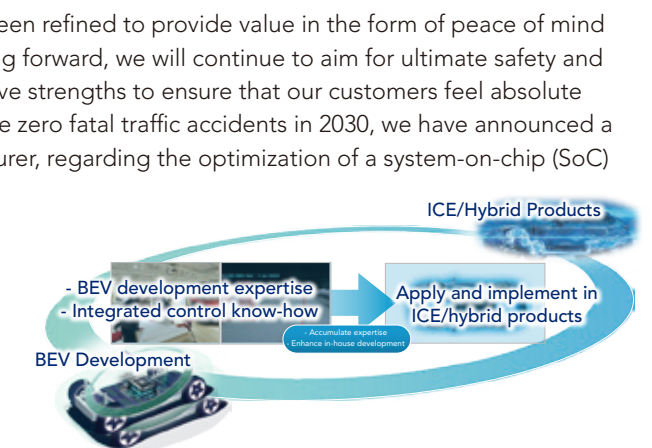
The key to “Value Creation” is the further evolution of “Enjoyment and Peace of Mind” in every single activity of all Group companies. By developing this foundation, we will focus on customer-oriented activities to improve experiential value.

The first key point in advancing these initiatives is to deepen collaboration. In order to accelerate the evolution of technology that will be necessary in the coming years, since 2023 we have publicly announced collaborations with key partners who share our vision and with whom we will jointly develop crucial technologies from the planning stages. For example, the EyeSight driver assist system has been refined to provide value in the form of peace of mind over the course of more than 30 years of development. Going forward, we will continue to aim for ultimate safety and accelerate the evolution of technology in areas where we have strengths to ensure that our customers feel absolute peace of mind in all driving environments. In order to achieve zero fatal traffic accidents in 2030, we have announced a collaboration with AMD, a leading semiconductor manufacturer, regarding the optimization of a system-on-chip (SoC) that can output optimal decision results by integrating stereo camera recognition processing and AI inference. The SoC will be an important component of an integrated ECU that controls not only ADAS but also Vehicle Motion and other areas.

The second important point is intelligence. The integrated ECU will be developed in-house, focusing on the areas of safety and driving performance, which are SUBARU's strengths, to realize advanced intelligence unique to SUBARU as the brain of the vehicle, while maintaining cost competitiveness. In addition to accumulating control



Elevate Enjoyment & Peace of Mind to new heights by deepening collaboration and advancing intelligence



Accumulate and internalize BEV development expertise and integrated control know-how, with the aim of applying them to ICE/hybrid products.

expertise using this integrated ECU and insights gained in the process of creating BEVs, we will further accelerate in-house development, a process where we are highly capable. We will accumulate the expertise in control systems using such integrated ECU and the knowledge gained from developing BEVs, while further enhancing the speed of our in-house development, which is one of our core strengths. At the same time, we will deepen our exploration of applying this expertise in our ICE and hybrid products. 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.

In the 2025 Best Brands for Social Impact published by U.S.-based Forbes magazine, SUBARU was selected in the top three out of more than 3,900 brands overall for the third consecutive year, and ranked first in the automotive category for the third consecutive year*. We view this as a comprehensive market approval of not only our products, but also our philosophy and initiatives. These initiatives have been a way for us to create a strong bond between SUBARU, its customers, its retailers, and its communities, with products at the core. These activities are SUBARU’s source of value creation for society and the future, and we intend to uphold this stance while further strengthening our systems and expanding the scope of our efforts. This desire will remain unchanged, no matter what. We will further enhance the value that comes from our products, at the heart of this strong relationship between SUBARU, customers, dealerships, and communities.

* May 23, 2025: Subaru Ranked as Top Automaker in Forbes Best Brands for Social Impact for Third Consecutive Year
https://www.subaru.co.jp/news-en/2025_05_23_165351/



SUBARU’s New Value Creation and Platform Building

As core promoter for digital cars, my mission as CDCO is increasing the value of cars by maximizing the capabilities of engineers through the use of software. My activities are being carried out in an integrated manner, connecting all internal divisions. Our strength lies in our hardware engineers, who are able to drive the vehicle themselves, reflect their feeling in figures and designs, and meticulously check and polish the product with attention to the variations among the many parts. In addition, we have software engineers capable of using semiconductors to the limits of their abilities, who visit various sites around the world, collect data thoroughly on their own, and modify and optimize sensors and control software as needed to polish vehicle performance. By developing a platform that integrates both of these advanced technological capabilities, we will improve the most essential value of the car, including the realization of driving dynamics that are unique to SUBARU. Utilizing this platform will shorten the distance from product development to customers and pursue a uniquely SUBARU next generation, centered on the value of “Enjoyment and Peace of Mind.”



Eiji Shibata
 Executive Officer
 CDCO
 (Chief Digital Car Officer)

SUBARU’s “One Team” Approach to Creating Customer Experience Value

As CCBO, my mission is to establish a value-creating mechanism that continuously enhances the post-purchase customer experience by strengthening collaboration among the Group’s divisions and leveraging connected technology and IT based on a digital platform.

One of our major strengths is our ability to work closely with SOA and retailers as “One Team” in the U.S., our key market. To further deepen this strength, I have been assigned to the U.S. since 2024 to carry out activities rooted in the local sites. By being in the field myself, I am able to directly grasp the reality of the sales frontlines and unfiltered customer feedback. Based on these, we provide comprehensive support from the creation of ideas utilizing diverse data to the introduction of these ideas on the frontlines. In order to create such value, collaboration between the Japanese side, which is responsible for Monozukuri, and the U.S. side, which is closer to the market, is more important than ever. Therefore, my team is actively working to strengthen cooperation between the two sides as a bridge between the two.

We continue to take on the daily challenge of creating a deeper sense of attachment to and trust in SUBARU vehicles, the SUBARU brand, our retailers, and all people associated with SUBARU, through all points of contact with our customers.



Kazuhiro Abe
 Managing Executive
 Officer
 CCBO
 (Chief Connected Business
 Officer)

Evolving SUBARU’s Unique After-sales Service That Connects Points of Contact and Builds Trust

Effective April 1, 2025, the Customer Service Division, the Quality Assurance Division, and the Parts & Accessories Division, which are responsible for the after-sales service area, were merged to become the Customer First Innovation Division*. This merger has established a structure for creating value aligned with evolving times and customer expectations on us in a faster and more cross-sectional manner by combining the expertise developed by each department with the insights accumulated through customer contact.

We are working on designing and evolving services that customers can tangibly experience and appreciate through visualization and analysis by consolidating and linking diverse data accumulated in the after-sales area. In the U.S., we have launched a trial preventive maintenance program that utilizes vehicle data, various data obtained from connected cars, and other data, and we have seen the potential for future practical implementation from this program. These improvements are steadily improving the quality of existing services.

Going forward, we will take on the challenge of rebuilding experience design to draw lines and connect individual initiatives rather than treat them as isolated dots, and to provide a consistent experience at all points of contact. Enhancing experiential value means building reasons for customers to want to choose SUBARU again by carefully listening to their feelings and expectations in the course of day-to-day activities. After-sales service is a core area that supports brand trust, and we will continue our efforts to realize experiential value that is uniquely SUBARU.

* February 7, 2025: Subaru Corporation Announces Organizational and Management Changes (Effective April 1, 2025)
https://www.subaru.co.jp/news-en/2025_02_07_104754/



Osamu Eriguchi
 Managing Executive
 Officer
 CQO
 (Chief Quality Officer)



Akihiro Kato
 Executive Officer

Six Priority Areas for Sustainability

The SUBARU Group's Sustainability

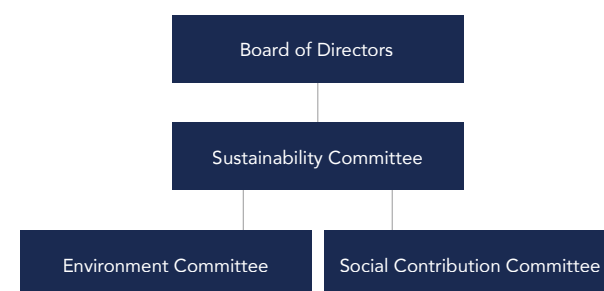
The SUBARU Group, under the corporate statement of “We aim to be a compelling company with a strong market presence built upon our customer-first principle,” has been working to achieve our vision of becoming a company “Delivering Happiness to All” by taking actions under the Six Priority Areas for Sustainability based on our SUBARU Global Sustainability Policy. By empowering each employee as a driving force for growth and further evolving our value proposition of enjoyment and peace of mind, we will deepen our relationships with customers and other stakeholders as we aim to achieve both the sustainable growth of the SUBARU Group and the realization of an enjoyable and sustainable society.



Promotion System

The Sustainability Committee, established as a forum for discussing all kinds of sustainability initiatives by the SUBARU Group, meets twice a year. The Sustainability Committee is chaired by the President and Representative Director, and all of SUBARU's executive officers are members of this committee, which the committee also considers each business's issues from a social perspective and works to strengthen sustainability efforts. We comprehensively promote initiatives as a unified Group to realize our sustainability in cooperation with bases in Japan and overseas, and monitor the PDCA status of related committees and departments. The results of the committee's discussions are deliberated and reported on at Board of Directors' meetings.

Within SUBARU, we are strengthening information sharing and coordination regarding details from Sustainability Committee meetings and for promoting sustainability through sustainability managers appointed by each division, department, and company. In coordination with Group companies and dealerships in Japan, we share information with sustainability managers and relevant departments at each company.



Main Sustainability Committee deliberations during FYE March 2025

- Organization and study to strengthen initiatives in the Six Priority Areas for Sustainability
- Progress on Group sustainability initiatives
- Progress on human rights initiatives
- Evaluations and actions related to ESG ratings
- Direction and content of the FYE March 2025 and FYE March 2026 Integrated Report and Sustainability Website

The SUBARU Group's Six Priority Areas for Sustainability

The SUBARU Group has promoted various initiatives in the Six Priority Areas for CSR, defined in 2018 as People-oriented Car Culture, Resonance and Coexistence, Peace of Mind, Diversity, Environment, and Compliance. To select the priority areas, the SUBARU Group identified 41 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 the Six Priority Areas for CSR into the Six Priority Areas for Sustainability in response to the changes in the environment surrounding sustainability since then to achieve both the realization of a sustainable society and the sustainable growth of the Group in a manner that further leverages SUBARU's values and strengths. Specifically,

we have set new visions, priority themes, major KPIs, and goals for the Six Priority Areas for Sustainability. These visions will not include a time frame so as to express the SUBARU Group's unchanging direction from a longer-term perspective. By setting priority themes that leverage the Group's strengths, we will establish clearly defined visions and priority themes, and by setting goals and KPIs for each, we will strengthen our initiatives in each of the Six Priority Areas for Sustainability.

Going forward, in addition to the conventional CSR perspective, we will aim to create social and economic value through our business activities themselves from a longer-term perspective.

Six Priority Areas for Sustainability



From People-oriented Car Culture to People-oriented Mobility Culture

Our focus has traditionally been on the automotive business. However, the SUBARU Group of the future will have a diversity of products and services, including in the aerospace business, and at the same time will provide new value to customers and society adapted to changing times while inheriting SUBARU's DNA. This will make us a company whose presence and appeal differentiate from our competitors. Specifically, we will seek to provide the unfading emotional value that comes from spending time with SUBARU vehicles and become a company that enriches people's lives and minds as a partner.

Resonance and Coexistence

For the Group, when it comes to our business activities, we regard customers and local communities as our most important stakeholders. For this reason, we aim to build a community of resonance and coexistence with our customers and local communities by building trust and resonance with SUBARU through routine communication. Specifically, we will provide mobility services and experiences that deliver “Enjoyment and Peace of Mind” to our customers, and carry out activities that help solve issues faced by local communities.

Peace of Mind

The Group aspires to provide customers, local communities, employees, and all other stakeholders with the utmost peace of mind. In this context, we will act in a way that allows us to stay close to customers and always provide them with peace of mind. As we seek to become No. 1 for quality, where our customers can rely on us for long periods of time, we attach particular importance to protecting lives, and will work to achieve our target of zero fatal traffic accidents in 2030.

From Diversity to Diversity, Equity & Inclusion (DE&I)

The Group has been promoting diversity initiatives by respecting the diverse values of all employees and creating a facilitative workplace environment. Beyond this, we will provide an environment where all employees have fair opportunities and diverse individuals work together to maximize their abilities, thereby creating innovation and realizing SUBARU's unique and sustainable value creation.

Environment

In its Environmental Policies, the Group states that our fields of business are “the earth, the sky and nature” and focuses on efforts aimed at coexistence with nature. This is in keeping with SUBARU's desire to cherish and protect the earth, the sky, and nature, which are SUBARU's fields of business, with its mainstay Automotive and Aerospace Businesses. In order to safeguard our cherished global environment through our corporate activities, we have established three new priority themes for carrying out our Environment Action Plan: mitigating climate change, realizing a circular economy, and coexisting with nature.

Compliance

Reflecting on a past lack of awareness of social norms in the execution of business operations, the inadequacy of internal rules, and the lack of understanding of laws and regulations related to business operations, we have keenly realized the need to transform mindsets and is pushing forward with thorough reform of its corporate culture. We will work together as a group to emphasize and prioritize compliance to earn the trust and resonance of our customers and all other stakeholders. Going forward, we will work to permeate “Insightful Compliance,” in which each and every employee actively, rather than passively, considers compliance and takes action.

Six Priority Areas for Sustainability
Vision, Priority Themes, Major Initiatives, Goals, and KPIs

Areas	Vision	Priority Theme	Major Initiatives	Target	KPI	Relevant SDGs
People-oriented Mobility Culture	Provide the unfading emotional value that comes from spending time with SUBARU vehicles and become a company that enriches people's lives and minds as a partner.	Providing mobility services and experiences that deliver "Enjoyment and Peace of Mind"	- Development of technology to enhance predictability of vehicle behavior through the driver's five senses - Development of products in accordance with market needs and changing times - Research and development of air mobility technology - Development of high-quality accessories matched with new models - Design of parts that can be used in multiple vehicle models - Provision of digital services (MySubaru, SUBAROAD, etc.) - Planning of customer services using vehicle data	—	—	 9.1  11.2
Resonance and Coexistence	Become a company that expands person-to-person communication and creates resonance and coexistence for society at large.	Providing mobility services and experiences that deliver "Enjoyment and Peace of Mind"	Dissemination of Monozukuri through plant tours and exhibitions	—	—	 11.2  17.16
		Promotion of activities for the resolution of local community issues	- Study and promotion of plans to realize sustainable local communities - Continued Love Promise activities in the U.S. - Proactive engagement in the Cherishing Every Life Project in Japan - Review of work assignments to reduce the burden on logistics businesses - Road traffic safety awareness activities - Community support activities during disasters and pandemics - Planned intake of disaster prevention and rescue helicopters, etc.			
Peace of Mind	Become a company that provides the utmost peace of mind to all stakeholders.	Pursuing activities that stay close to customers and always provide peace of mind	- Thorough customer-centric and quality-first awareness by employees - Further provision of customer quality - Development of technologies aimed at zero fatal traffic accidents and integration of these technologies into vehicles - Sale and popularization of EyeSight-equipped vehicles - Provision of high-quality maintenance and service by dealerships - Provision of peace of mind from being watched over by connected technology - Pursuit of flight safety through autonomous technology	Achieve a goal of zero fatal traffic accidents ¹ in 2030	Proportion of fatal traffic accidents in the U.S. avoidable with SUBARU's latest technology ²	 3.6
Diversity, Equity & Inclusion	Individuals and organizations are organically connected and continuously create innovation and value.	Creating an organization in which diverse individuals can demonstrate their abilities and work together with mutual respect.	- Promoting active roles for female employees - Promoting employment of people with disabilities - Support for senior employees to take on more active roles - Promotion of DEIB in the U.S. - Examination and promotion of creating workplaces where female employees in direct departments can play an active role - Examination and promotion of a workplace environment that pays due consideration to non-Japanese human resources - Examination and promotion of a workplace environment that pays due consideration to LGBTQ+ persons - Fostering employee resonance and acceptance of management direction and initiatives - Construction and implementation of flexible work systems and mechanisms	Score for 2028: 70%	Engagement score in the employee attitudes survey (non-consolidated)	 5.5 5.5.2  8.5
				2030: 100	Number of female managers (non-consolidated)	
				2030: 3.0%	Employment rate of people with disabilities (total of SUBARU, SUBARU Living Service, and SUBARU BLOOM)	
Environment	Cherish and protect the global environment—the earth, the sky and nature—through Groupwide activities.	Mitigating climate change (Achieve carbon neutrality in the entire life cycle)	- Expansion of electric vehicle models, especially BEV development - Improvement of fuel/power efficiency - Initiatives for the popularization of low-carbon fuel - Energy conservation through facility upgrades - Use of renewable energy (on-site/off-site) - Purchase of carbon-neutral electricity (use of certificates, etc.)	2035: Reduce Scope 1 and 2 emissions by 60% compared with FYE March 2017 (total volume basis)	CO ₂ emissions versus the base year	 13.1 13.2  12.2 12.5
		Realizing a circular economy (Aim for zero environmental impact from resource extraction and disposal)	- Design for recycling - Effective use of resources (recycled resins/biomass/recycled materials) - Recycling and achieving zero emissions - Proper processing of end-of-life vehicles	Reduce total waste by 1% annually versus BAU emissions ³	Waste generated	
				Zero emissions ⁴ at production plants in Japan and overseas ⁵	Final disposal volume	
				2030: 25% use rate of recycled plastics	Use rate of sustainable materials	
		Coexistence with Nature (Aim for net zero impact on the natural environment)	- Compliance with environmental laws and regulations - Water discharge quality management - Utilization of the Landscaping Guidelines - Green space conservation activities	Appropriate management of impact on the natural environment	Violations of regulation values/voluntary standard values	
				Expanding protected areas to reduce environmental impact	Number of protected areas according to management level	
Compliance	Act in good faith and become a company that is trusted by and resonates with society.	Permeating "Insightful Compliance"	- Updated and stronger operation of regulations and rules - Continued awareness activities stimulating autonomous employee behavior - Promotion of fair trade on a continuous basis - Promoting initiatives to respect human rights - CSR surveys and awareness-raising activities for suppliers - Responsible raw material procurement - Compliance with various laws and regulations - Improvement of employee cybersecurity literacy - Use of systems to strengthen cybersecurity countermeasures	Maintain zero serious compliance violations ⁶	Employee ethics	 8.7 8.8  16.5 16.5.2
					Supplier CSR Survey	

1. Zero fatal road accidents among occupants of Subaru vehicles and people involved in collisions with Subaru vehicles, including pedestrians and cyclists
2. Excluding accidents involving violation of traffic rules or significant dangerous behavior by the other party, etc.
3. Emissions under the current policy without further action (business-as-usual)

4. Final disposal volume (total volume of direct landfill waste + landfill waste after intermediate processing) less than 0.5% of the total volume of waste (total volume of valuable resources + industrial waste + specially controlled industrial waste + general business-related waste)
5. SUBARU: Gunma Plant, Tokyo Office, Utsunomiya Plant; Group companies in Japan: Fuji Machinery Co., Ltd., Kiryu Kogyo Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K.; and Group companies overseas: Subaru of Indiana Automotive, Inc.
6. Compliance violations that could shake the foundations of SUBARU's business