SUBARU

INTEGRATED REPORT 2026











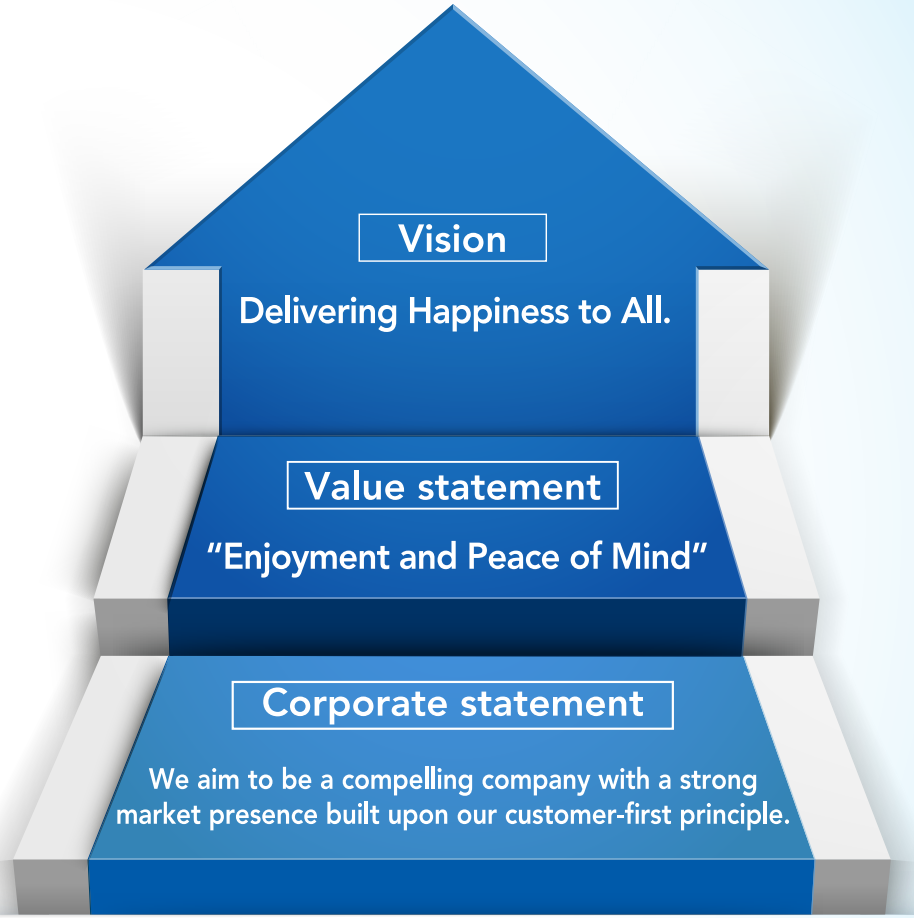




Delivering Happines to All

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.



On Publication

Thank you for reading the SUBARU Integrated Report 2026. Every year, SUBARU publishes an integrated report that combines financial and non-financial information so that shareholders, investors, and other stakeholders can understand the SUBARU Group's approach and initiatives toward value creation.

As the automotive industry continues to undergo structural transformation, our business environment is experiencing disruptive and faster-than-expected changes. Because of this, we believe it is important to face change with flexibility and expandability and to provide a thorough explanation of the path to medium- to long-term corporate value creation, along with its background and approach.

This report focuses on being "One SUBARU" as one of our strengths underpinning such medium- to long-term value creation. This focus was determined through repeated internal and external interviews, where we reaffirmed that the ability to reach common goals across divisions, regions, and companies is an important element in supporting SUBARU's unique competitiveness. Rather than leaving it at the level of philosophy, we will convey what it looks like in practice through examples of collaboration on the front lines of "Monozukuri Innovation" and "Value Creation."

In addition, the report summarizes the background and progress of SUBARU Management Policy 2025, announced in 2025, and introduces initiatives to strengthen the forms of capital that support the policy, including human capital, intellectual capital, and social capital. The report also explains the aims of the June 2026 transition to a company with an audit and supervisory committee, as well as initiatives to strengthen the oversight function and enhance governance effectiveness. This year, we also revamped the page layout to improve readability and accessibility and added a new section, "SUBARU's History," tracing the origins of value creation.

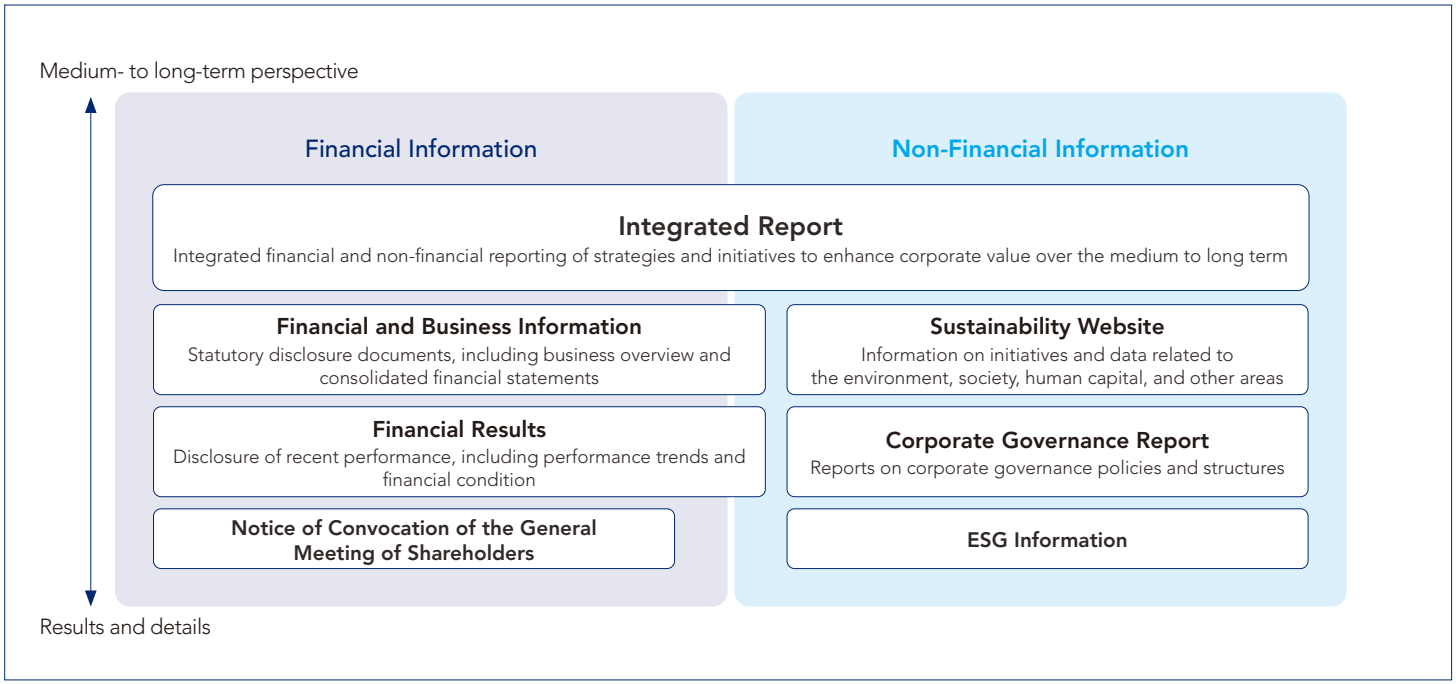
We regard this report as a common language for dialogue with our stakeholders and will use the feedback we receive to support the sustainable growth of the SUBARU Group.

Reporting System

The SUBARU Group discloses various information to engage in communication with all stakeholders. This report presents the Group's initiatives to enhance corporate value over the medium to long term from both financial and non-financial perspectives.

More detailed financial and business information is available in statutory disclosure documents and other materials, while environmental, social, and governance (ESG)-related policies, initiatives, and data are available on the Sustainability Website and through other sources.

The Group's values and aspirations are also presented on the "SUBARU's Vision" page of the corporate website.



Contents

1 Introduction

Here, we introduce an overview of SUBARU and the message we want to convey through this report, covering our vision, business overview, and history.

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Scope of Reporting
SUBARU CORPORATION
* In this report, the "SUBARU Group" and "the Group" refer to the SUBARU Group; "SUBARU" and "the Company" refer to SUBARU CORPORATION; "affiliated companies" refers to SUBARU's subsidiaries in and outside Japan, including dealerships in the Automotive Business; and "Group companies" refers to SUBARU's subsidiaries in Japan, excluding dealerships in the Automotive Business.

Reporting Period
April 1, 2025–March 31, 2026
* Some information provided may be from outside the reporting period.
* The departments, titles, etc., of the people introduced in this report are as of the time of writing.

Guidelines Referenced
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, Ministry of Economy, Trade and Industry
International Integrated Reporting Framework of the IFRS Foundation

Notes Applicable Throughout This Report
Honorifics and legal prefixes/suffixes, as applicable, are generally omitted from the names of individuals, companies, and organizations in the main text of this report.

Terminology Used in Integrated Report 2026
- SIA: Subaru of Indiana Automotive, Inc.
- SOA: Subaru of America, Inc.
- BEV: Battery Electric Vehicle
- HEV: Hybrid Electric Vehicle
- ICE: Internal Combustion Engine
- AWD: All-Wheel Drive
- CXO: Chief X Officer

Production Process
This report has been prepared through repeated discussions with management and various departments, based on insights gained from dialogue with shareholders, investors, and other stakeholders and from external evaluations. We feed back to management the expectations and perceived issues raised through dialogue, organize them together with SUBARU's strengths and medium- to long-term management challenges, and communicate the result as a value creation story.
1. Identifying expectations and issues through dialogue with stakeholders and external evaluations
2. Providing feedback on these findings to the respective departments and officers in charge and discussing SUBARU's strengths, key issues, and direction for value creation
3. Structuring content of discussions as a value creation story, reaching a shared understanding with management, and incorporating it into the report
4. Sharing the proposed content at the Executive Meeting and collecting opinions and feedback from relevant departments and officers
5. Publishing with revised content reflecting feedback

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

At a Glance

Our Path to Today

Founded

Chikuhei Nakajima establishes Aircraft Research Laboratory

1917

Established

Establishment of Fuji Heavy Industries Ltd.

1953

Paid-In Capital[1]

153.8 billion yen

Number of Employees (Consolidated)[1]

37,542

Automotive Business

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

Aerospace Business

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

Production Sites

Automobiles: 2 operating locations — Gunma (Japan), Indiana (U.S.)

Aerospace: 2 operating locations — Tochigi, Aichi (Japan)

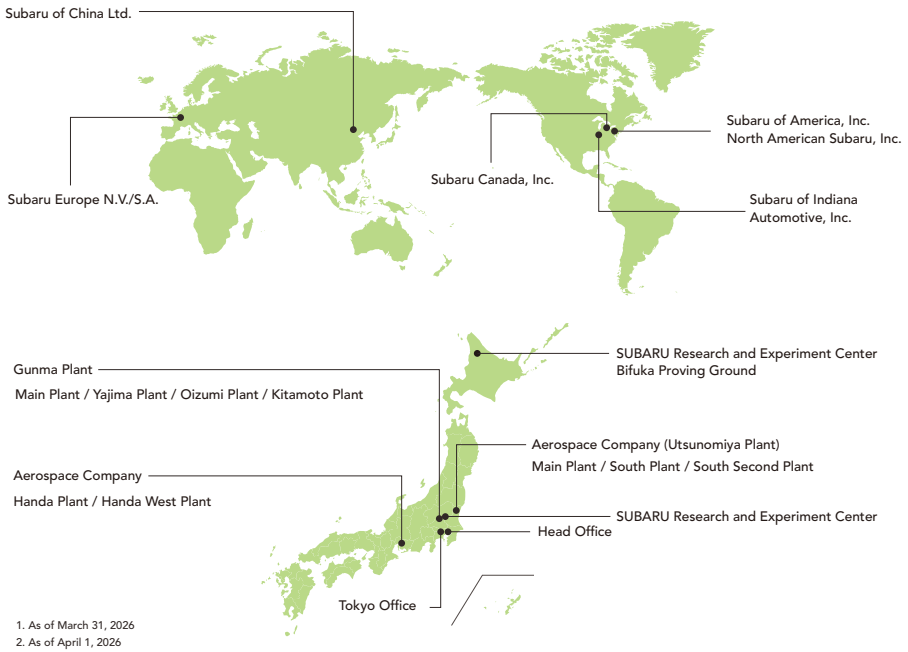
Affiliated Companies[1]

80

Automobile Sales Network[2]

417 locations in Japan

Plus locations in approximately 90 countries and regions



1. As of March 31, 2026
2. As of April 1, 2026

Performance and Financial Soundness

Consolidated Performance[3]

Revenue: 4,785 billion yen

Operating profit: 40.1 billion yen

Operating Margin[3]

0.8%

ROE[3]

3.3%

Equity Ratio

50.6%

Issuer Rating

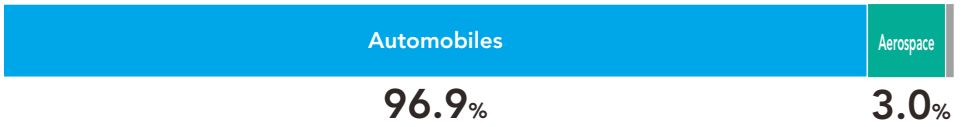
Rating and Investment Information, Inc.

A-

As of December 24, 2025

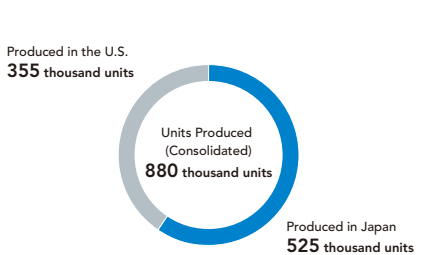
Businesses

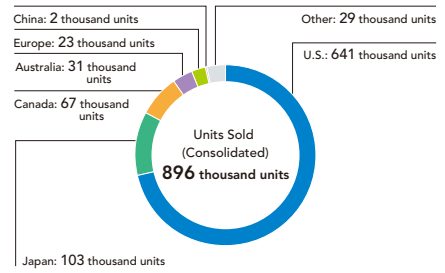
Composition of Sales[3]



Automobiles 96.9% | Aerospace 3.0%

Ratio by Region[3]





Industry Share[4]

U.S. Market Share: Approx. 3.9%

Global Share: Approx. 1%

3. FYE March 2026
4. For 2025 (calendar year)

SUBARU's History

While continually refining its unique strengths, the SUBARU Group has optimized its management resources in response to changes in the business environment and built its current business foundation and competitiveness.

1917–

SUBARU builds up its aircraft manufacturing expertise, beginning with Nakajima Aircraft

The Aircraft Research Laboratory was established in 1917 and later evolved into Nakajima Aircraft. It carried forward our technical capabilities and commitment to quality cultivated through aircraft development into postwar businesses.

- 1917 Establishment of Aircraft Research Laboratory
- 1931 Renamed Nakajima Aircraft Co., Ltd.
- 1946 Release of the Rabbit scooter

1953–

Establishment of Fuji Heavy Industries, becoming a comprehensive transportation equipment manufacturer

Five companies that were split off from Nakajima Aircraft after the war regrouped to form Fuji Heavy Industries in 1953. As Fuji Heavy Industries, we developed a wide range of businesses, including automobiles and aircraft, establishing our business foundation as a comprehensive transportation equipment manufacturer. We accelerated overseas expansion through the establishment of SOA and SIA, while strengthening product offerings tailored to market characteristics with a focus on SUVs and developing the U.S. into a core market for the Automotive Business.

- 1953 Establishment of Fuji Heavy Industries Ltd.
- 1958 SUBARU 360 released
- 1960 Opening of the Gunma Main Plant
- 1960 Stock listed on the Tokyo Stock Exchange
- 1968 Establishment of SOA
- 1969 Start of operation of the Yajima Plant
- 1978 Concluded a business agreement with Boeing for its 767 aircraft
- 1983 Start of full-scale operation of the Oizumi Plant
- 1987 Establishment of Subaru-Isuzu Automotive, Inc. (SIA) in the U.S. in a joint venture with Isuzu Motors Limited
- 1989 Establishment of Subaru Canada, Inc. (SCI)
- 1990 SOA becomes a wholly owned subsidiary
- 1991 Participation in the Boeing 777 program
- 1993 Start of operation of the Handa Plant

2000–

Focus on building a growth foundation through selection and concentration, prioritizing management resource allocation to markets and businesses where strengths can be leveraged

Capturing changes in the business environment, SUBARU concentrated management resources on markets and businesses where it could leverage its strengths. In 2007, we defined the U.S. as our most important market and, with the Automotive and Aerospace Businesses at our core, laid the foundations for our current earnings base and competitiveness.

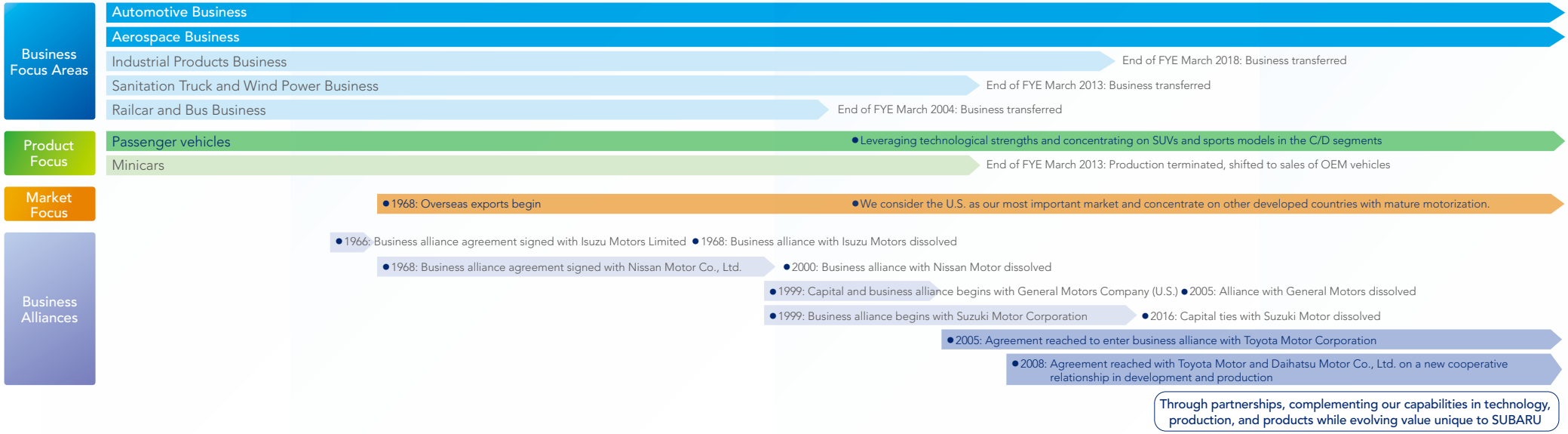
- 2002 Formal signing with Isuzu of agreements to dissolve the SIA joint venture and outsource production
- 2003 SIA becomes a wholly owned subsidiary
- 2005 Participation in the Boeing 787 program
- 2007 Start of production of Toyota's Camry-model vehicles at SIA
- 2012 Start of production of the Toyota 86 and SUBARU BRZ, jointly developed with Toyota Motor Corporation
- 2014 Signing of a memorandum of understanding to participate in the Boeing 777X development and mass-production program
- 2016 Termination of contract production of Toyota vehicles at SIA; transfer of Impreza production for North America to SIA
- 2017 Company name changed to SUBARU CORPORATION
- 2018 Introduction of the new SUBARU BELL 412EPX helicopter
- 2019 Agreement on a new business and capital alliance aimed at further developing and strengthening the long-term partnership with Toyota Motor Corporation
- 2021 Release of the Solterra, the first global BEV jointly developed with Toyota Motor Corporation
- 2022 Cumulative global sales of vehicles equipped with the EyeSight driver assist system reach five million units

2023–

Pursuing "Enjoyment and Peace of Mind" and further growth

Amid a major transformation in the automotive industry, SUBARU launched a new management structure in 2023. We are further honing proprietary technologies and brand strengths and driving value creation unique to SUBARU and sustainable growth through "Monozukuri Innovation" and "Value Creation."

- 2023 Announcement of the SUBARU New Management Policy
- 2023 Cumulative production of center wing boxes for large aircraft reaches 3,000 units
- 2024 Kitamoto Plant begins production of transaxles for next-generation hybrid systems
- 2025 Announcement of SUBARU Management Policy 2025
- 2026 Ranked as top automaker in Forbes' "Best Brands for Social Impact" for fourth consecutive year
- 2026 Production of BEVs begins at the Yajima Plant



Focusing on Frontline Capabilities to Take SUBARU's Value Creation to the Next Level

Changing Business Environment and Fundamental Approach to Management

Since I assumed the role of President in 2023, our business environment has changed significantly and at a faster rate than anticipated. Amid a number of concurrent factors, including various policy trends in the U.S., rising geopolitical risks, and soaring raw material and labor costs, these changes can be described as non-linear.

In this environment, I am resolute in my focus as CEO on flexibility and expandability. Respond flexibly to change and expand our efforts in areas where the direction is clear: this is our fundamental approach as we step into the next stage of growth.

On the other hand, disciplined control is essential to ensure that these initiatives based on flexibility and expandability lead to solid value creation rather than devolving into ad hoc responses. We will continue, through disciplined control, to uphold "Enjoyment and Peace of Mind," the essence of the value we deliver to customers, and the management principle of remaining an organization trusted by society—even as the means and technologies used to realize them evolve over time.

Move forward with flexibility and expandability, while staying true to our core principles through discipline: I believe this very stance is a prerequisite for sustainable growth in these highly uncertain times.

Message from the CEO



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

SUBARU Management Policy 2025 and Current Performance

In August 2023, after becoming President, I established "Monozukuri Innovation" and "Value Creation" as the two pillars of the SUBARU New Management Policy. In this once-in-a-century period of profound transformation, competition, including from other industries, is fiercer than ever before and we must rebuild our unique competitiveness from the ground up, independent of scale. At the same time, there are limits to a structure that generates revenue solely at the point of new vehicle sales, and we are also being called upon to shift to a structure that creates value from long-term relationships with customers. To address these management issues, I have advanced Monozukuri Innovation and Value Creation with conviction, viewing them not as separate initiatives but as a single, interconnected strategy that follows naturally from our management resources and corporate culture.

Over the past three years, we have transformed our traditional processes and mindsets throughout SUBARU and thoroughly pursued flexibility. As I visit our workplaces, I have gained a strong sense that collaboration across traditional boundaries is advancing in areas such as development, production, and sales, unlocking previously untapped potential. In November 2025, based on the progress we had seen through these initiatives and rapid changes in the external environment, we announced SUBARU Management Policy 2025, a further evolution of the New Management Policy.

In FYE March 2026, we continued to face challenges in our performance, significantly affected by external factors such as U.S. tariffs. My perspective is that the future remains highly uncertain. Meanwhile, our structural reforms and value creation efforts to date have made solid progress, and we are entering a new stage in building the foundation for our next phase of growth.

In the U.S., our main market, competition is intensifying, but we believe we still have ample room to grow. By steadily strengthening the competitiveness of our existing lineup and expanding our product offerings to fill gaps in market segments, age groups, and sales regions, we will secure a 5% share of the U.S. market and ensure room for further growth beyond that.

In our electrification strategy, we continue to position BEVs as one of the major solutions to realizing a carbon-neutral society, and we are steadily advancing the launch of four BEV models in our alliance with Toyota Motor Corporation and the development of fundamental BEV technologies. Meanwhile, in light of the projected pace of BEV market adoption, we have revised the timing of the launch of our in-house-developed BEVs. This embodies our focus on "flexibility": carefully assessing market and technological developments while waiting until the last possible moment to make decisions. Precisely because of the technological assets we have accumulated through our development work to date, we believe we can make full use of the additional time gained by holding off on a decision to refine our products, assess advances in battery technology, and strengthen cost competitiveness.

Monozukuri Innovation

I believe we are able to seriously advance Monozukuri Innovation because our strength lies not in our scale, but in the close connections we maintain with the front lines. Since becoming President, I have visited our worksites time and again, reaffirming my conviction that the answers lie in the field. Each individual has tremendous potential, and when that potential is brought together across departmental and functional boundaries, it gives rise to one new form of value after another. The agility created by our scale is the true source of our unique competitiveness.

One example of tangible results from these strengths is the launch of a mixed production line for BEVs and ICE vehicles at our Yajima Plant in Japan. When I was given an explanation of each initiative actually being implemented in the field, I was surprised by the high standards required for each process. The production line is being reconfigured to make maximum use of existing equipment, processes, and space, with development and production working as one to overcome challenges. The process was more dynamic than I had anticipated, once again making me realize the magnitude of SUBARU's potential.

Another emblematic example is the entirely different approach to car making that we established by taking on the challenge of developing BEVs in-house. We took on the challenge of agile development using the "Obeya" (large-room) approach, flexibly responding to circumstances without setting a fixed schedule in advance while pursuing the shortest possible development process, and succeeded in bringing products with strong fundamentals to life at a speed that overturned



Site visit at the SIA plant



Site visit at the Gunma Plant

Message from the CEO


On-site visit highlighting agile development

conventional wisdom about development. At the same time, diverse technological assets related to the development process, digital utilization, and BEVs are being created, and these are beginning to flow back to the development of ICE vehicles.

Even as technology evolves, our approach remains consistent. Although software is becoming increasingly important, the value we provide cannot be discussed in terms of software alone. The essence lies, first and foremost, in the basic hardware performance of driving, turning, and stopping, and only with solid hardware can software maximize that value. EyeSight is the fruit of this philosophy, and beyond the accumulation of our technologies lies the value of "Enjoyment and Peace of Mind" that customers experience in their lives. Even as we flexibly adopt new approaches, our commitment to continually refining the essence of this value will never change.

Evolution of Value Creation

At the heart of our concept of Value Creation is the idea of continuing to deepen the relationships we have built with our customers over the long term and nurturing value together that extends beyond the moment of new vehicle sales. At SUBARU, we are evolving our business model based on the concept of creating a long-term cycle of trust with customers—a "loyalty loop" that extends from the purchase of a new vehicle through after-sales service to the next purchase. While products remain the starting point, we will create value through our relationships with customers. I believe that strengthening this structure is the most important theme that will determine the SUBARU Group's competitiveness going forward.

This approach is also reflected in our organizational structure. We integrated functions that serve as customer touchpoints, including quality assurance, customer service, and the parts and accessories business, and established the new Customer First Innovation Division in April 2025. This represents an evolution toward a structure that goes beyond responding to problems, connecting customer touchpoints and continuously creating new value while building trust, and is a core initiative in our business model going forward.

Supporting this are the expansion of our technological foundations, including connected services that continuously enhance the customer experience, and the refinement of our brand rooted in empathy. We will expand globally the circle of initiatives that foster a sense of shared values with local communities, as exemplified by the Subaru Love Promise®, which our U.S. sales subsidiary carries out together with its retailers. We believe that continuing to refine our products, customer experiences, and brand with a consistent approach is at the heart of Value Creation that is uniquely SUBARU. Creating value from our customer relationships themselves and expanding that circle worldwide—this expandability is the driving force that will shape our next phase of growth.

The Power of People and Organizations to Support Growth

In steadily implementing our growth strategy, the most important foundation is our human resources. By unlocking the potential of each individual who creates value in the field and supporting them in taking on challenges on their own initiative, we will strengthen the execution capabilities of the organization as a whole. During FYE March 2026, we linked goals at every level—from officers to departments, sections, and individuals—to corporate performance and strengthened mechanisms to ensure that each individual's efforts reliably translate into business results. At the same time, we are progressively expanding the CXO structure, which addresses management issues across functions, and strengthening its role in linking decision-making and execution across departmental boundaries. By enabling talent with diverse experience and perspectives to demonstrate their capabilities and combining their individual strengths into greater organizational strength, we will reinforce the organizational foundation that allows us to continue responding to a rapidly changing business environment. We also believe that advancing DX and IT is important to further enhance and maximize the capabilities of our people and organizations. By making our operations more sophisticated and efficient, we will also develop an environment in which each employee can create greater added value.

Disciplined Control: Governance and Risk Management

Governance and risk management systems provide the discipline needed to ensure that initiatives pursued with flexibility and expandability do not devolve into ad hoc decision-making but instead lead to genuine value creation. In FYE March 2026, SUBARU transitioned to a company with an audit and supervisory committee to balance decision-making that keeps pace with change with enhanced oversight functions. While delegating authority for execution, the Board of Directors has shifted to a structure focused on discussions of important topics, more clearly separating the roles of oversight and execution. We will further enhance the effectiveness of the Board of Directors through site visits by outside directors and candid dialogue on SUBARU's unique approach to

management, while also fully reflecting in the Board's discussions the insights gained through constructive engagement with shareholders and investors.

In risk management, we leverage our agility by deferring decisions until as late as possible, particularly when uncertainty is high, and making them only after carefully assessing the risks. This management stance, which emphasizes profitability and quality rather than simply increasing scale, serves as a powerful risk hedge in its own right. In addition, in conjunction with the transition to a company with an audit and supervisory committee, we further strengthened the governance framework for executive management. We integrated the corporate governance promotion function and the risk management and compliance function, both within the Secretarial Office, and established the new Governance Risk Management Department in June 2026. By viewing risk and governance in a cross-functional and integrated manner and breaking down barriers between areas, we will simultaneously improve responsiveness to change and the effectiveness of our controls.

Disciplined control is a management practice that does not end once a system is established, but must be continually deepened in response to changes in the environment. It is precisely in these highly uncertain times that I believe such continual reassessment will form the foundation for flexibility and expandability.

Toward Sustained Enhancement of Corporate Value

Our aim is to link value creation initiatives to sustained enhancement of corporate value. To achieve this, we will pursue improved capital efficiency over the medium to long term, while taking as our basic approach a balanced allocation of capital among three elements: financial soundness and stability, growth investment, and shareholder returns. Amid growing interest in management that is conscious of the cost of capital and stock price, I have become keenly aware, through dialogue with shareholders and investors, of expectations for improved capital efficiency. In FYE March 2026, we have reviewed certain aspects of our capital policy in order to further enhance its effectiveness. Rather than pursuing growth in scale, we will steadily advance toward securing industry-leading profitability by refining SUBARU's unique strengths and focusing on profitability.

We will curb excessive cash accumulation and allocate capital effectively while maintaining a sound financial base. In particular, I believe it is important to review growth investments in a disciplined, agile, and flexible manner based on a calm assessment of changes in the business environment. One example is our decision to reallocate the development resources we have accumulated to date to next-generation ICE and HEV products in conjunction with the revised timing for mass production of BEVs developed in-house.

With regard to shareholder returns, we will center our policy on dividend on equity (DOE)-based dividends, supplemented by agile measures in response to business performance and market conditions, thereby meeting the expectations of our shareholders and investors. Based on this approach, in FYE March 2026 we decided to repurchase and cancel up to 150 billion yen of our own shares. We will enhance corporate value over the medium to long term by achieving both improved capital efficiency and value creation. We will ensure this progress through dialogue with shareholders and investors.

To Our Stakeholders

More than ever, we are embracing the concept of "One SUBARU." A culture of bringing together our strengths across organizational and regional boundaries—including development, production, and sales—to pursue value creation is steadily taking root. We will foster value in our relationships with all those connected through SUBARU, including customers, retailers, business partners, local communities, employees, shareholders, and investors. This sense of unity is the foundation that will support our future growth.

We will also achieve a "society with kindness and empathy" set out in SUBARU Management Policy 2025 by further evolving this "One SUBARU" concept. The concept of contributing to society through business itself has steadily become an integral part of the SUBARU Group and is being incorporated into our daily operations and decision-making. We believe that cultivating relationships that lead even people who do not use cars to think that SUBARU is a great brand is itself part of value creation.

The structural reforms and value creation efforts we have been making to date are beginning to show steady results. Even amid continued uncertainty about the future, we will draw on the wisdom and a spirit of challenge emerging in the field to move forward with flexibility and expandability, with discipline as the anchor of our management. We will further hone SUBARU's unique strengths and build an even stronger foundation for the next stage of growth. Going forward, we will meet the expectations of our stakeholders while addressing the enhancement of corporate value and sustainable value creation over the medium to long term.



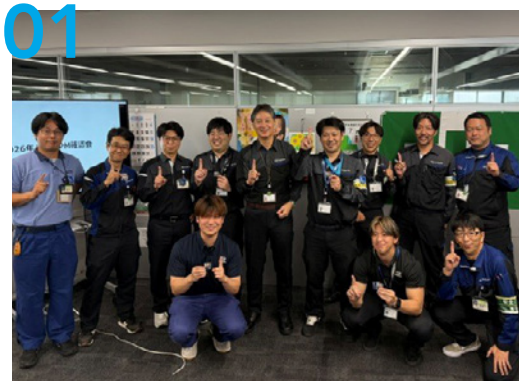
One SUBARU

All employees of the SUBARU Group globally are working together to realize our vision of becoming a company "Delivering Happiness to All." By evolving the value of "Enjoyment and Peace of Mind" throughout our business activities, we hope to continue to be a company that brings happiness to our customers, shareholders, and all other stakeholders, as well as to society and the earth.



One SUBARU

01



Monozukuri Supported by Cross-Functional Collaboration

At SUBARU, our desire is to deliver ever better cars to our customers. This commitment is shared by all SUBARU Group employees. However, this cannot be achieved by an individual or a single department alone. Automobiles are made up of many parts, and many departments are involved in their development and production. Making ever better cars requires collaboration across departments and organizations by bringing together diverse expertise and knowledge.

One such example is the bumper, which serves as the "face" of a car. At workplaces involved with bumpers, initiatives to pool knowledge across departmental and organizational boundaries are gaining momentum. One catalyst was an idea raised by younger employees. Their supervisors and coworkers embraced this insight—"Could getting to know one another better and drawing on each other's knowledge lead to making better cars?"—and the initiative expanded across the entire bumper system.

There are currently around 130 participants from 11 departments sharing their work and examples of improvements. Participants have also commented that it changed the way they thought, that it led to a framework for cross-departmental collaboration, and that it inspired them to realize they are working alongside many colleagues to make cars.

Although departments have different roles and perspectives, they pool their knowledge and experience and work together toward a common goal. The accumulation of these efforts underpins SUBARU's Monozukuri.

02



Creating Customer Experience Value Through Japan–U.S. and Cross-Functional Collaboration

The relevant departments in Japan and at SOA work together toward a common goal to always provide each customer with the best possible level of "Enjoyment and Peace of Mind." Members from a wide range of fields, including engineering and product development, sales, service, quality, IT, connected vehicle service, marketing, and customer advocacy, engage in ongoing discussion and verification based on Voice of the Customer and Voice of the Vehicle.

In this initiative, with a customer-focused perspective as the foundation and issues and needs identified in the field as the starting point, relevant departments—including engineering, sales, service, and quality—work as one to drive efforts from idea generation through planning and implementation. By using "Voice" from the vehicle in the form of data, combined with Voice of the Customer, and by utilizing the strengths of each department alongside this, we aim to improve products and services and create new experiential value. We also involve retailers, which are at the forefront of sales, from the planning stage. By working with them to verify and improve initiatives, we quickly incorporate insights from the field and customer reactions, leading to products and services that better reflect real-world needs.

A defining feature of these initiatives is that diverse members in Japan and the U.S., from development through sales and service to retailers, collaborate across organizational and regional boundaries. By working together as one, the SUBARU Group is creating value while staying close to customers.

03



Corporate Culture Reforms Integrate Divisions to Build Greater Synergies

While reviewing its organizational framework, SUBARU is working as one with a "customer first" philosophy. In April 2025, SUBARU integrated its Quality Assurance Division, Customer Service Division, and Parts & Accessories Division, which were primarily responsible for after-sales operations, to establish the Customer First Innovation Division. These divisions were integrated in order to combine the expertise each has cultivated in quality assurance, service, and parts and accessories, and operate the value chain by harnessing the full capabilities of the new division. We view the various customer touchpoints as connected and use customer feedback and data across organizational boundaries to improve quality, resolve issues quickly, and provide valuable services, aiming to further enhance both customer experience value and quality.

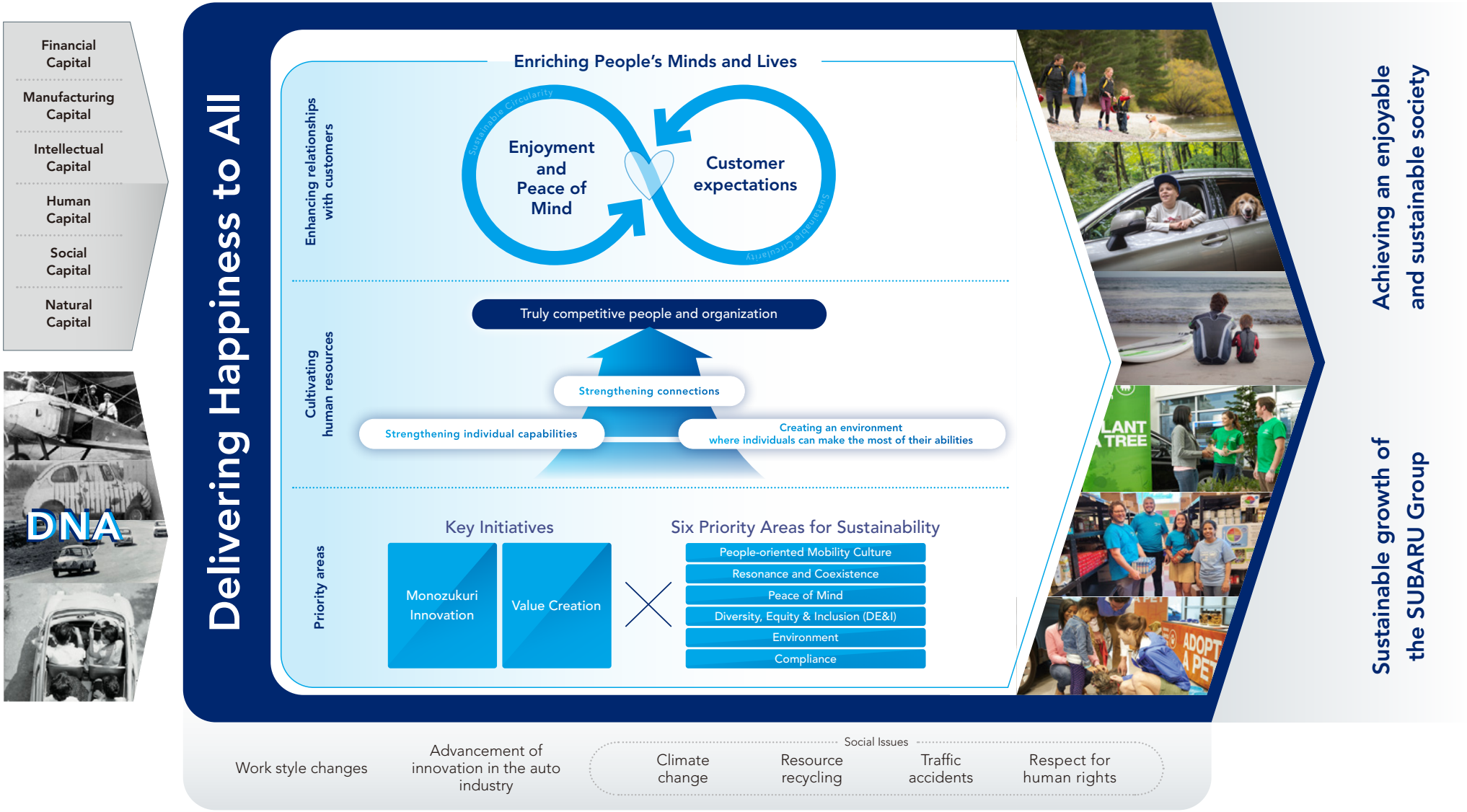
To this end, we are fostering a culture that accelerates collaboration among sites located in multiple prefectures across Japan and characterized by differing organizational cultures. One such initiative is Wakuwaku* Salon, a corporate culture reform activity led by proactive young employees. Through this activity, workers in customer-facing roles deepen their understanding of Monozukuri by touring manufacturing sites, while workers at manufacturing sites gain a customer perspective by learning how customers actually use their vehicles. Through this mutual understanding, insights and ideas for improvement are spreading across the value chain, intra-division unity is growing, and a foundation is being laid for value creation through the integration of knowledge.

Going forward, we will continue to deepen collaboration across organizational boundaries to deliver the best possible "Enjoyment and Peace of Mind" to each and every one of our customers and deliver happiness to more people.

* "Wakuwaku" is a Japanese word used to describe the feeling of being excited, inspired, and looking forward to what's next.

Value Creation Process

At SUBARU, we hope to enrich the lives and minds of all people connected to our Group, with a vision of becoming a company "Delivering Happiness to All." With our DNA as an aircraft manufacturer and based on our human-centered approach to "Monozukuri", we are committed to nurturing relationships with our customers by staying close to them and continuing to deliver "Enjoyment and Peace of Mind" through our products. Our people are both the foundation and the driving force behind this value creation. By enabling each employee to fully demonstrate their capabilities and combining their strengths to create greater value, we will contribute to the sustainable growth of the SUBARU Group and the realization of an enjoyable and sustainable society.



SUBARU's Cultivated Strengths



Human-centered Car Making

SUBARU has defined its value statement for customers as "Enjoyment and Peace of Mind." Peace of mind is not achieved through safety performance alone; it requires trust in the brand. As for enjoyment, we believe it is built on this peace of mind and encompasses not only the joy of driving but also mobility itself and life in general with a car.

Continuing to provide "Enjoyment and Peace of Mind" in every era is SUBARU's unwavering promise, and the evolution of safety technologies forms the foundation of this promise.

SUBARU's car making begins with the philosophy of focusing on people and pursuing safety. This idea has its roots in the safety philosophy cultivated by SUBARU's predecessor as an aircraft manufacturer—a philosophy that forms part of SUBARU's DNA. This commitment to rigorously refining designs to prevent accidents has been consistently carried forward in today's car making, leading to rational structures and controls that protect people in every situation.

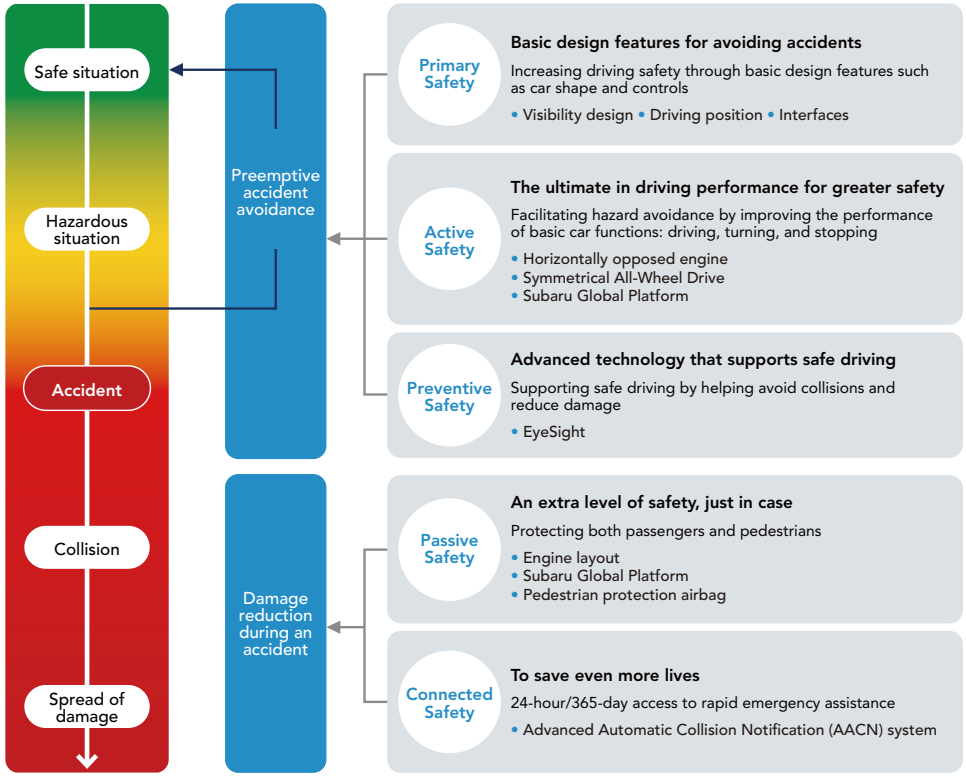
Evolution of the All-Around Safety Philosophy

SUBARU recognized the importance of Passive Safety early on and, even before safety was generally valued as an attribute of automobiles, undertook pioneering initiatives such as voluntarily beginning frontal collision tests in 1965. Even before the concept of Passive Safety was widely recognized, SUBARU regarded protecting people as the essence of car making, and its engineers independently researched vehicle body structures and the effects of collisions on the human body, laying the foundation for SUBARU's safety today through successive challenges and improvements.

Since then, under the safety concept of protecting everyone—not only drivers but also passengers and pedestrians—we have continued to develop Passive Safety technologies to address various accident scenarios, including rollovers and rear-end collisions. Building on these efforts, we have evolved this approach into the philosophy of All-Around Safety, which encompasses Preventive Safety to prevent accidents, Passive Safety to mitigate damage in the event of an accident, and post-accident response.

Currently, SUBARU is working to enhance safety value centered on this All-Around Safety philosophy, which consists of five areas: Primary Safety, Active Safety, Preventive Safety, Passive Safety, and Connected Safety. Basic vehicle design features that create a driving environment with good visibility and ease of use while reducing fatigue, allowing drivers to concentrate on driving, together with refinements to basic performance of driving, turning, and stopping, are also important elements supporting safety. At SUBARU, driving is more than just a source of enjoyment. We regard it as part of safety performance, enabling safe hazard avoidance and stable vehicle behavior under various road and weather conditions.

SUBARU's All-Around Safety



SUBARU's Cultivated Strengths

Embodiment of Our Safety Concept

The safety technologies we have refined over many years have given this philosophy concrete form as tangible value. In addition to efforts to improve basic vehicle performance, SUBARU has 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 to constantly monitor the road ahead and can measure distances in a manner similar to human vision. It delivers superior recognition capabilities with wide viewing angles and long detection ranges, identifying vehicles, pedestrians, and lane markings, and even recognizing brake lamps using color images. The software uses this information and the vehicle's operating state to determine the appropriate controls and coordinate the operation of the vehicle's units, helping to avoid collisions and mitigate damage. In recent years, sensing performance has been enhanced through a combination of stereo cameras offering a significantly wider field of view, a wide-angle single lens camera, an electric brake booster, and four front and rear radars, helping avoid collisions in a wider variety of situations, including at intersections and in other locations with poor visibility.

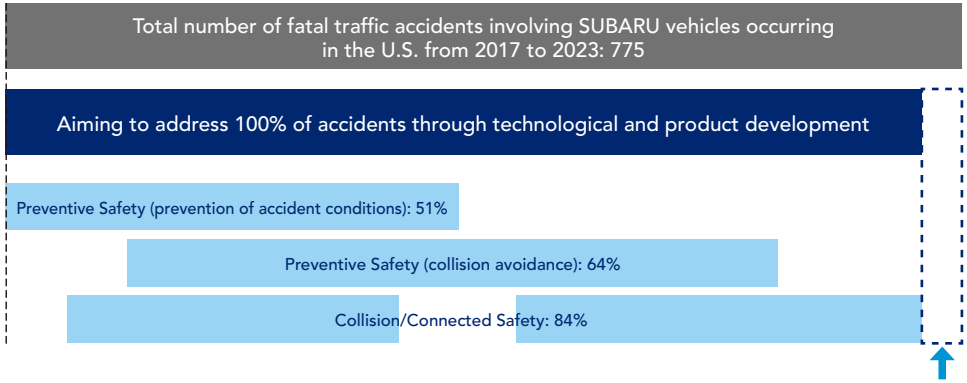
In this way, SUBARU has continued to evolve its safety value by consistently embodying the safety concept embedded in its DNA across everything from basic performance to advanced safety technologies.

Initiatives to Reduce Traffic Accidents

SUBARU is confronting the social challenge of reducing traffic accidents overall and is advancing efforts aiming for zero fatal traffic accidents in 2030[1], building on its long-standing safety philosophy and All-Around Safety efforts. These efforts are being advanced under "pursuing activities that stay close to customers and always provide peace of mind," a priority theme within Peace of Mind, one of the Six Priority Areas for Sustainability, and are positioned as ongoing efforts to continue enhancing safety value.

Based on the All-Around Safety approach we have cultivated, we identify issues through analysis of actual accident data and cases and pursue initiatives to prevent accidents and mitigate damage. We conduct investigations into actual accidents, primarily in the U.S. and Japanese markets. In the U.S. market in particular, the number of fatal accidents per million vehicles sold is three to four times that in the Japanese market, showing a more severe traffic environment. Accordingly, using FARS[2] data, we analyze the factors contributing to all 775 fatal accidents[3] involving SUBARU vehicles from 2017 through 2023, taking police reports and other information into account. We are also advancing collaborative research with the University of Michigan and Gunma University School of Medicine to analyze injuries that resulted in fatalities. In this analysis, we categorize the causes at each stage leading up to an accident in line with SUBARU's All-Around Safety philosophy and identify the priority issues to be addressed. We then identify functions that can effectively mitigate or eliminate the causes, develop the technologies necessary to realize them, and roll them out sequentially across models.

However, accidents have diverse causes, and some challenges cannot be resolved through technology alone, such as another vehicle crossing the center line, disregarding traffic signals, or driving the wrong way. Given this reality, SUBARU continues to take on the challenge of reducing traffic accidents through the evolution of All-Around Safety, while also advancing vehicle technology, promoting the wider adoption of vehicles with high safety performance, and improving road safety across society.



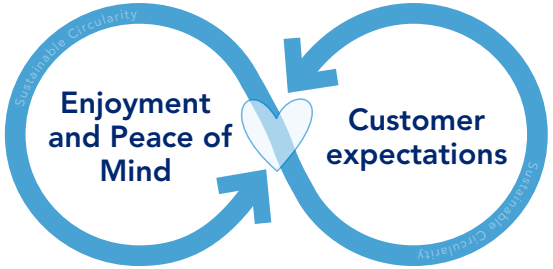
Note: Percentages represent the proportion of cases considered addressable by the safety technologies in each area.

Facing these challenges, it is essential to continuously evolve sensing, control, software, and other technologies to further enhance safety value. SUBARU is setting the direction for future-oriented technology development and advancing initiatives to take All-Around Safety to the next stage.

1. Zero fatal road accidents among occupants of Subaru vehicles and people involved in collisions with Subaru vehicles, including pedestrians and cyclists
2. Fatality Analysis Reporting System, which provides data on all fatal traffic accidents that occurred in the U.S.
3. 775 fatal accidents refer to accidents occurring while a driver or passenger is in a SUBARU vehicle and fatal accidents of pedestrians, cyclists, and the like arising from collisions with a SUBARU vehicle. Data source: FARS
4. Includes cases where the vehicle was caught between a large vehicle such as a semi trailer in the front and rear, head-on highway collisions where a vehicle was driving the wrong way, and collisions with a pedestrian who entered the highway at night.

SUBARU's Cultivated Strengths

Enhancing Relationships with Customers



The SUBARU Group's strength lies in the deep connections it forges with customers. Beginning with customers' attachment to their SUBARU vehicles, these connections extend to relationships between customers and retailers, among customers themselves, and with local communities. The resonance generated through these connections accumulates over time, forming relationships of trust that are unique to SUBARU. In this section, we will introduce how the SUBARU Group views its relationships with customers and how the expansion of these relationships leads to value creation.

SUBARU has defined its value statement for customers as "Enjoyment and Peace of Mind." Peace of mind is supported not only by vehicle safety as a function, but also by the trust customers place in the brand through product quality, experiences at retailers, and our efforts to address social issues. As for enjoyment, we believe it extends beyond the experience of driving and transportation, to include life with a car and sharing a sense of resonance with one another.

With this value statement in mind, employees throughout the SUBARU Group carry out their daily activities while continually asking themselves whether they are a presence that resonates with customers and earns their affinity. These ongoing efforts further deepen our relationships with customers, and the expansion of those relationships extends into society.

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 has been the top priority, and together with pilots (users), we have pursued performance in line with pilot feedback and expectations. This philosophy of Monozukuri that considers the user has been carried forward into SUBARU's car making and continues to guide us today.

Launched in 1958, the SUBARU 360 was a mass-produced minicar accommodating four adults. More than simply providing a means of transportation, it offered the enjoyment of going out with the family. By combining weight reduction and performance through the use of aircraft technology, SUBARU pioneered the motorization of Japan by turning automobiles, which at the time were still out of reach, into products that were accessible to people.



Since then, we have created new value unique to SUBARU in each era, 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 Forester, which pioneered the crossover SUV category; and the EyeSight driver assist system.



SUBARU's Value Among Customers

As times have changed, the value customers seek in cars and their preferences have become increasingly diverse. In this environment, SUBARU has continued to stay close to its customers, seeking to understand how they use their vehicles in the real world and what they expect from them, while refining the products and technologies that respond to those expectations. In doing so, we have built up resonance and trust grounded in each customer's own experience.

Through these accumulated efforts, SUBARU has come to be recognized as an important presence in customers' lives. Customers have come to describe SUBARU not only in terms of the functional value of its vehicles, but also as a brand that reflects their feelings of care for family and friends and stays close to them in moments of important memories. The resonance generated through life and experiences with SUBARU has expanded into value that enriches customers' lives and leisure time.

In addition, survey results have long shown that many customers choose SUBARU through word of mouth from family members, friends, and acquaintances. In recent years, customers have shared their own experiences and feelings through social media and other channels, generating new resonance. Through the expansion of this resonance, we believe SUBARU has become an even more cherished presence in the hearts of our customers.

The Voice of Customers as a Driving Force

In a variety of everyday situations, the SUBARU Group's employees encounter the strong resonance and attachment that customers feel toward SUBARU. In conversations with people they have just met or in the course of daily interactions, employees often find that customers voluntarily share stories about their SUBARU vehicles and experiences, giving them a real sense of the depth of the connections customers have with SUBARU.

For the SUBARU Group, customer feedback is more than just an evaluation; it is an important driving force toward the next stage of value creation. Each employee takes to heart the feelings and expectations behind this feedback and reflects them in product development, services, and a wide range of initiatives. As this cycle continues, our connections with customers become even stronger, and the expansion of these relationships leads to further value creation.

SUBARU's Cultivated Strengths

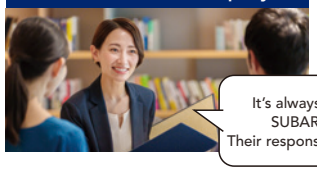
▼ Some Situations SUBARU Employees Have Come Across

When meeting someone for the first time



My father is already 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.

Value Co-Creation Through Expanding Relationships

Building on the expansion of these customer relationships, the SUBARU Group has evolved the very way it creates value. Relationships with customers that begin with our products extend to retailers and local communities, and value is co-created with the involvement of diverse stakeholders. For the SUBARU Group, value creation does not end within its relationships with customers; rather, it deepens as those relationships expand into society. The experiences and resonance of each customer connect with the people around them and with local communities, giving rise to new connections and value. Based on this concept, the SUBARU Group is promoting initiatives where customers, retailers, and local communities work together to create value from their respective perspectives. One example of this is the Subaru Love Promise® in the U.S.

Message from SOA Leadership

"To always be More Than a Car Company®"



Yoichi Hori
Chairman and CEO
Subaru of America, Inc.

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

The Subaru Love Promise® is our vision to show love and respect to all people at every interaction with Subaru. Here in the U.S., we put those values into action every day alongside our retailers.

At the core of that commitment are our five H.E.A.R.T. values: Honesty, Empathy, Appreciation, Respect, and Trust. These values shape not only how we serve our customers, but also how our team members support one another and how we show up for the communities where we live and work.

We don't do this because we have to. We do it because these are the values Subaru has always held dear. They're simply who we are. It's about deepening those connections through what we do every day. That's what keeps Subaru More Than a Car Company®.

SUBARU's Unique Customer Relationships

A distinctive feature of SUBARU's customer relationships is that they deepen as connections expand among customers themselves and into local communities. Specific initiatives that begin with customer relationships built through our products and expand to retailers and local communities, and how these relationships accumulate as social capital, are presented in the Social Capital section of this report.

SUBARU's Cultivated Strengths

Business Foundation Cultivated in the U.S. Market

The strengths of the SUBARU Group's business in the U.S. extend beyond the individual enhancement of products, prices, sales networks, and brand activities. Beginning with the distinctive SUBARU product values of safety, quality, and driving performance, we have built trust and resonance through customers' vehicle ownership experiences, interactions with retailers, and engagement with local communities. These accumulated relationships underpin our business foundation in the U.S. market.

A Cycle That Begins with Products and Enhances Value Through Relationships with Customers and Retailers

Direction for Reinvestment

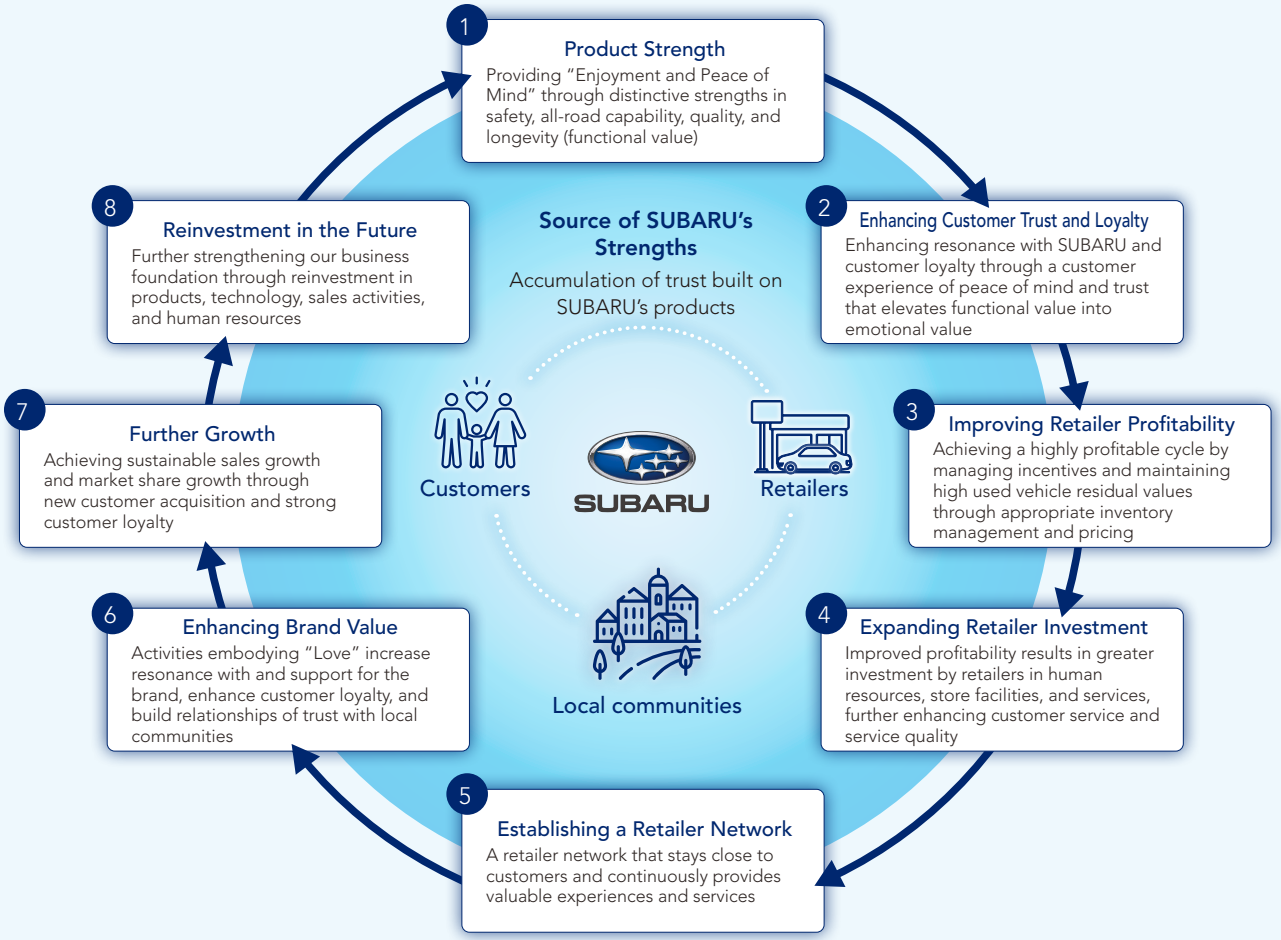
- Investment in people and organizations
- → Development of next-generation products and technologies
- → Evolution of functional value and safety performance
- → Further enhancing brand activities and customer engagement

Business Results

- Acquisition of new customers who resonate with SUBARU
- Growth in sales and market share
- Boost in market presence
- → Ensuring sustainable profitability

Proof of Brand Strength

- Resonance with "Love"
- High customer satisfaction
- High loyalty
- External recognition (e.g., J.D. Power, IIHS, Consumer Reports, Forbes)



Value Created by Our Customer Base

- Peace of mind when driving
- → The enjoyment of driving
- → Expansion of the circle of resonance through customers sharing the value of their experiences with one another on social media and other channels
- → Referrals from family and friends
- → Long-term ownership and repeat purchasing

Elements Supporting Retailer Profitability

- Strong consumer demand
- Appropriate inventory management
- Appropriate pricing
- Management of incentives
- → Maintenance of high residual value for used vehicles

Value Created by Retailer Investment

- Improved profitability
- → Improved showrooms and service facilities
- → Enhanced customer service and service quality
- → Enhanced convenience at customer touchpoints
- → Strengthened customer ties with local communities

Accumulated relationships of trust with customers, retailers, and local communities support a sustainable business foundation in the U.S. market

The SUBARU of Today and the SUBARU of Tomorrow

Value Creation in an Era of Change

The SUBARU Group finds itself in a drastically changing business environment. In addition to technological innovation and changes in the market environment, customer values and social issues are becoming more diverse, and we have entered an era in which it is difficult to foresee the future. Even in this environment, SUBARU is committed to sustainable value creation centered on the value it provides to customers, "Enjoyment and Peace of Mind."

In SUBARU Management Policy 2025, announced in November 2025, we reviewed the initiatives pursued under the SUBARU New Management Policy announced in 2023 and set out the progress achieved over the past two years and the direction for future value creation. This section uses the above information as a basis for providing an overview of SUBARU's current position and its business strategy going forward.

SUBARU Management Policy 2025
https://www.subaru.co.jp/en/outline/about/policy/index.html

SUBARU: Striving to Be a Compelling Company with a Strong Presence

SUBARU's value proposition centers on "Enjoyment and Peace of Mind." Through our unwavering, earnest, and sincere dedication, we have long been committed to enhancing our technology and services to deliver these core values. Driven by our desire to remain close to our customers throughout their lives, SUBARU vehicles have evolved beyond serving merely as a means of transportation to become part of customers' experiences and memories. These accumulated efforts have fostered deep resonance and trust, leading many customers to say "I love SUBARU" rather than just "I like SUBARU." The Subaru Love Promise® initiative in the U.S. demonstrates the SUBARU difference, going beyond product value to foster long-term relationships with customers, retailers, and local communities.

We will deepen our relationships with society and our customers, further strengthen our presence, and strive to become an organization that is indispensable to people, communities, and society as a whole.

The Core Objective of the New Management Policy

To uphold and achieve our high ideals, strengthening our business competitiveness is vital. At the same time, in an uncertain business environment, adaptability in responding to changes in the market and customer needs is more important than ever. To achieve this, it has been critical for us to move beyond simply extending conventional development and production and shift to Monozukuri that enables us to swiftly reassess products and production systems with change as an assumed condition.

Under the new management structure, our declaration that we would steer our focus toward BEVs for the time being reflected our aim of advancing "Monozukuri Innovation" and enhancing our competitiveness by taking on the unknown field of BEVs. Over the past two years, we have thoroughly pursued flexibility in product development and production while transforming traditional processes and shifting employee mindsets. Although the market is changing even faster than we initially expected, we are confident in our strengthened capability to respond swiftly and accurately to whatever changes may arise going forward.

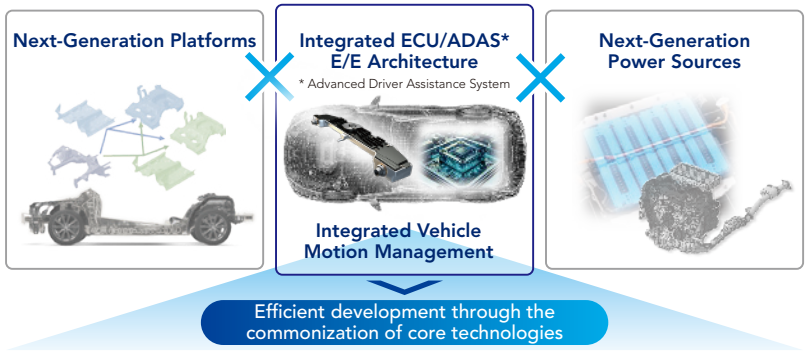
In this section, we present these initiatives as an overview of our business strategy; the forms of capital that support this strategy—including technology, Monozukuri, and human resources—are discussed in detail in the capital sections that follow.

Monozukuri Innovation

Thorough Pursuit of Flexibility—Development

At the heart of the Monozukuri Innovation we have advanced under the New Management Policy is the thorough pursuit of flexibility.

With respect to development, we are thoroughly streamlining processes starting with the expansion of our Integrated ECU that we have been advancing through BEV development. The Integrated ECU serves as the foundation for "Enjoyment and Peace of Mind" by coordinating the next-generation EyeSight, equipped with in-house developed AI, and vehicle motion control, including AWD, to perform integrated vehicle motion management. By commonizing the electrical/electronic (E/E) architecture centered on the Integrated ECU across BEV and ICE/HEV vehicles, we will significantly enhance development efficiency. Additionally, we have been advancing our next-generation vehicle platforms for BEVs and existing ICE/HEV models, designed with expandability through combinations of multiple platforms in mind. This approach is expected to enable an expanded product lineup across multiple segments. Regarding next-generation power sources, besides BEVs, we are advancing the development of new engines specifically optimized for electrification.



People and Organizations Supporting Change

With respect to the people and organizations supporting change, in our BEV development, we adopted agile development leveraging the "Obeya" (large-room) approach. This has allowed us to flexibly respond to situations, pursuing the shortest possible development process without setting a fixed schedule in advance. We will apply the speed, flexible thinking, and courage to take on challenges gained through this process to the development of ICE vehicles as well, and work to achieve industry-leading development lead times. To make this innovation genuine, the "power of the gemba" (the actual worksite), where proactive, self-driven thinking and action are essential, is critical. Therefore, we have also been working to change the mindsets and behaviors of each and every employee. The attitude of "try first," "make adjustments along the way," and "try and take on challenges repeatedly without fear of failure" is now steadily taking root at SUBARU's worksites.

Thorough Pursuit of Flexibility—Production

On the production side, while SUBARU has been able to achieve efficient production through high operating rates, the addition of BEVs as a new element has posed challenges that could potentially affect our strengths in mixed-model and bridge production. To address these, our manufacturing engineers are now joining the "Obeya" (large-room) activities, working to further evolve both design and manufacturing engineering. We will produce BEVs and ICE/HEV models on mixed-model production lines. In bridge production, we will enhance collaboration across facilities in Japan and the U.S., as well as among individual production lines. This will increase our ability to address global demand fluctuations and maximize the operating rates of facilities and human resources. Moreover, we are advancing logistics reforms and challenging ourselves to achieve flexibility in the supply chain spanning Japan and the U.S.

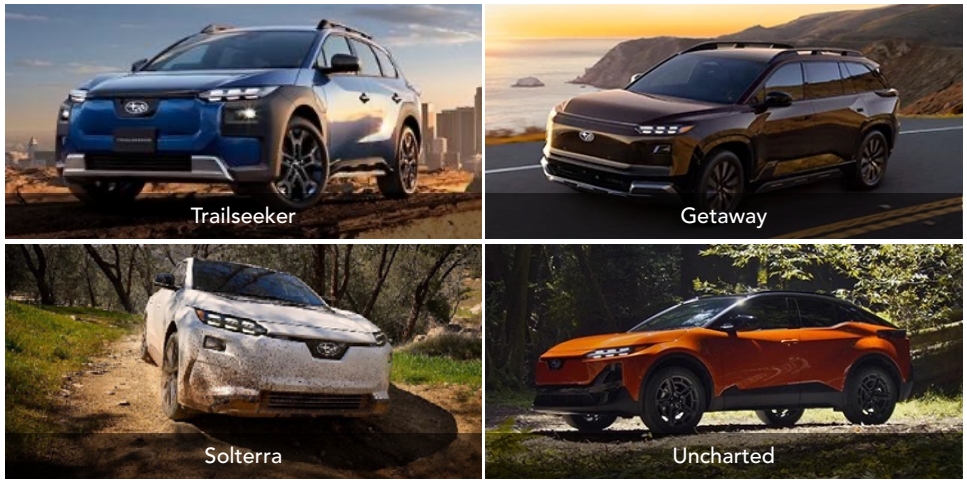
Through the challenges we have taken on over the past two years, SUBARU is laying the foundation to respond flexibly and swiftly to a rapidly changing market environment for our product lines, spanning BEVs, HEVs, and ICE vehicles. Going forward, we will embed "Monozukuri Innovation" throughout the Group to drive the expansion of our product lineup centered on next-generation technologies.

Flexibility and Expandability of the Product Lineup

At a time when the future is difficult to foresee, it is important to closely monitor regulatory and market trends and assess how conditions are changing, then expand rapidly once the direction becomes clear. SUBARU is advancing initiatives in both product development and its production system, based on the concepts of flexibility and expandability.



In the medium to long term, our view remains unchanged that BEVs are an important option for achieving a carbon-neutral society and will eventually play a central role. At the same time, in the early stages of the transition to BEVs, it is important to roll out products flexibly while assessing factors such as the pace of market growth, regulations, infrastructure development, and customer needs. For its product rollout in the early stage of the transition to BEVs, SUBARU plans to leverage joint development with Toyota Motor Corporation to offer four BEV models by the end of 2026. As we assess how the market develops, we will ensure that customers have options and accumulate technology and expertise in BEV development through joint development that leverages the strengths and expertise of both companies, thereby supporting future product rollouts and strengthening our development capabilities.



World Premier of All-New Battery Electric Vehicle Subaru Getaway
https://www.subaru.co.jp/news-en/2026_04_02_153653/

Subaru Unveils New Trailseeker (in Japanese only)
https://www.subaru.co.jp/news/2026_04_09_145609/

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

In this early stage of the transition to BEVs, we also regard HEVs as an extremely important option. Based on the Toyota Hybrid System, SUBARU is developing a uniquely SUBARU next-generation hybrid system and is expanding it to its mainstay models.

In Japan, following the Crosstrek and Forester, we announced a Levorg Layback model equipped with the next-generation hybrid system in July 2026. As a result, we have expanded the number of models equipped with this next-generation hybrid to three models. We are also expanding our HEV lineup globally, including by offering HEV versions of the 2026 Crosstrek and 2027 Forester Wilderness in the U.S.

Among many choices, the final decision is, ultimately, made by the customer. That is why SUBARU will provide a wide range of options—including BEVs and ICE vehicles such as HEVs—and respond flexibly to changes in the market environment and customer needs. We believe that this product flexibility and expandability will be a key competitive edge for SUBARU to remain the preferred choice for customers in an era of change.

The SUBARU of Today and the SUBARU of Tomorrow

Continuous Evolution at the New Oizumi Plant

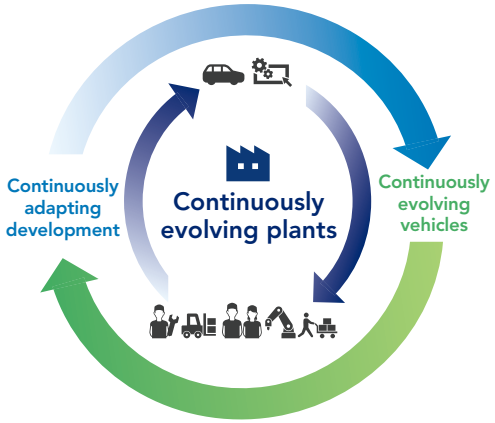
SUBARU is building the new Oizumi Plant as a core hub for continuing to advance "Monozukuri Innovation" efforts like those described in this section over the long term.

The new Oizumi Plant is more than just a home for new production capacity. As technology evolves and products continue to change in response to shifts in the market environment, we view the plant as a new arena for taking on the challenge of simultaneously transforming both what we make and where we make it. We aim not only for the plant to be state of the art when production begins, but also for it to continue evolving thereafter.

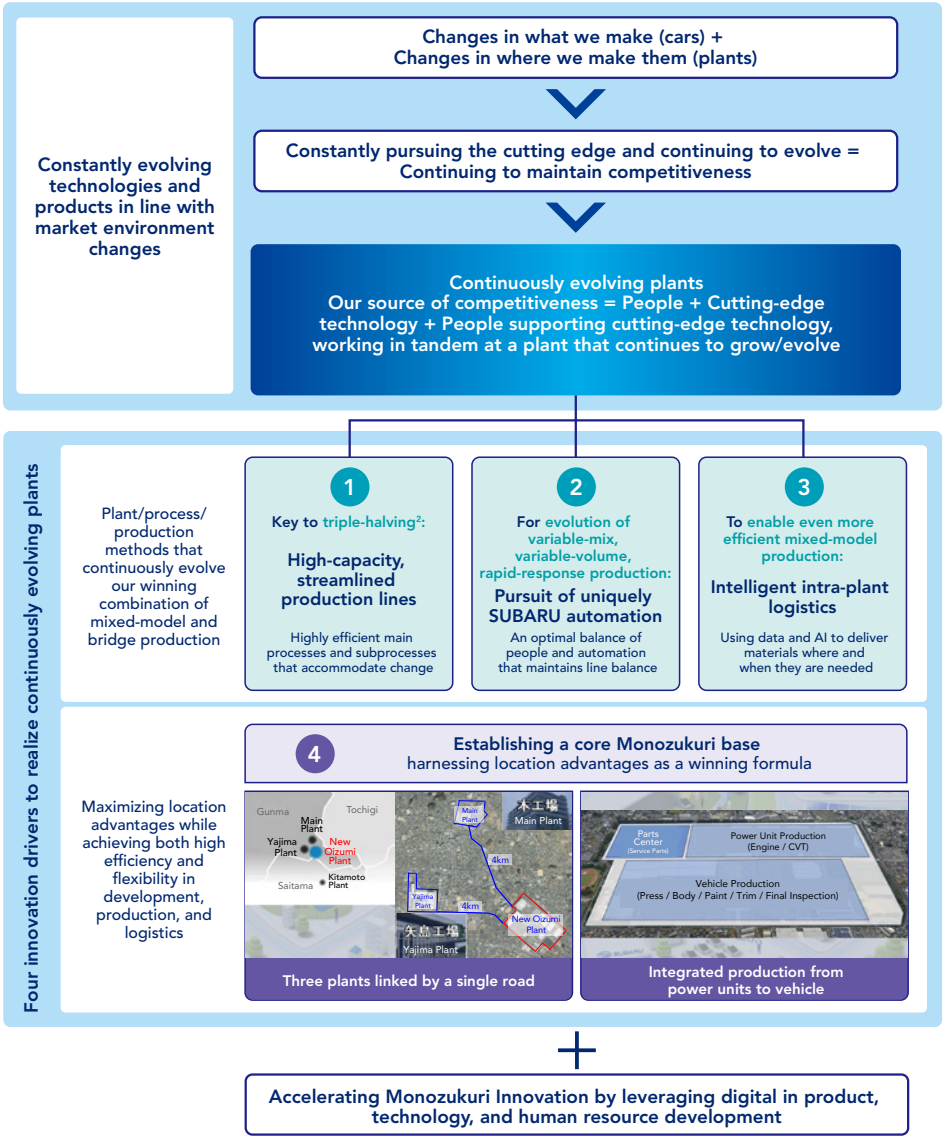
By combining the SUBARU Group's established strengths in mixed-model and bridge production with the flexibility unique to a plant built from the ground up, the latest production technologies, and the utilization of digital technologies and AI, we aim to establish a production system that can flexibly adapt to change. We will further advance Monozukuri Innovation by enabling the latest technologies and the people who support them to evolve and grow in tandem. To achieve this goal, we will focus on four innovation drivers: high-capacity, streamlined production lines, pursuit of uniquely SUBARU automation[1], intelligent intra-plant logistics, and establishing a core Monozukuri base harnessing location advantages as a winning formula. In addition, we will accelerate Monozukuri Innovation by leveraging digital technologies in product, technology, and human resource development.

In particular, in establishing a core Monozukuri base, we will make the most of the locational advantages of the Main Plant, Yajima Plant, and Oizumi Plant, which are located close to one another in Gunma Prefecture, while establishing at the new Oizumi Plant an end-to-end production system from power units to vehicles. Through this approach, we will combine greater efficiency with flexibility in development, production, and logistics, thereby strengthening the competitiveness of Monozukuri as a whole.

The new Oizumi Plant is not intended to replace existing plants; rather, it will serve as a starting point for further evolving the SUBARU Group's strengths in Monozukuri and enhancing the competitiveness of the production system as a whole. By responding flexibly to changes in customer needs and power units and thereby expanding our product lineup, strengthening our cost competitiveness, and expanding our revenue foundation, we will help strengthen the resilience of our business foundation.



New Plant Concept



1. Replacing routine tasks previously performed by people with machines or systems to improve efficiency and quality

2. 50% reduction in production processes/development lead times/configuration and number of parts

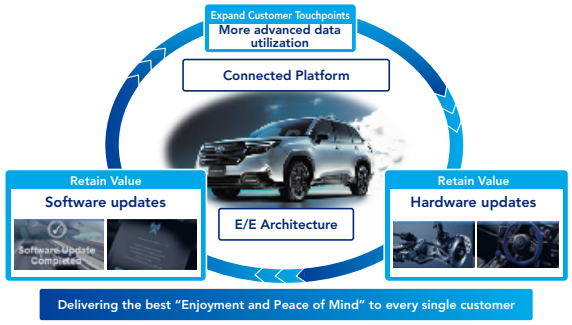
The SUBARU of Today and the SUBARU of Tomorrow

Value Creation: Evolution of "Enjoyment and Peace of Mind"

The flexibility we have enhanced through "Monozukuri Innovation" also supports the "Value Creation" the SUBARU Group aims to achieve.

SUBARU customers are unique in that they tend to own their vehicles for a long time. It is becoming more common for one SUBARU to be passed from parent to child, continuing the family's journeys together. There are also long-lasting and strong bonds between SUBARU and its retailers and customers. This connection is reflected not only in high satisfaction with our services and retailers, but also in the strong connections we make through our Love Promise® activities, a unique SUBARU strength. That is why we strive to continue delivering the best "Enjoyment and Peace of Mind" to every single customer, not just through the cars we build, but throughout the many years they spend with their SUBARU.

The technological foundation that enables this aim is SUBARU's connected platform and E/E architecture. By leveraging connected technologies, we will expand our customer touchpoints and enhance our use of data on vehicle conditions, customer feedback, and experiences, enabling us to provide value tailored to each individual. By leveraging E/E architecture, we will advance functional enhancements that integrate technology and services, including OTA software updates after purchase and hardware updates at retailers.



Driving the SUBARU Difference

Even amid uncertainty about the market outlook, to ensure that customers continue to choose SUBARU regardless of whether they opt for a BEV or an ICE vehicle, it is important to "drive the SUBARU Difference" and further strengthen our presence.

However, we are not seeking to become a premium brand. Rather, our goal is to be a brand that stands by our customers throughout their lives, and our brand strategy focuses on further highlighting the identity of SUBARU that resonates with, and is trusted by, our customers. At the 2025 Japan Mobility Show, we presented our approach to enhancing brand value by highlighting the symbolic experiential worlds of Performance and Adventure that represent customers' affinity for the SUBARU brand. These two worlds might appear different at first glance, but in communities and events where SUBARU owners and fans gather, they coexist with mutual respect. The coexistence of these diverse forms of resonance is also part of what makes SUBARU unique, and at their core is our enduring value proposition of "Enjoyment and Peace of Mind," rooted in our sincere, steadfast pursuit of these core values. By highlighting the worlds of Performance and Adventure, we will further refine "Enjoyment and Peace of Mind" and strengthen the brand's presence.

Strengthening Resilience in Our Business Foundation

The Monozukuri Innovation and Value Creation initiatives we have discussed so far extend beyond simply adapting to change. By linking these initiatives to enhanced product strength, brand strength, cost competitiveness, and profitability, SUBARU is strengthening the resilience of its business foundation to overcome the challenging business environment.

SUBARU Management Policy 2025 refers to the launch of our "Cost Innovation 20-30" initiative to reduce costs by around 200 billion yen in order to counteract the impact of U.S. tariff measures. In this project, by working closely with our suppliers from the early design stages of new vehicle development and fully leveraging the outcomes of Monozukuri Innovation, we are taking on an unprecedented challenge in cost transformation that goes beyond conventional boundaries. At the same time, we will aim to achieve global sales of 1.2 million-plus units by expanding our product lineup and pursuing a brand strategy to meet diverse needs, while also working to expand value chain profit by growing the post-purchase side of the value proposition. Expanding value chain profit is an initiative to generate value and profits while broadening customer touchpoints even after purchase. The recently announced plan to enter the vehicle financing business in the North American market around 2030 is a major pillar of these initiatives. However, rather than limiting ourselves to direct earnings from vehicle financing, we aim to use financing as a starting point for combining after-sales service with a variety of other services and thereby provide value that supports customers throughout their vehicle ownership experience.

We will also optimally allocate growth investments by reviewing their composition and priorities in light of changes in the market environment and customer needs. Please see the Financial Capital section of this report for details.

Building on the flexibility cultivated through Monozukuri Innovation and the value proposition refined through Value Creation, the SUBARU Group will strengthen its management infrastructure while turning changes in the business environment into growth opportunities. Even in rapidly changing times, we will strive for sustainable value creation with the aim of ensuring SUBARU is always the preferred choice for customers.

Amid a challenging business environment, we will strive to strengthen the resilience of our business foundation and expand profitability.

Unprecedented cost innovation

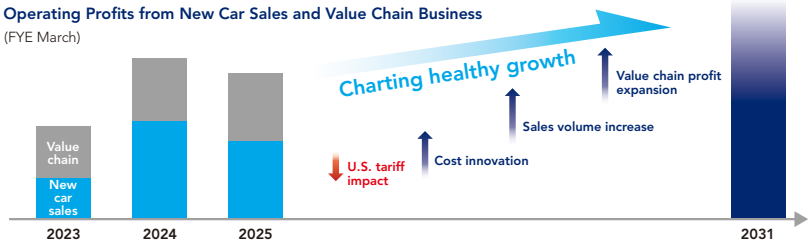
- Driving cost innovation to counteract U.S. tariff impact (Aiming for an annual cost reduction at the 200 billion yen level by 2030)
- Launched and advancing the Group-wide project "Cost Innovation 20-30"

Expanding the revenue foundation

- Pursue global sales goal of 1.2 million-plus units (Targeting achievement in the first half of the 2030s)
- Expand value chain profit

Operating Profits from New Car Sales and Value Chain Business

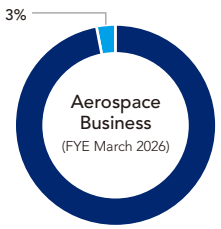
(FYE March)



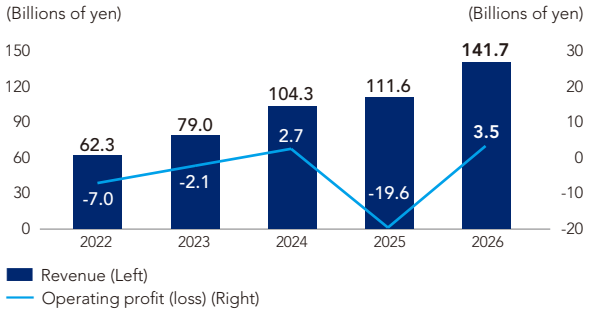
Aerospace Business

SUBARU's Aerospace Business traces its roots to the Aircraft Research Laboratory, established in 1917 and which later evolved into Nakajima Aircraft. Building on Monozukuri expertise and a commitment to quality passed down for more than 100 years, SUBARU has developed its operations around three main pillars—commercial aircraft, defense, and helicopters—and plays a role in Japan's aerospace industry by handling the full range of activities for a wide variety of aircraft, from development and production through operational support. The core of our strategy is to strengthen our human resources and production infrastructure in advance and steadily increase supply capacity to ensure that we capture the growth opportunity presented by growing demand for aircraft.

Revenue Contribution Ratio



Revenue (FYE March)



Commercial Aircraft Business

Since first participating in the Boeing commercial aircraft program in 1973, SUBARU has been involved in development and production as a key partner of Boeing for more than 50 years. SUBARU manufactures the center wing box, a critical structural component where the left and right wings are integrated with the front and rear fuselage and which bears the loads of the entire aircraft. Since the center wing also contains the aircraft's fuel, it must meet stringent requirements for strength and fluid tightness. By manufacturing these center wing boxes with advanced design and assembly technologies, we have earned high ratings from Boeing.



Center wing box



Center wing box manufactured at the Handa Plant

The Handa Plant, located in Handa City, Aichi Prefecture, is one of the world's few production centers specializing in center wing boxes for large aircraft, having produced center wing boxes for the Boeing 777, 787, and 777X aircraft for over 30 years, as well as the P-1 patrol aircraft for the Japan Maritime Self-Defense Force and the C-2 transport aircraft for the Japan Air Self-Defense Force. This plant has cumulatively manufactured center wing boxes for more than 3,000 aircraft.

Global air passenger demand is expected to grow by an average of about 4% annually.* As the movement of people and goods increases, demand is expected to grow further for the 787 and 777X programs in which SUBARU participates. To ensure that we capture these growth opportunities, it is important to secure supply capacity that keeps pace with demand growth. We are therefore strengthening supply capacity in terms of both human resources and production infrastructure.

On the human resources side, in addition to passing on the technical expertise and skills cultivated through the development and production of center wing boxes and other components, we are developing the talent who will lead the next generation and enhancing their expertise. On the production infrastructure side, we are pursuing capital investment and improvements in quality and cost competitiveness, while also developing technologies aimed at fundamentally improving the efficiency of production processes through automation and digital technologies.

Through these efforts, we will ensure high quality and establish a stable supply system, leading to sustainable business growth. We will also continue to build a robust supply system that can flexibly respond to demand fluctuations and changes in the supply chain environment.

Going forward, we intend to continue our active participation in international joint development projects, including the development of commercial aircraft, by leveraging the technologies and expertise cultivated as a major partner of Boeing.

* Source: "Worldwide Market Forecast 2026-2045" (Japan Aircraft Development Corporation)



Boeing 787

Defense Business

For half a century, the SUBARU Group has provided comprehensive support for Japan Air Self-Defense Force and Japan Maritime Self-Defense Force training aircraft programs, as well as Japan Ground Self-Defense Force utility helicopters, including aircraft manufacturing, scheduled maintenance, overhaul, spare parts supply, and training. We also participate in the development of major defense aircraft systems in Japan, including transport and patrol aircraft. Focusing on our areas of expertise such as main wings and tail assemblies, we are responsible for the development and production of major components. Furthermore, in the field of unmanned aircraft, where we have accumulated technology for over 50 years and boast a significant track record in development, we are engaged in the research and development of future systems.

SUBARU will reliably deliver aircraft to the Japan Self-Defense Forces on schedule and provide comprehensive support for their activities through operational support, maintenance, parts supply, educational support, and other services.



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

Helicopter Business

SUBARU manufactures the UH-2 utility helicopter used by the Japan Ground Self-Defense Force and its commercial version, the SUBARU BELL 412EPX, at its Utsunomiya Plant in Utsunomiya City, Tochigi Prefecture.

The UH-2 supports air transportation, lifesaving, and rescue missions during disasters, evacuation of residents, firefighting, and a range of other missions to protect the safety and security of the general public. Our manufacturing will proceed as planned in accordance with Japan's Defense Buildup Program.

The SUBARU BELL 412EPX is expected to be widely used in Japan and around the world, mainly for police, firefighting, and disaster prevention applications, as an aircraft with high reliability and excellent serviceability that can operate under harsh conditions. More than 200 helicopters, including those we have manufactured to date, are owned and operated by government agencies such as the police, fire department, and Japan Coast Guard, and demand is expected to increase for replacing the fleet of helicopters currently in service.

Our manufacturing and maintenance infrastructure in Japan covers not only the manufacture and sale of aircraft, but also after-sales support, including the supply of parts and scheduled maintenance.

By leveraging our expertise accumulated over many years in helicopter production and steadily meeting expected replacement demand, we will continuously support safe and reliable flight operations for our customers.



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



SUBARU BELL 412EPX

Message from the Company President

"Always supporting the skies of tomorrow on a foundation of trust



Yoshihiro Saito
Executive Officer
President of Aerospace Company

The aerospace industry is an essential part of the social infrastructure that supports the movement of people and goods. Against the backdrop of growing global demand for mobility, the commercial aircraft sector is expected to see demand for approximately 40,000 passenger aircraft* over the next 20 years. Even at full capacity, our current production line could not meet this demand. By leveraging the strengths we have cultivated over many years—our technology, human resources, production infrastructure, and expertise—we aim to seize this growth opportunity, achieve sustainable growth while pursuing every possibility, and remain a company that continues to earn the trust of our customers.

Our work ultimately serves not only the customers with whom we do business directly, but also the many people and society at large that depend on aircraft. By reliably continuing to meet customers' expectations, we support safe, comfortable air travel and the connection between people and the world. We believe that contributing to the development of society through these efforts is the purpose of the Aerospace Business. Our mission is to continue contributing to global industry and society through aircraft.

When we look up at the sky, we see our technology and products at work in the aircraft flying overhead. This realization gives us the strength to continue honing our technologies and taking on the challenge of creating new value. Our people are at the heart of that growth and value creation. New ideas and innovations emerge when each individual takes the initiative to learn, take on challenges, deepen their expertise, and share knowledge with colleagues.

All of this rests on corporate activities conducted with integrity and with due regard for safety, health, quality, and compliance. By steadfastly adhering to the fundamentals and continuing to live up to the trust our customers place in us, we will grow with our colleagues, move forward alongside our customers, and deliver "Enjoyment and Peace of Mind" to the people beyond them. The Aerospace Company will continue to support future air mobility and the development of society, with trust as its foundation.

* Source "Worldwide Market Forecast 2026-2045" (Japan Aircraft Development Corporation)

Six Priority Areas for Sustainability

The SUBARU Group's Sustainability

The SUBARU Group has defined the Six Priority Areas for Sustainability as key issues under the SUBARU Global Sustainability Policy to achieve its vision of becoming a company "Delivering Happiness to All." We will promote sustainability while sharing our commitment across the Group and globally, and further evolve the value we provide to customers, "Enjoyment and Peace of Mind." Through these initiatives, we will deepen our relationships with customers and other stakeholders as we aim to achieve sustainable growth and enhance corporate value while also realizing an enjoyable and sustainable society.

SUBARU Global Sustainability Policy

https://www.subaru.co.jp/en/csr/subaru_csr/philosophy.html

Promotion System

SUBARU positions sustainability as a key management issue and convenes the Sustainability Committee twice a year to advance related initiatives. The Representative Director and President serves as chair, and all executive officers participate as committee members.

The Sustainability Committee discusses policies for addressing key issues and the Six Priority Areas for Sustainability, while also checking and reviewing the plan-do-check-act (PDCA) status of each committee and department. In FYE March 2026, the Sustainability Committee reviewed progress in the Six Priority Areas for Sustainability and discussed ways to enhance related information disclosures. The results of discussions and deliberations are submitted to and reported to the Board of Directors, and sustainability initiatives are promoted under the Board's supervision.



Main Topics Discussed by the Sustainability Committee in FYE March 2026

- Progress in the Six Priority Areas for Sustainability
- Consideration of enhancing sustainability-related information disclosure
- Revision of internal rules to strengthen the Sustainability Promotion System

Identification Process for the Six Priority Areas for Sustainability

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

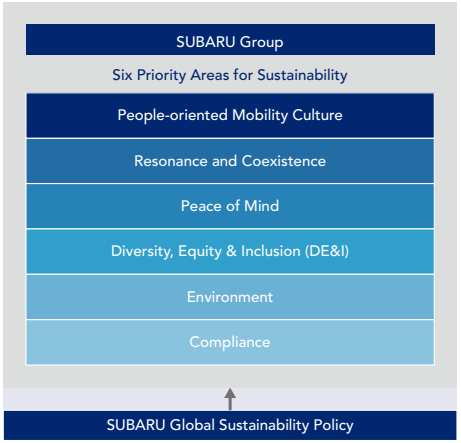
To select the priority areas, the SUBARU Group identified 41 topics for which social needs were high, conducted a questionnaire among experts and investors in North America and Japan, and then conducted an assessment based on the results. As a result, the SUBARU Group identified the Six Priority Areas for CSR from two perspectives: areas in which we can engage the community by leveraging our business strengths and areas related to the demands of society.

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

This evolution also updated our People-oriented Car Culture to a People-oriented Mobility Culture, while Diversity was updated to Diversity, Equity & Inclusion (DE&I).

"People-oriented Mobility Culture" represents the diversity of the SUBARU Group's products and services, including those of the Aerospace Business. We will provide mobility value based on SUBARU's DNA in response to changing times and aim to become a company whose presence and appeal differentiate us from our competitors. Furthermore, "Diversity, Equity & Inclusion (DE&I)" is our basic approach to developing our organization to maximize the diverse individuality of our workforce and create comfortable workplace environments. By providing an environment where all employees have fair opportunities, we will promote innovation based on different perspectives and values and bring together the strengths of diverse individuals to realize SUBARU's unique and sustainable value creation.

The SUBARU Group shares its values and direction on sustainability with all employees across the Group and around the world, based on the SUBARU Global Sustainability Policy. Through initiatives based on the Six Priority Areas for Sustainability, we will strive to become a company "Delivering Happiness to All" and achieve sustainable value creation.



Vision for the Six Priority Areas for Sustainability and the SUBARU Group's Initiatives Connected to Priority Themes

The SUBARU Group has set targets and key performance indicators (KPIs) for Peace of Mind, Diversity, Equity & Inclusion (DE&I), Environment, and Compliance within the Six Priority Areas for Sustainability and is promoting medium- to long-term initiatives accordingly. Separate targets and KPIs have not been set for People-oriented Mobility Culture and Resonance and Coexistence, since they have been positioned as cross-cutting areas to be realized through initiatives in the other priority areas.

Six Priority Areas	Vision	Priority Theme	Target	KPI	Initiatives
People-oriented Mobility Culture	Offer unfading emotional value from spending time with SUBARU and become a company that enriches people's lives and minds as a partner	Offer mobility services and experiences that provide "Enjoyment and Peace of Mind"	—	—	Page 15, Enhancing Relationships with Customers Page 18, The SUBARU of Today and the SUBARU of Tomorrow Page 41, Social Capital
Resonance and Coexistence	Broaden the circle of person-to-person communication and become a company that widely resonates and coexists with society	Offer mobility services and experiences that provide "Enjoyment and Peace of Mind" Promotion of activities that lead to solutions to issues faced by local communities	—	—	
Peace of Mind	Become a company that provides the utmost peace of mind to all stakeholders.	Be close to customers and pursue activities that always offer peace of mind	Aim for zero fatal traffic accidents[1] in 2030	Ratio of fatal traffic accidents[2] avoidable with SUBARU's latest technologies introduced into the market	Page 28, Intellectual Capital
Diversity, Equity & Inclusion (DE&I)	Continuously create innovation and values through spontaneous networking of the individual with the organization	Develop an organization where diverse individuals can demonstrate their abilities and work together respecting each other	FYE March 2029: 70% engagement score	Employee attitudes survey (SUBARU) Engagement score	Page 33, Human Capital
			FYE March 2031: 100 female managers	Number of female managers (SUBARU)	
			FYE March 2031: 3.0% employment rate of people with disabilities	Employment rate of people with disabilities (total of SUBARU, SLS[3], and SBC[4])	
Environment	Cherish and protect the environment—the earth, the sky and nature—through Group-wide activities	Mitigating climate change (Achieve carbon neutrality in the entire life cycle)	Aim for 50% of total vehicle sales to be BEVs beyond 2030	BEV sales ratio	Page 46, Natural Capital
			Apply electrification technologies[5] to all SUBARU vehicles[6] produced and sold by the early 2030s	EV sales ratio	
			Reduce Scope 1 and 2 emissions by 60% by FYE March 2036, compared with FYE March 2017 (total volume basis)	CO_2 emissions versus the base year	
		Realizing a circular economy (Aim for zero environmental impact from resource extraction and disposal)	Pursue research and development targeting the use of recycled materials[7] for more than 25% of the plastic used in new models[6] by 2030	Use rate of recycled plastics	
			Reduce the total amount of waste by 1% annually versus BAU emissions[8]	Total waste	
			Achieve zero emissions at production plants[9] in Japan and overseas (zero landfill waste either directly or indirectly)	Landfill waste	
		Coexistence with nature (Aim for net zero impact on the natural environment)	Properly manage impact on the natural environment at business sites (air, water quality, noise, vibration, and odor)	Violations of statutory standards/ voluntary standards	
			Expand protected areas reducing impact on the natural environment caused by business activities	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"	Maintain zero serious compliance violations[10]	Employee ethics	Page 58, Corporate Governance
				Supplier CSR Survey	

1. Aim for zero fatal traffic 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. SUBARU Living Service Co., Ltd. 4. SUBARU BLOOM Co., Ltd. 5. Refers to the technology used to foster the use of electricity for BEVs, HEVs, and others. 6. Excluding models supplied by OEMs. 7. Including material recycling and chemical recycling.
8. Emissions under the current policy without further action (business-as-usual) 9. SUBARU: Gunma Plant, Tokyo Office, Aerospace Company; Consolidated subsidiaries: Fuji Machinery Co., Ltd., Kiryu Kogyo Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K., Subaru of Indiana Automotive, Inc. 10. Compliance violations that could shake the foundations of SUBARU's business

Manufacturing Capital

The SUBARU Group concentrates vehicle production in two countries—Japan and the U.S.—and delivers vehicles to customers in approximately 90 countries and regions worldwide. Automobile manufacturing requires large-scale production facilities and a broad supply chain, but the SUBARU Group has long regarded maximizing the use of limited management resources and achieving high production efficiency as the fundamental approach to Monozukuri underpinning our competitiveness and profitability.

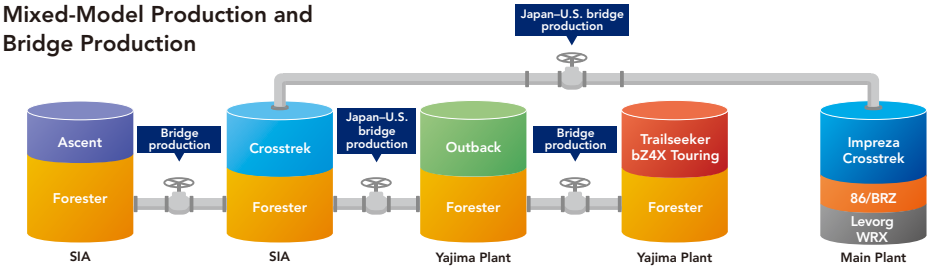
Even amid significant changes in market conditions and customer needs, we deliver the vehicles customers need in a timely manner and without waste. For this reason, we are committed to ultra-efficient production to maximize our ability to respond to demand fluctuations.

Variable-Mix, Variable-Volume, Rapid-Response Production to Achieve Ultra-Efficient Production

The fundamental concept underpinning the ultra-efficient production we aim to achieve is variable-mix, variable-volume, rapid-response production. This approach aims to deliver vehicles to customers without waste and with short lead times, even if the models and volumes of vehicles produced change. Under this approach, the SUBARU Group has spent many years honing mixed-model and bridge production to make maximum use of our five production lines in Japan and the U.S. and maintain high operating rates at each line.

Flexible production technologies such as these, combined with our expertise, are unique strengths that SUBARU has cultivated over its long history. We believe that further deepening these strengths will be the driving force behind achieving sustainable growth even in an era of change.

Mixed-Model Production and Bridge Production



Mixed-Model Production

This is a system for continuously manufacturing multiple vehicle models and vehicles with different specifications on the same production line. We employ mixed-model production on all five lines at our production sites in Japan and the U.S., achieving efficient operation of our production equipment. Our expertise in producing a diverse range of vehicles—from minicars and standard passenger cars to OEM vehicles for other automakers—on the same line forms the foundation of our ability to respond to increasingly diverse future market needs amid the coexistence of ICE vehicles, HEVs, and BEVs.

Bridge Production

This system enables the same vehicle model to be produced at multiple plants and on multiple lines, allowing production allocation to be shifted flexibly. Even when temporary demand fluctuations arise due to factors such as changes in market needs and production-line upgrades, this makes it possible to optimize production across Japan and the U.S. and maintain the required production capacity.

Japan: Gunma Plant
(Ota City and Oizumi Town, Gunma Prefecture and Kitamoto City, Saitama Prefecture)

Main Plant: Levorg, Layback, Crosstrek, Impreza, BRZ, WRX
Yajima Plant: Outback, Forester, Trailseeker
Oizumi Plant: Manufactures engines and transmissions
Kitamoto Plant: Manufactures transaxles for next-generation hybrid systems

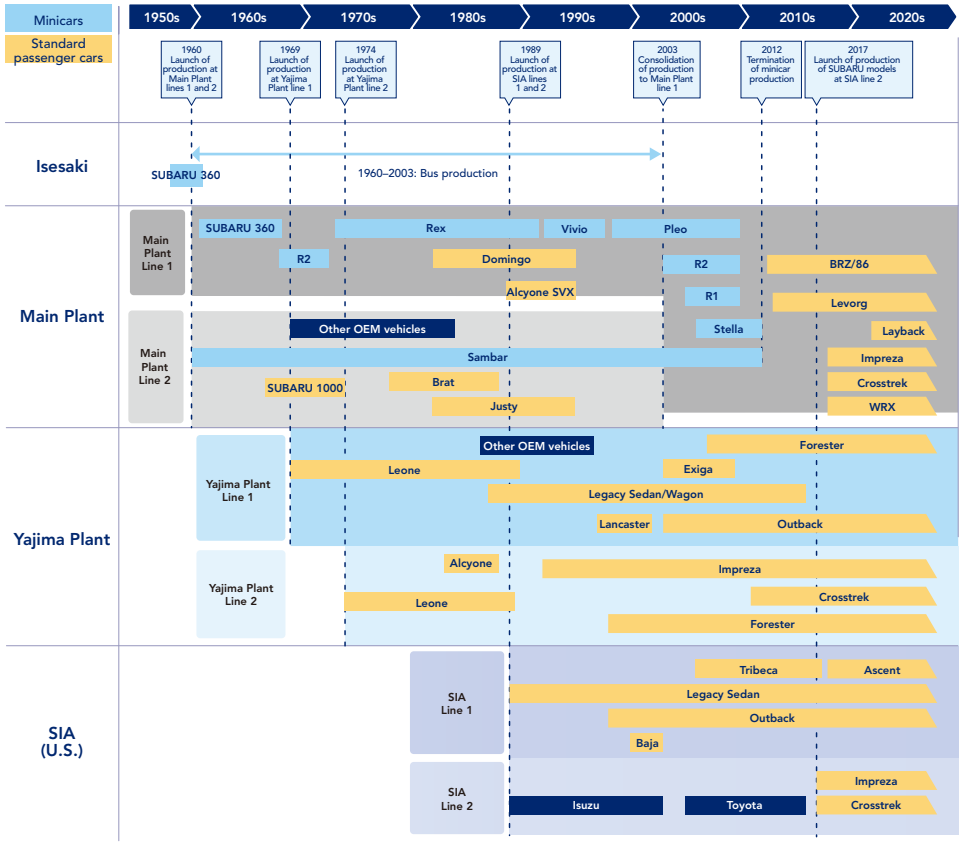


U.S.: Subaru of Indiana Automotive, Inc. (SIA)
(Lafayette, Indiana)

SIA: Forester, Crosstrek, Ascent



History of Mixed-Model Production



Manufacturing Capital

Reaching Ultra-Efficient Production

Further Evolution of Mixed-Model Production, Starting with BEV Production

As an initiative symbolizing the evolution of mixed-model production, we completed the reconfiguration of one of the two production lines at the Yajima Plant of the Gunma Plant in February 2026. The distinguishing feature of this line is that it expands the scope of mixed-model production along two axes: producing vehicles with different powertrains and vehicles with different Monozukuri philosophies on the same line. Through this initiative, we are further enhancing our ability to respond to demand fluctuations and building a next-generation Monozukuri foundation capable of efficiently producing a diverse range of products.

Specifically, in addition to the Trailseeker and bZ4X Touring BEVs jointly developed with Toyota Motor Corporation, we produce the Forester, our mainstay ICE SUV, on the same line. As such, producing vehicles with different powertrains, vehicle structures, design philosophies, and other characteristics on a single line requires sophisticated process design. For example, the platform structures that form the framework of BEVs and ICE vehicles differ significantly. Vehicles independently developed by SUBARU and those jointly developed with Toyota Motor also differ in their platforms, component configurations, process sequences, and other aspects due to differences in body design philosophies. The challenge of this mixed-model production initiative was accommodating these different characteristics and production requirements on a single production line, rather than separating them into individually optimized dedicated processes.

By leveraging the expertise in mixed-model production that we have cultivated over many years to optimize equipment and processes, we have built a production framework that can accommodate these differences within a single production system and achieve high production efficiency.

Examples of Initiatives on the Yajima Plant Mixed-Model Production Line



Battery Module Installation Process

BEV-dedicated processes, including this one, and processes specific to ICE vehicles are not in operation when the other vehicle type is being produced. By devising process configurations and promoting automation, we are working to reduce excess labor hours. This is one of many initiatives to ensure production efficiency on a mixed-model production line.

Rear Suspension Module Installation Process

This is a process where Toyota Motor and SUBARU differ in their approaches to Monozukuri, including process sequencing. By incorporating different process sequences for models developed independently by SUBARU and jointly developed models on the same line, we have achieved mixed-model production of vehicles reflecting different approaches to Monozukuri.



Using Bridge Production to Build a Production System Resilient to Change

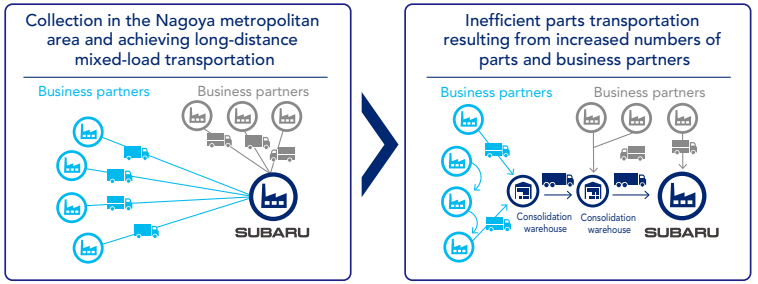
In 2025, the SUBARU Group reviewed the allocation of models produced at our sites in Japan and the U.S. and moved forward with a realignment aimed at improving production efficiency and responsiveness to changes in the external environment, including transferring production of Forester vehicles for the U.S. market to SIA and consolidating Outback production in Japan. This review of production models established a system under which the Forester, our highest-volume model, can be produced on multiple production lines in Japan and the U.S., depending on the destination market. Furthermore, beginning in fall 2026, we will further strengthen bridge production by establishing a system under which Forester vehicles for the U.S. market—our most important market—can be produced at the Yajima Plant in addition to SIA, where they are currently produced. This will enable us to select production locations more flexibly than ever before, in response to shifts in profitability and demand trends caused by changes in the external environment.

SUBARU's unique strength is its flexibility to select the optimal allocation of production in response to changing conditions, enabling us to pursue high utilization rates and efficiency without relying on scale. By further enhancing our production capabilities across Japan and the U.S., we will build a production system resilient to fluctuations and achieve sustained improvement in profitability.

Supporting the Evolution of Mixed-Model Production Through Logistics

In pursuit of ultra-efficient production, we have made ongoing efforts to improve logistics as well. At the Kitamoto Plant, which was renovated in 2024, we are improving work efficiency through measures such as upgrades to truck ports and loading/unloading areas. In addition, in April 2025, we established the position of Chief Logistics Officer (CLO) and created the new Logistics Division. By consolidating the logistics functions previously tied to the procurement, production, and sales teams and eliminating duplication and delays within the horizontal supply chain, we aim to create lean, simple logistics uniquely suited to our scale.

One initiative to make this vision a reality is logistics reform at the Yajima Plant in conjunction with BEV production. With the start of production of BEVs jointly developed with Toyota Motor, new suppliers in the Nagoya metropolitan area, joined our network, creating challenges such as longer transport distances for parts and lower load factors. To address these issues, in collaboration with Seino Transportation, which operates a nationwide transport and delivery network, we are establishing consolidation warehouses in the Nagoya metropolitan area and near our plants and building a system that combines high-volume, low-frequency trunk transportation with low-volume, high-frequency supply synchronized with production. We will also support the evolution of mixed-model production from a logistics perspective.





Intellectual Capital

Message from the CTO

We will evolve the value of mobility from a mere means of transportation into something that expands the range of actions and choices available to people and enriches their lives.

Tetsuo Fujinuki Director, Senior Managing Executive Officer, CTO (Chief Technology Officer)

At SUBARU, our desire is to create a society in which everyone—including those who feel anxious about driving in their daily lives and the elderly—can expand their possibilities without constraints on mobility. Peace of mind with respect to mobility inspires people to take new actions and pursue new challenges, broadening the scope of their activities—making this a reality is SUBARU's mission.

Furthermore, SUBARU not only supports mobility but also values the experiences that lie beyond it. We also seek to create value beyond mobility, including enjoyable experiences and memories, connections with new communities, and extended healthy lifespans. As CTO, my desire is for SUBARU to always stay close to the expectations and desires of our customers and continue providing "Enjoyment and Peace of Mind" as a reliable partner. By realizing these through our technology and products, we hope to become indispensable to each and every customer and remain a partner that enriches their lives.

Rather than being solely technology-driven, we have pursued vehicle development rooted in challenges faced in real-world traffic environments. Based on the insights gained in this way, our engineers themselves apply the process of driving, feeling, considering, and quantifying even to areas that are difficult to express numerically, such as enjoyment and peace of mind—quantifying the differences in sensory qualities they perceive by drilling down to the underlying mechanisms, and translating the results into designs for vehicle behavior and controls. This design expertise, cultivated through this approach, is the SUBARU Group's intellectual capital and the core of our technological foundation and development capabilities.

SUBARU's Development Philosophy

SUBARU values an approach to development that is attuned to human senses, refined under actual usage conditions, and optimized across the vehicle as a whole. To meet customers' expectations—to travel without worry, to continue their daily mobility with ease, to visit places they want to go and enjoy new experiences, and to keep driving with peace of mind for years to come—we will refine the basic performance of driving, turning, and stopping and enhance our development capabilities to rapidly translate the value they seek into products. Furthermore, by continuing to refine product value even after our products reach the market, we will further evolve "Enjoyment and Peace of Mind" so that it earns trust over the long term.

Human Resources and Development System That Create "Enjoyment and Peace of Mind"

The strength of our human resources and organization underpins the development capabilities needed to deliver "Enjoyment and Peace of Mind." To realize the value we want to deliver to customers, we are establishing a system for cross-disciplinary design and verification from the early stages of development, while developing an organization in which each engineer not only enhances their own expertise but also works across departmental and disciplinary boundaries to build value into the vehicle as a whole. On that basis, we retain responsibility in-house for core technologies in competitive fields, while collaborating with suppliers and partners from the early stages of development and optimizing the vehicle as a total system, thereby achieving both quality and development speed. Furthermore, by bringing key technologies in-house and accumulating core design expertise internally, we are continuously enhancing product strength.

Under this framework, rather than piecemeal enhancement of areas such as safety, driving performance, usability, and connectivity, we are improving overall mobility experience quality by integrating these elements with one another. For example, in the area of safety, we deliver performance that enables people to travel with peace of mind by optimizing the EyeSight preventive safety and passive safety technologies across the vehicle as a whole. Our strength lies in developing products that integrate technologies and functions across different areas to realize the value of the vehicle as a whole. Going forward, we will continue to leverage these development capabilities to improve profitability and achieve sustainable growth.

Automotive Industry Environment

The automotive industry is currently undergoing a major transformation. In addition to the rise of emerging manufacturers and intensifying technological competition, customers' preferences and values are becoming increasingly diverse, fundamentally changing the assumptions underlying conventional automobile manufacturing. Moreover, policy trends in countries around the world, including approaches to electrification and environmental regulations, are becoming increasingly complex, and established automakers such as SUBARU are once again facing a situation in which

the international competitiveness of Monozukuri is being tested.

In this environment, vehicle development itself is evolving from hardware-centric development to a software-integrated focus, while designs that pursue overall optimization on a vehicle level rather than individual optimizations are becoming increasingly important. Moreover, as changes in markets and demand accelerate, rapid decision-making and the ability to respond flexibly from product planning through development and launch are becoming factors that determine competitiveness. While responding to these changes, it is important to further strengthen our development capabilities to rapidly bring distinctive SUBARU products to life.

Establishing Flexible Product Creation Capabilities Through Agile Development

Under SUBARU Management Policy 2025, we have set out the thorough pursuit of flexibility in "Monozukuri Innovation" as our approach to enhancing competitiveness. One way we are putting this into practice is by introducing and implementing agile development, with the aim of improving development speed and product realization capabilities and establishing a development system capable of dynamically adapting even to highly uncertain business environments.

We have introduced this agile development approach on a full scale, starting with BEV development. Under a cross-functional structure based on the "Obeya" (large-room) approach, we are pursuing the shortest possible process through swift decision-making and flexible execution, while advancing the establishment of an efficient development process and the cultivation of human resources capable of thinking and acting autonomously.

Advances in digital development also play an important role in enabling agile development to shorten development times while ensuring high quality. While simulation technologies that model physical phenomena to predict performance are widely used, driving feel—including the sense of reassurance and comfort while driving—relates to human perception and has been difficult to reproduce fully in a digital environment. In vehicle body development, we focused on how forces are transmitted to determine driving feel, which skilled engineers had traditionally perceived through evaluations of actual vehicles, and developed proprietary technology to analyze the underlying physical phenomena. This has enabled us to visualize energy transfer within the vehicle body, which had been difficult to capture, and reproduce tacit knowledge of driving feel development in a digital environment.

We have advanced digital development technologies across a wide range of areas, including Passive Safety, vehicle dynamics, and noise and vibration. Turning knowledge in areas that had been difficult to reproduce in a digital environment into an asset marked a major turning point. By transforming individual engineers' tacit knowledge into corporate assets that can be used across the organization and passed on to future generations, we are enhancing the overall vehicle from the early stages of development, both shortening development times and further improving product competitiveness.

Through these initiatives, progress has been made in establishing a development foundation in terms of technology, processes, and human resources, enabling us to flexibly determine the timing of development in response to demand trends while making maximum use of the technological assets we have cultivated. Currently, we are utilizing this flexibility to defer investment in BEV development in light of market conditions. Conversely, by strengthening our development foundation, we are enabling product launches in a significantly shorter period than under the conventional development process when demand rises—in other words, a "vertical ramp-up" (rapid launch of mass production).

Furthermore, we are also leveraging the approaches and human resources cultivated through agile development in the development of ICE vehicles. Members with experience in agile development are leading these efforts, enabling them to think freely beyond conventional frameworks and make swift decisions, thereby advancing product development that can respond promptly to increasingly diverse market needs and sustainably strengthening our competitiveness.

Evolution of Safety Technology and Its Implementation in Next-Generation Vehicles

We have identified issues based on analysis of actual accident data and cases and have advanced our technologies in the areas of Preventive Safety and Passive Safety. Through consistent initiatives spanning the identification of such issues, technology development, and deployment in vehicles, we are enhancing safety performance across the vehicle as a whole.

Evolution of Passive Safety Technology

SUBARU has been working to enhance its Passive Safety technology, aiming to protect everyone—including vehicle occupants, pedestrians, and cyclists—in the event of a collision. For occupant protection, the Subaru Global Platform, designed to efficiently absorb shock from collisions, is combined with a cabin structure using high-strength materials to provide protection in collisions from all directions—not only the front, but also the sides and rear. In addition, by enhancing safety equipment, including knee airbags and seat cushion airbags, we are improving protective performance in accordance with occupants' physiques and collision conditions.



We have also focused on protecting pedestrians and cyclists and, in addition to impact-absorbing vehicle body structures, have continued to enhance and deploy pedestrian protection airbags. Furthermore, the sixth-generation Forester (Japanese market specification), announced in April 2025, was the first vehicle in the world to feature a pedestrian protection airbag that also protects cyclists, which extends coverage to the cyclist head impact area. Through this innovation, SUBARU is working to improve safety for pedestrians and cyclists.

Based on the concept of mutual safety, which aims to mitigate damage to both vehicles involved in any accident, we are also further enhancing safety performance by optimizing structural design and using computer simulations to identify worst-case scenarios among conceivable

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collision patterns and implement countermeasures. Through these initiatives, we enhance overall vehicle safety performance and have earned high ratings in safety performance assessments conducted by third-party organizations.

In May 2026, the Forester for the Japanese market achieved the highest score in the overall assessment, which includes collision safety performance, preventive safety performance, and an automatic emergency call system, in the Japan New Car Assessment Program (JNCAP) conducted by the Ministry of Land, Infrastructure, Transport and Tourism and the National Agency for Automotive Safety and Victims' Aid (NASVA), and received the JNCAP Best Award. These positive evaluations have been earned by optimizing safety performance across the entire vehicle from the development stage and advancing technologies in an integrated manner.

Accumulated Preventive Safety Technology

For many years, SUBARU has advanced Preventive Safety technologies centered on EyeSight and worked to improve accident prevention performance by enhancing its capabilities to recognize the vehicle's surroundings, make decisions, and control the vehicle. Rather than simply equipping vehicles with technology, we have integrated these technologies into the design of the vehicle as a whole and offered them at prices affordable to many customers, thereby promoting the widespread adoption of advanced safety technologies, with an emphasis on contributing to the reduction of traffic accidents in the real world.

The stereo cameras at the core of EyeSight use two cameras, much like human eyes, to capture objects in three dimensions, enabling the system to accurately obtain more information than radar about their distance, shape, and movement and to more accurately recognize vehicles, pedestrians, road geometry, and more. We have been developing this technology for more than 35 years, making continual improvements through repeated accident analysis and verification under real-world driving conditions. As a result, since this technology was first implemented in 2008 in Japan, cumulative global sales have reached approximately 8.5 million units as of June 2026.

Furthermore, we are overlaying AI technology on this three-dimensional recognition data to improve the accuracy of object identification and situational understanding in complex traffic environments. By combining distance information from stereo cameras with AI's recognition capabilities, we enable stable recognition and decision-making even in diverse environments, such as snow-covered roads, rainy weather, and intersections.

In addition, the software supporting these recognition, decision-making, and control functions is developed in-house, with our engineers constantly collecting data and conducting verification and refinements in a range of real-world environments around the world to achieve control that feels natural without driver unease. This ongoing in-house refinement of the entire process, from recognition through control, underpins EyeSight's competitiveness.

Such safety technologies are supported by a vertically integrated development system in which we design everything in-house, from semiconductors and software to integrated vehicle control.

Vertically Integrated Development System Supporting Hardware-Software Integration

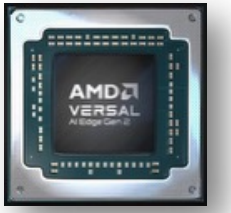
Vehicle manufacturing is transitioning to an era of functional enhancements through software. To address this, we are building a framework that enables us to design everything in-house, end to end, from semiconductors and software to integrated control of the entire vehicle.

Background and Objectives for Entering the Semiconductor Domain

As noted above, we have prioritized delivering advanced safety technologies to a wider range of customers. To carry this approach forward into the next generation, it is essential to balance further improvements in safety performance with cost competitiveness.

At the same time, the more advanced EyeSight's recognition, decision-making, and control become, the more information the semiconductors supporting these functions must be able to rapidly process. Generally, such advances tend to lead to increases in circuit scale, power consumption, and cost. Conventionally, automakers have purchased general-purpose semiconductors from manufacturers and developed only the software running on these products. These specifications have included many unnecessary functions, imposing constraints on performance, cost, and the pace of evolution.

To address these challenges, we are involved in semiconductor development from the planning and design stages through joint development with their manufacturers and are working to optimize specifications. Because we can take an integrated view of everything from semiconductor circuit design at the soft IP level, through the software that runs on it, to integrated vehicle control achieved by coordinating multiple ECUs, we can identify the functions truly needed in our vehicles and pursue the optimal balance of performance, power consumption, and cost. Through these initiatives, we are optimizing the semiconductor as part of the overall system that supports the evolution of EyeSight, rather than as a stand-alone component.



Versal™ AI Edge Series Gen 2

Design Capabilities That Extend to Semiconductor Functional Safety

Further enhancing EyeSight's performance requires computing power capable of processing more information faster and more accurately. For next-generation EyeSight, we have adopted the

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Versal™ AI Edge Series Gen 2 SoC (System on a Chip) from global semiconductor leader AMD, and are designing and customizing in-house the core section dedicated to stereo-camera recognition processing and AI inference processing as circuitry specifically for SUBARU.

Also, in November 2025, we obtained ASIL-C certification for this in-house-developed circuitry under ISO 26262, the international standard for automotive functional safety, from a third-party certification body. ASIL-C indicates a high safety level required even for critical functions involving human life, such as collision avoidance and emergency braking, and this case marks the first time a Japanese automaker has obtained ASIL certification in the semiconductor field.*

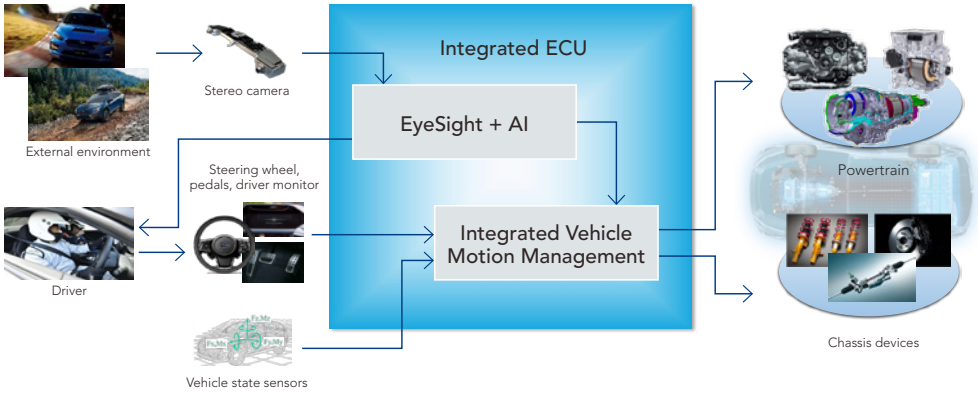


Traditionally, functional safety certification for automotive semiconductors has been generally obtained by semiconductor manufacturers. The fact that we, as a finished car manufacturer, obtained this certification indicates that we have established the entire process in-house, from semiconductor design through to demonstrating its safety in accordance with international standards. With this system in place, we are advancing the evolution of advanced safety technologies responsible for recognition, decision-making, and control on our own initiative and at our own pace, without relying on semiconductor manufacturers' development cycles.

* Based on results certified by SGS Japan Inc. as of November 21, 2025.

Evolution of Vehicle-Wide Control

The key to translating these initiatives in the semiconductor field into vehicle value is the Integrated ECU. The Integrated ECU is responsible for coordinating EyeSight's recognition of the external environment and AI-based decisions with electric power unit control and vehicle motion control to achieve optimal behavior for the vehicle as a whole. Going forward, with the Integrated ECU at the core, we will expand vertically integrated development that takes an end-to-end view of everything from semiconductors to vehicle control, thereby achieving both development speed and cost competitiveness and further evolving SUBARU's distinctive "Enjoyment and Peace of Mind."



E/E Platform Supporting Integrated Control and a Mechanism for Continuous Evolution

The E/E platform provides the foundation for applying, to maximum effect across the vehicle as a whole, our strength in designing and customizing everything from semiconductors to software in-house. Under the E/E platform, we will develop integrated control of the entire vehicle, establishing a system that enables recognition results to be optimized as overall vehicle behavior. Under this framework, we will coordinate EyeSight's recognition of the external environment with vehicle motion control to achieve more natural control without driver unease and support ongoing software-driven functional enhancements. Greater flexibility in drive control and the expansion of the scope of control enabled by software are making optimization of vehicle behavior itself even more important, and we believe this is an area where we can demonstrate our strengths.

Furthermore, by using feedback from retailers and customers in addition to vehicle data obtained through connected technologies, we will quickly identify issues encountered in actual use and incorporate the findings into development. This series of mechanisms makes it possible to continue enhancing the value of vehicles not only during development but also after they reach the market, and based on these mechanisms, we aim to ultimately advance toward optimization tailored to each customer's usage environment.

Connecting to Customer Experience Value

While the individual functions of today's automobiles have become increasingly sophisticated, there is still room for further evolution in integrating recognition, decision-making, and control to optimize overall vehicle behavior. In particular, in areas such as controls that feel natural to the driver and anticipatory optimization of vehicle behavior, small differences can have a significant impact on the value of the experience. Greater peace of mind while driving, reduced fatigue, and the ability to drive in a range of environments expand the range of customer activities and foster trust in and attachment to the brand, supporting repeat purchases and long-term customer relationships. Optimization of vehicle behavior is central to product competitiveness. By continuing to refine this area, we will further advance safety performance, differentiate the product experience, and build a foundation for sustainable value creation.

The SUBARU Group's intellectual capital lies in the technologies it has built up over many years and the design capabilities of engineers who continue to refine them in real-world traffic environments. As CTO, I will further advance these capabilities and deliver "Enjoyment and Peace of Mind" to as many customers as possible, thereby encouraging people to take action and embrace challenges while achieving both a reduction in traffic accidents and enhancement of corporate value.

Intellectual Capital

Intellectual Property Supporting Value Creation

Basic Intellectual Property Policy

Amid rapid changes in the business environment, we revised the Basic Intellectual Property Policy in June 2025 to achieve sustainable growth and enhance corporate value over the medium to long term.

1. We will strengthen efforts to plan and implement initiatives utilizing intellectual property to support the resolution of various issues related to management strategies, business activities, and product development.
2. To protect and enhance the SUBARU brand, we will strengthen efforts to create intellectual property through "Monozukuri Innovation" and "Value Creation" and appropriately manage our intellectual property portfolio.
3. We respect the intellectual property rights of others and will thoroughly conduct patent clearance activities in product development to avoid infringement of third-party intellectual property rights.
4. To protect customers from illegal counterfeit products and imitation activities and enable them to use our products and services with confidence, we will strengthen initiatives aimed at their eradication.

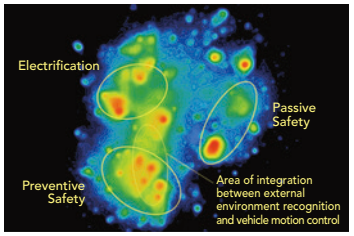
Formulation of Intellectual Property Strategies

Based on the above policy, we have formulated intellectual property strategies to strategically build and utilize an intellectual property portfolio directly linked to addressing SUBARU's issues, in order to establish a competitive advantage and maximize the value of intellectual property.

Taking into account differences in business characteristics and business environments, we devise intellectual property strategies tailored to the Automotive Business and Aerospace Business. For the Automotive Business, the CTO and the heads of divisions responsible for areas such as planning, development, and manufacturing participate in formulating and implementing strategies at the Intellectual Property Strategy Committee. For the Aerospace Business, the president of the Aerospace Company participates in strategy formulation and implementation at the Intellectual Property Strategy Committee.

Status of the Intellectual Property (Patent) Portfolio

We have continually advanced Preventive Safety and Passive Safety as technologies to enhance safety performance and have built a patent portfolio centered on achievements gained through technology development. Furthermore, based on the premise that BEVs will play a central role in the medium to long term, we are also strengthening our electrification patent portfolio centered on achievements gained through technology development for in-house-developed BEVs.



A text mining-based heat map showing patent count density, focusing on priority areas for patents held.
(Prepared by SUBARU using VALUENEX's VALUENEX Radar software)

Topics

Patent Portfolio for Technologies Integrating External Environment Recognition and Vehicle Motion Control

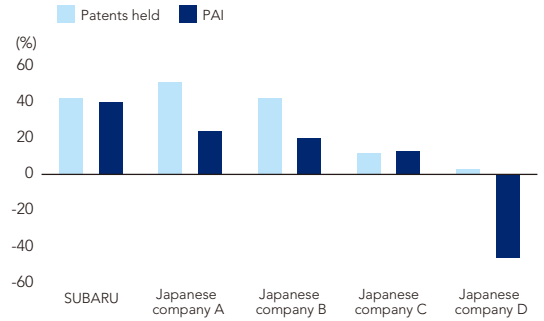
SUBARU has filed patent applications for development results related to technology integrating external environment recognition and vehicle motion control, an aspect of vehicle performance that customers experience every day.

The growth rates in the number of patents held and PAI* over the last five years are among the highest compared with Japanese automakers, and we have built a high-quality patent portfolio that helps us demonstrate our strengths in this technology field. We will continue to convert technologies that support value creation into intellectual property.

* Patent asset index: A measurement of the value of a patent

Technologies Integrating External Environment Recognition and Vehicle Motion Control

Change in Patents Held and PAI (Percent Change at End of 2025 vs. End of 2020)



Third-Party Evaluations

SUBARU was named one of the Clarivate Top 100 Global Innovators 2026, its first inclusion among the world's 100 most innovative companies and organizations as evaluated by Clarivate Plc, a U.K.-based information services company. Evaluation for inclusion in the Clarivate Top 100 Global Innovators is based on patents held by companies and organizations worldwide using Clarivate's proprietary patent research and analysis platform across four dimensions: influence, success, rarity, and investment. This new accolade for SUBARU was earned based on high ratings in influence and success, while its Advanced Driver Assistance System (ADAS) was highly rated in terms of technologies.

Top 100 Global Innovator 2026
Clarivate

Subaru Named to Clarivate Top 100 Global Innovators 2026

https://www.subaru.co.jp/news-en/2026_01_22_112235/

For details on intellectual capital, please see the Sustainability Website.

https://www.subaru.co.jp/en/csr/governance/risk/ip.html



Human Capital

Message from the CHRO

Harnessing connections to turn diverse ambitions into true competitiveness

Hideyuki Kusabuka Executive Officer, CHRO (Chief Human Resources Officer)

Our business environment continues to change at an unprecedented pace. In an era of uncertainty in future outlooks, we believe that the power of people and organizations—that is, the ability to adapt flexibly to change and continue creating new value—is an important form of management capital that can determine a company's future. In particular, for SUBARU, a relatively small company within our industry, maximizing and combining each individual's expertise, experience, and commitment to strengthen human capital will be key to sustainable growth and enhancing corporate value. For SUBARU, which is committed to human-centered Monozukuri, unlocking this power means building a strong business foundation.

Based on this approach, we will continue to pursue the realization of "truly competitive people and organization," which we have set forth as the desired state of our human capital management, and the four defined elements of that concept. This is because we believe that these four elements must function mutually at a high level to realize SUBARU Management Policy 2025 and provide strong support for sustainable growth beyond it.

Over the past year, workplace-led ambitions have steadily increased and are gradually beginning to yield results and organizational change. Alongside these developments, both the engagement score and the scores in all categories of the employee attitudes survey have improved for two consecutive years. It is encouraging to see the ongoing progress even in a business environment of future uncertainty, and we are witnessing a steady increase in both workplaces stepping up to take on challenges and employees seeking to improve the status quo, even if only slightly.

The reality, however, is that such changes in awareness and ambitions within each workplace have not naturally spread throughout the Company. SUBARU has long had a saying: "First person to speak up loses." People who courageously took steps forward were blocked by organizational barriers and decision-making structures, unable to gain support or empathy from those around them, and gradually lost momentum. This saying emerged from the field to describe such a situation. By dismantling this structure in which such ambitions went unrewarded and fully unleashing people's passion, we will ensure that success stories do not remain isolated initiatives by a select few, but spread throughout the Company. That is the role I believe I must fulfill as CHRO.

I am convinced that the foundation of our competitiveness—and the key to achieving this—comes from human resources who enjoy taking on challenges, as well as connections. Through building my career across various departments, I have come to recognize that many of my colleagues are driven by a desire to make SUBARU better and deliver greater value to customers. I believe that the history we have built by continually refining our efforts to deliver "Enjoyment and Peace of Mind" to customers has cultivated an environment in which diverse individuals can work toward a common goal. In addition, our relatively small size within the industry means that people are close to one another and can easily connect with colleagues who share the same aspirations. That is why, once an ambition emerges and is recognized, it spreads quickly, and when those who share that ambition come together, they can exert great strength. I believe that we can make being small a strength rather than a constraint.

To turn these strengths into solid competitiveness, we are strengthening initiatives to make ambitions visible, support them, and connect them. Mechanisms such as the SUBARU Movement Index (SMI) ensure that people who take on challenges do not go unnoticed, connecting them with colleagues who share their aspirations, and supporting them across the Company. Although this initiative was only launched in FYE March 2027, new collaboration is already emerging and efforts to take on challenges are beginning to spread. We will continue to strengthen mechanisms that connect people with people, organizations with organizations, and ambitions with ambitions, as well as systems that celebrate ambitions and reward achievements. In doing so, we will build an organization where one individual's courageous first step inspires people to empower one another and combine their respective strengths to produce even greater results.

Since assuming the role of CHRO last year, my role and responsibility in decision-making concerning people and organizations have grown even greater. We have also steadily put in place a framework that enables management to act more decisively and swiftly on the "focus on people" approach that we have long valued. Precisely because we live in a time where the right course of action is unclear, rather than stand still, we in management will accelerate the creation of frameworks that support investment in our people and efforts to take on challenges, while sharing the mindset of "try first, learn, and improve."

We will transform steadily sprouting and expanding ambitions into a swell of momentum across the entire SUBARU Group. And we will channel that swell into the realization of SUBARU Management Policy 2025 and sustainable enhancement of corporate value.

Human Capital

Overview of Human Capital Management

Guided by our human-centered Monozukuri, we have continued to refine the distinctive value that defines SUBARU. In the process, to respond to business expansion and technological advancement, we divided functions by area of specialization and built an organization designed to deepen expertise in each area, thereby driving growth.

However, as the pace of environmental change increases, the ability to act in an agile and flexible manner across the Company is essential. The key to enhancing our ability to adapt to change, as a company with limited management resources, is to build an organization that can continue creating value by combining the knowledge of diverse human resources. People are the driving force behind this, and how effectively we can translate investments in people and the organization into growth will determine our competitiveness.

Based on this understanding, we have defined the organizational capabilities required to maintain growth in an era of change as four elements toward achieving our ideal state of "truly competitive people and organization."

Truly competitive people and organization

Each individual's abilities are maximally demonstrated

We believe that creating an environment in which the abilities nurtured from the diverse personalities, values, experiences, and backgrounds of employees can be fully demonstrated creates innovation and enables the sustainable creation of uniquely SUBARU value.

Results are rapidly achieved by focusing on core business functions

Building on the optimal placement of talent and a focus on core work made as efficient as possible through AI and other means, we aim to create an organization that can make decisions and act swiftly by transforming work practices so they are unconstrained by precedent.

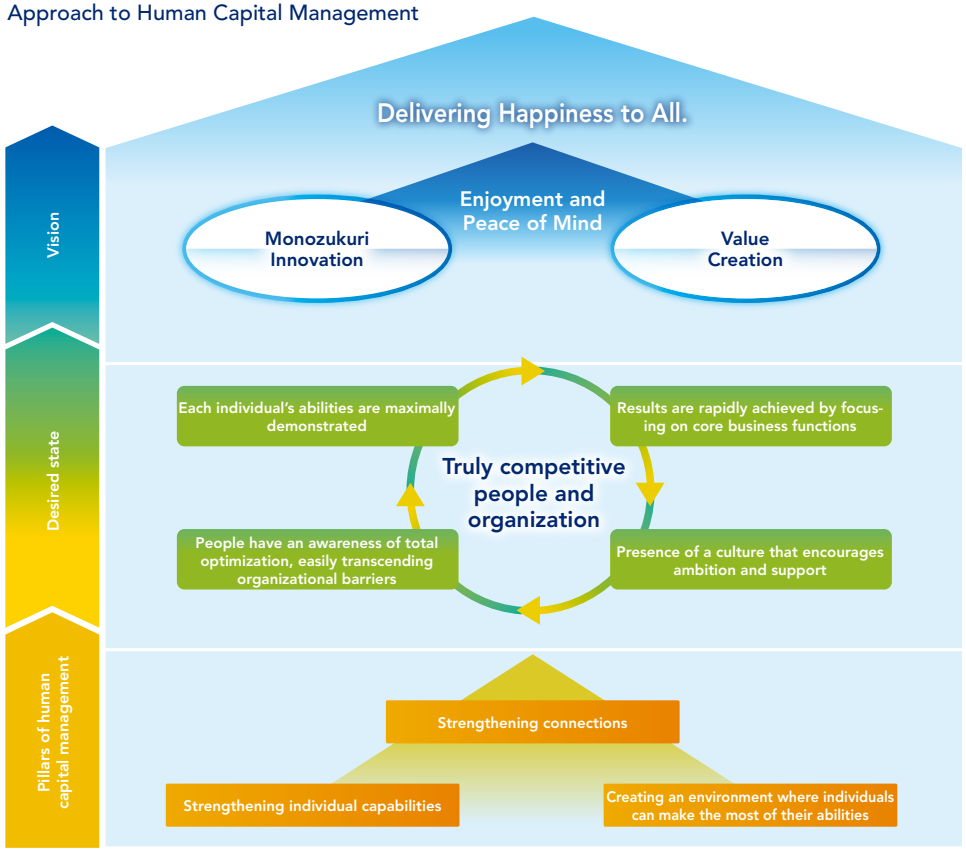
People have an awareness of total optimization, easily transcending organizational barriers

We will strengthen initiatives to learn about SUBARU as a whole and other departments, encouraging employees to take ownership of Company-wide issues in realizing SUBARU Management Policy 2025. Through these efforts, we aim to bring together the strengths of diverse human resources in flexible collaboration across departmental boundaries to create value.

Presence of a culture that encourages ambition and support

We aim to foster a culture in which each individual is encouraged to take on further challenges, colleagues connect with one another, and the entire organization provides support and works alongside them, thereby enabling human resources with a strong drive to take on challenges to lead the entire Company.

Approach to Human Capital Management



The four elements that make up "truly competitive people and organization" are not independent goals. Even if only one element is enhanced, it will not function sufficiently unless the other elements are also enhanced; only when all four elements are enhanced simultaneously will it be possible to respond flexibly and swiftly to changes in the environment.

Based on this thinking, we redefined the three pillars of our human capital management. The first two are "strengthening individual capabilities," which links each employee's autonomy to reliable growth, and "creating an environment where individuals can make the most of their abilities," which removes constraints and hesitation that impede the exercise of those abilities. With these two axes as the foundation, we have established the priority theme of "strengthening connections," which brings together the strengths they generate and amplifies them further through a culture of collaboration and ambition.

Through these three axes, we will transform the power of our people and organization into sustainable value creation, leading to the realization of SUBARU Management Policy 2025 and to growth beyond it.

Human Capital

Current State and Signs of Change

Employee Attitudes Survey and Engagement Score

Since FYE March 2018, we have conducted an employee attitudes survey each year. For sustainable growth, we strive to understand each employee's honest thoughts about the Company, including their daily work, organizational culture, and work environment, and to address people-related and organization-related issues. Survey results are used to promote personnel policies, as well as to identify issues and formulate countermeasures at each workplace.

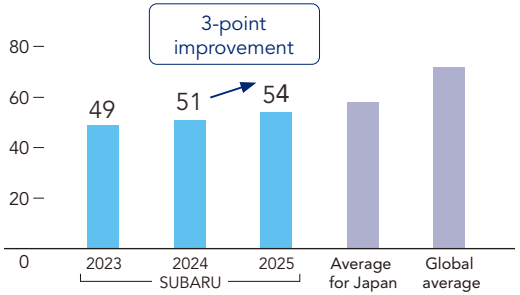
The employee engagement score calculated from survey results is positioned as one of our key management indicators to evaluate SUBARU's efforts. Our target score has been set as 70% by 2028. Since FYE March 2023, the amount (points) of improvement in the engagement score has been used as a qualitative (non-financial) KPI in calculating the variable compensation component of restricted stock compensation under the executive compensation system.

2025 Employee Attitudes Survey

Eligible respondents	Eligible respondents: 20,094 Respondents: 18,884
Response rate	94%
Survey period	October 10, 2025–October 30, 2025
Question content	Multiple-choice questions: 16 categories 84 questions Free-answer questions: 2 questions

Employee Engagement Score

Calculated as the average of the rate of positive responses measured in five questions covering "Are you motivated to contribute and loyal to the Company and willing to make a voluntary effort?"



The engagement score calculated from the FYE March 2026 survey was 54% (response rate: 94%). Since FYE March 2024, the score has continued to show statistically significant improvement, and all survey question categories have also improved for two consecutive years. Although we have yet to reach our target score, we view this result not simply as an increase in satisfaction, but as a sign that each workplace is identifying issues on its own and beginning to take action toward change.

On the other hand, the positive response rate related to management strategy and business processes remains low despite improvement, and the gap with the average for Japan remains large. In particular, there have been many requests for improvements related to organizational barriers and the speed of business operations, which we recognize as issues requiring focused attention.

Growth Challenges

Analysis of issues identified through free-answer comments in the employee attitudes survey and workplace interviews revealed a need at many workplaces to address organizational barriers and slow decision-making.

Reasons for Barriers and Speed Issues

- As the business expanded and technologies grew more advanced, greater functional specialization established a reliable operating structure; however, goals became fragmented, fostering an unconscious tendency to prioritize one's own department.
- While an approach to work that emphasizes a high degree of certainty is one of SUBARU's strengths, amid accelerating change in the business environment, interdepartmental coordination and decision-making can take time.

Underlying Issue: Functionally Segmented Operating Structure Preventing Connections with Colleagues

- In some situations, even when people want to take on the challenge of changing the way work and organizations are structured, it is difficult to naturally connect with potential collaborators, colleagues with necessary insights, or decision-makers.
- As a result, those striving for change become isolated and exhausted, and their ambitions come to a halt.

The issues identified by the FYE March 2026 survey underscored the continued importance of "strengthening connections," which we have promoted as a priority theme since FYE March 2025. We will link signs of steady change in workplaces to a Company-wide swell of momentum and take strong action toward "truly competitive people and organization."

Topics Strengthening Human Capital Management Globally

Even in North America, our most important market, each subsidiary conducts an employee attitudes survey using an external organization and works to identify issues and make improvements. Among these, SOA, Inc., which handles sales operations, achieved an engagement score of 87 points* in FYE March 2026 (response rate: 81%), well above the external benchmark in the same survey. Going forward, we will continue to promote Group-wide sharing of perspectives on issues and initiatives to accelerate human capital management.

* The calculation method differs from that of SUBARU's engagement score.

SOA's Main Initiatives in Human Resources	Initiative Impact
• Providing ongoing training on respect for diversity and inclusion • Strengthening communication between organizational levels • Manager-led optimization of workloads	• Greater trust in senior management and supervisors • A more facilitative workplace environment

Human Capital

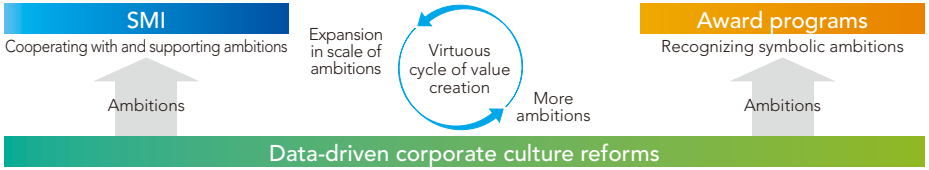
Strengthening Connections: Interconnecting Power We Have Created for Further Growth

To generate intensive collaboration across organizational boundaries while leveraging the advanced and diverse expertise cultivated through the division of labor, we have positioned "strengthening connections" as a key pillar of human capital management.

We are pursuing initiatives to enhance competitiveness by strengthening the following four kinds of connections in an integrated manner.

Connecting with management Understanding the role one's own work plays in realizing SUBARU Management Policy 2025 and taking independent action	**Connecting with the organization** Strengthening coordination and collaboration across departments and creating a foundation for agile and flexible action
Connecting with people Creating an environment and opportunities for colleagues to find one another and encouraging them to take the first step toward action	**Connecting with ambitions** Spreading ambitions arising throughout the Company and nurturing them into greater value

Mechanisms for Transforming Stronger Connections into Competitiveness



SUBARU Movement Index (SMI): Supporting Ambitions and Collaboration to Create a Company-Wide Swell

The SMI is an initiative at the core of strengthening connections. It is a platform that seeks to address the structural issue of employees being unable to see others' aspirations or find collaborators by making ambitions emerging in workplaces visible and sharing them with employees across SUBARU. By supporting connections across individual and organizational boundaries through the SMI, we aim to promote collaboration and spread a culture that encourages ambition throughout the Company.

Under the SMI, we will certify workplace-driven projects that contribute to Company-wide corporate culture reforms and productivity improvements, track the rate of employee participation relative to activity targets and the activity members' perceived level of support, and calculate the index periodically. The SMI is used to visualize whether ambitions are developing beyond the confines of individual people or workplaces into an organization-wide movement, helping these activities grow and supporting further collaboration.

We have currently certified six projects and continue to provide regular updates on the process of each ambitious endeavor. There have already been cases in which information sharing has fostered collaboration among employees who previously had no connection with one another, leading to the expansion of operational improvement activities.

In FYE March 2027, which we have designated as the launch phase, we will seek to gain Company-wide awareness of the platform for visualizing ambitions while advancing the development of a growth support model for certified projects in preparation for the following fiscal year.

By using the SMI to bring new ambitions and connections to the entire Company, we will create an organization where diverse human resources can take on challenges, collaborate, and transform the power of human resources into value.

Award Program: Inspiring New Ambitions Through Recognition



President's Award ceremony

We recognize those who have led transformation through proactive challenges and confer a range of internal awards to show what the concept of "truly competitive people and organization" looks like in practice.

Among these, the President's Award is a Company-wide event that recognizes symbolic achievements and the processes of taking on challenges toward realizing SUBARU Management Policy 2025, strengthening the SUBARU brand, and becoming "One SUBARU." The ceremony is streamed online, not only enhancing recipients' pride and sense of unity, but also breaking down the reservations and hesitation of employees with respect to taking on challenges, and motivating them to take the first step toward new ambitions.

A range of other recognition programs are also in place, including presentation events that recognize outstanding examples of operational improvements, primarily at manufacturing sites, and awards at the division level. Going forward, we will continue to position awards as an important opportunity to advance human capital management and further develop the program to accelerate the spread of recognition and ambition throughout the Company.

The New Corporate Culture Transformation Office: Implementing Data-Driven Corporate Culture Reforms

The autonomous and sustainable growth of individual workplaces is essential to achieve strong connections across SUBARU, due to their key role in this effort. In April 2026, we established the Corporate Culture Transformation Office within the Human Resources & General Administration Division as the organization responsible for driving this effort. By establishing an independent organization to perform the corporate culture reform activities previously handled by part of the Human Resources Department, we are accelerating human capital management across the Company.

Data-driven corporate culture reforms are at the core of initiatives led by the Corporate Culture Transformation Office. By concurrently pursuing both "establishing and visualizing the process by which workplaces become more vibrant" and "creating workplaces where employees can engage with data, accurately understand current conditions, and implement solutions to issues," we aim to build a sustainable growth cycle. As one step toward achieving this, we are working to implement a system that will make it easy to compare employee attitudes survey results over time and across departments. We will create an environment that enables each workplace to promptly understand its current state and formulate and implement countermeasures.

The Engineering Division launched this initiative ahead of the rest of SUBARU beginning in FYE March 2026, and an improvement cycle has taken root there where each workplace independently cycles through current state assessment and corresponding actions. The positive impact from this initiative is clear in the division's improved engagement score and greater workplace vitality. In light of these results, we have now completed the rollout to the Monozukuri Division and other organizations, and will continue to consider expanding the initiative Company-wide based on the achievements to date.

In addition, human resources units previously focused on promoting measures common across the Company. Now, the Corporate Culture Transformation Office provides ongoing support for each workplace's proactive improvement efforts, thereby encouraging independent workplace improvements. The Corporate Culture Transformation Office will visualize the achievements of each workplace and strengthen the sharing and broader application of knowledge across workplaces to make "strengthening connections" a reality through both initiatives and systems.

Human Capital

Strengthening Individual Capabilities: Developing and Expanding Programs That Respond to Employee Motivation and Build on Their Strengths

The source of the power that "strengthening connections" brings together and amplifies lies in each individual's ability to demonstrate their capabilities. For this reason, we believe that strengthening individual capabilities will be the starting point for significantly enhancing our competitiveness.

Under the concept of moving from equality to equity, we provide support tailored to each employee's motivations, abilities, and career aspirations. By enhancing opportunities to pursue self-directed upskilling and take on challenges for growth, while establishing a system that appropriately evaluates and rewards achievements and demonstrated capabilities, we will empower employees to thrive.

Cultivation Fund: Cultivating Individual Skills and Harnessing Them as Organizational Strengths

This fund enables employees to independently seek out learning opportunities that will enhance their organization's competitiveness. Employees can receive full funding for the associated training expenses for approved opportunities. Since its introduction in June 2024, total financial support provided has exceeded 18 million yen. By supporting highly motivated individuals and developing professionals, we will drive transformation.

The Choko-Job (Internal Gig) Program: Creating Opportunities to Put Skills to Use

Newly introduced in FYE March 2027, this program lets employees apply to use part of their working hours to participate in tasks or projects in other departments, while continuing to perform their duties in their own departments. We aim to create new interactions across departments while fostering each individual's self-directed career development.

Open-Call Job Rotation: Enhancing Organizational Competitiveness Through Individual Capabilities

Based on the belief that the optimal placement of talent is essential to effectively leveraging individual capabilities, this system supports each employee in bringing their own career visions to fruition. In the five years since introduction of this system, approximately 400 employees have gained new career opportunities. In addition to strengthening individual capabilities through career support, the system also strengthens the organization through benefits from mobility of human resources.

Specialist System: Rewarding Globally Competitive Skills and Achievements

This system was introduced in FYE March 2022 so that engineers who possess exceptionally advanced expertise and technical capabilities and serve as a source of the Company's competitiveness can be certified as specialists and appropriately assessed and rewarded. Certification is conducted through reviews each fiscal year, and the system helps enhance engineers' motivation and career development by encouraging further contributions at SUBARU and the development of the next generation.

Creating an Environment Where Individuals Can Make the Most of Their Abilities: Building a Foundation for Transforming Diverse Individual Capabilities into Organizational Capabilities

SUBARU believes that innovation is created when diverse individuals work together with mutual respect and demonstrate their abilities, thereby realizing SUBARU's unique and sustainable value creation.

As a foundation for realizing this goal, we are promoting initiatives to ensure that each employee can confidently demonstrate their diverse individuality and unique abilities to the fullest, including sharing our desired direction, enhancing job satisfaction, and improving productivity.

Streaming Unedited Labor-Management Consultation Videos: Building a Shared Understanding of Management Challenges

The Company's labor-management consultations focus on substantive discussions aimed at the Company's sustainable growth, and video footage of the proceedings is streamed to all SUBARU employees in full, without editing. During the spring labor-management negotiations in March 2025, a total of five discussions were streamed in 31 videos, which received more than 150,000 cumulative views. By conveying the energy of these dialogues with a high degree of transparency, we are helping to build trust with management and foster an accurate understanding of the business environment and the Company's initiatives.

Building Plants Workers Prefer and Communities Value

Based on the belief that enhancing the appeal of our plants as manufacturing sites is essential to the stable and sustainable growth of our business, we launched a project to advance a combination of initiatives, including further improving the safety and comfort of employees working at our plants, enhancing their pride in their work and sense of growth, and undertaking activities aimed at co-creation with local communities. Through these initiatives, we aim to create plants that people will continue to love and prefer for years to come.

Enhancing AI Utilization: Selection and Concentration of Operations

To create greater value with limited management resources, the Corporate Planning Division, the Human Resources & General Administration Division, and the IT Strategy Division are collaborating to promote Company-wide use of AI. Training for all executives and managers was completed as of the end of September 2026. By utilizing AI as a foundation to support each individual in demonstrating their abilities, we are working to create an environment in which they can focus on work with greater added value.

Creating a Diverse Organization: Promoting Active Roles for Female Employees

At SUBARU, we believe that promoting active roles for female employees is an important part of empowering diverse human resources, and we are advancing initiatives from four perspectives: Recruitment, Systems, Career Development Support, and Fostering Culture. Based on diverse career perspectives, we also prioritize empowering each female employee to thrive in a way unique to themselves. As one metric for advancing women's participation, we focus on the number of female managers.

Number of female managers	
KPI in 2030:	100
As of June 2026:	53
Female associate managers and equivalent:	164

For details on DE&I initiatives, including promoting active roles for female employees, please see the Sustainability Website.

https://www.subaru.co.jp/en/csr/social/resources/diversity.html



Financial Capital

Message from the CFO

We will support agile management from a financial perspective and aim to achieve sustainable growth and maximize corporate value.

Shinsuke Toda Director, Managing Executive Officer, CFO (Chief Financial Officer)

Maximizing Corporate Value

The SUBARU Group has grown by establishing a unique position, centered on a solid sales base and strong brand in the U.S. market. We have also leveraged our compact corporate scale to demonstrate the agility to respond swiftly to change in all activities, from development and manufacturing to sales, and pursued strategies that differ from those of major automakers. One example is how relevant departments across the Company work in close collaboration to optimize supply and demand by flexibly revising production and shipment plans in response to changes in market demand, thereby achieving high plant utilization rates and sales efficiency.

Meanwhile, in the current business environment, U.S. tariff policy and environmental regulations are changing rapidly and affecting our business foundation. To continue growing even under these circumstances, I believe it is essential that we further refine our strengths and make our business foundation even more resilient. In SUBARU Management Policy 2025, announced in November 2025, we presented three initiatives aimed at strengthening the resilience of our business foundation: (1) "Cost Innovation 20-30," which targets cost reductions of around 200 billion yen; (2) achieving global sales of 1.2 million-plus units in the first half of the 2030s; and (3) expanding value chain profit. I am confident that all of these can be achieved by leveraging the agility we possess and working together as a united SUBARU.

I recognize that the role I must play as CFO is very important in maximizing corporate value. With a focus on improving capital efficiency, I will execute capital policy in an agile manner, help strengthen the resilience of our business foundation from a financial perspective, and contribute to maximizing corporate value.

Review of Performance in FYE March 2026 and Outlook for FYE March 2027

Review of Performance in FYE March 2026

Production volume and units sold were lower than in the previous fiscal year due to temporary production constraints at plants in Japan associated with preparatory construction work for the launch of in-house BEV production, as well as the impact of escalating tensions in the Middle East on transport vessel operations. Meanwhile, the Forester earned high praise from customers, particularly in the U.S., Japanese, and Canadian markets, and achieved strong sales.

FYE March 2026	Results	YoY Change
Units produced	880 thousand units	-7.0%
Units sold (consolidated)	896 thousand units	-4.3%
Revenue	4,785 billion yen	+2.1%
Operating profit	40.1 billion yen	-90.1%
Profit for the period attributable to owners of parent	90.8 billion yen	-73.1%

In terms of profit, additional U.S. tariffs, exchange rate fluctuations, soaring raw material prices, and other factors reduced profit by around 300 billion yen. Together with the recognition of impairment losses and related expenses associated with environmental regulatory credits and BEVs, these factors brought profit below the previous fiscal year's level. However, recognition of BEV-related expenses that can be anticipated at present has largely been completed, with FYE March 2026 marking the peak.

Outlook for FYE March 2027

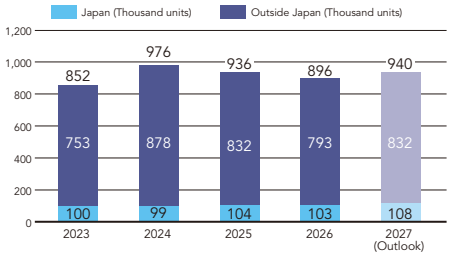
While major cost items such as the impact of additional U.S. tariffs and impairment losses related to environmental regulatory credits and BEVs are expected to decrease significantly year on year, we anticipate at least 130 billion yen in downside risk to earnings from new external factors, including further increases in raw material prices, deteriorating precious metals market conditions, and the impact of the situation in the Middle East.

Outlook for FYE March 2027		YoY Change
Units produced	900 thousand units	+2.3%
Units sold (consolidated)	940 thousand units	+4.9%
Revenue	5,200 billion yen	+8.7%
Operating profit	150 billion yen	+273.9%
Profit for the period attributable to owners of parent	130 billion yen	+43.1%

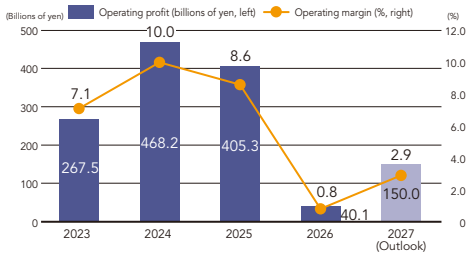
Meanwhile, on the sales side, we are aiming for sales volume of 940,000 units, up 44,000 year on year, by increasing sales of our ICE product lineup, expanded since last fiscal year to include Forester and Crosstrek HEV models, and of our BEVs jointly developed with Toyota Motor Corporation. We will also seek to maximize profits by optimizing the grade mix and flexibly allocating vehicles among markets to accurately meet customer demand. In non-sales areas, we will steadily translate the results of initiatives set out in SUBARU Management Policy 2025, including cost innovation and the expansion of value chain profit, into earnings. By advancing these initiatives, we aim to achieve operating profit of 150 billion yen.

Financial Capital

Units Sold (Consolidated)



Operating Profit / Operating Margin (FYE March)



Capital Policy That Captures Change and Drives Growth

In our "Action to Implement Management That Is Conscious of Cost of Capital and Stock Price" document, we have stated that we aim to achieve industry-leading profitability and return on equity (ROE) of 10% or more as targets with an eye to 2030. Meanwhile, as mentioned above, the SUBARU Group's business environment is undergoing successive changes, while market trends continue to evolve on a daily basis. In this highly uncertain environment, it is important to accurately grasp changes and make decisions quickly based on the concept of "flexibility and expandability". To provide financial support for agile management in a manner unique to SUBARU, we aim through our capital policy to allocate capital in a balanced manner among growth investment, shareholder returns, and financial soundness and stability, while accurately assessing changes in the business environment and keeping medium- to long-term improvements in capital efficiency in mind. By executing this capital policy, we will achieve sustainable growth and aim to maximize corporate value.

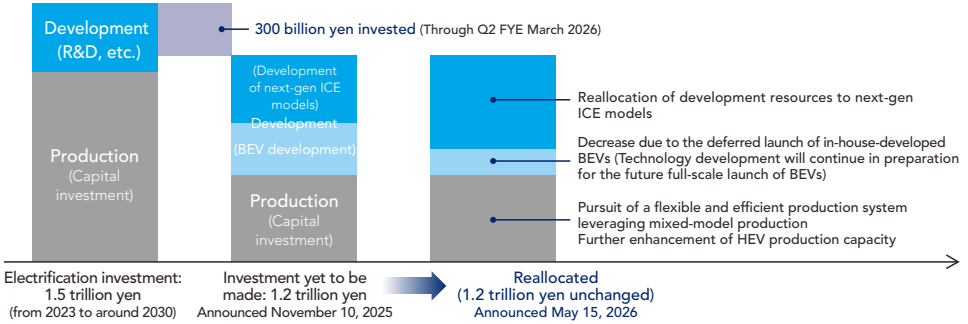


Growth Investment

As market needs diversify and technological innovation advances rapidly, including in electrification and evolving intelligence, automotive manufacturers are required to build up their competitiveness while achieving sustainable growth. However, given SUBARU's scale, it is not realistic for us to fund a broad range of investments entirely on our own. Therefore, it is vital that we accurately identify the areas where we can demonstrate our unique strengths and those where we should leverage collaboration with partner companies, and allocate our limited management resources to where they can be used most effectively. Identifying which areas should receive growth investment to drive future earnings growth and enhance corporate value, and making the necessary decisions, is a major management challenge, and I believe the CFO plays an extremely important role in achieving these goals. In addition, the automotive industry is subject to rapid changes in market conditions and policy trends, making it difficult to precisely forecast the future structure of demand. That is precisely why it is important to continuously review the composition and priorities of growth investments while accurately grasping changes in the external environment and turn those changes into growth opportunities, and I believe that determining the appropriate course of action is also an important role the CFO must fulfill.

In 2023, we announced growth investment totaling 1.5 trillion yen for electrification. This plan was formulated on the assumption that BEVs would account for 50% of our global sales in 2030. However, our outlook based on current conditions is that, against the backdrop of eased environmental regulations and other factors, the timing of full-scale expansion of BEV demand in the U.S. market will be later than initially anticipated, while demand for ICE vehicles, including HEVs, will remain firm for the time being. In response to these changes in circumstances, we announced revisions to our growth investment plan in November 2025 and May 2026. These revisions, while maintaining total investment through 2030, are intended to better align with market needs and maximize the benefits of investments for future growth by optimizing development resources and investment allocation.

Agile Review of Growth Investment Areas



In development, we will reallocate resources for the mass-production development of in-house-developed BEVs to next-generation ICE models. For BEV development, we introduced agile development to establish a nimble, cross-functional development system and established a process for assessing and verifying vehicle performance using digital technologies. Together, these measures have created a foundation for significantly shorter development times. By extending this foundation to next-generation ICE models as well, we will efficiently enhance our product lineup. We will also meet near-term demand for BEVs with models jointly developed with Toyota Motor Corporation, thereby limiting excessive investment burdens. At the same time, our view that BEVs are an important option for achieving a carbon-neutral society remains unchanged, and we will continue technological development toward the full-scale launch of our in-house-developed BEVs. In production, rather than fixing production models and capacity by trying to anticipate future demand too far in advance, we will work to establish a flexible and efficient production system through mixed-model production.

Financial Capital

In February 2026, we began in-house production of BEVs for global markets for the first time at the Yajima Plant in Japan, and are currently conducting mixed-model production with ICE vehicles. In addition, at the new Oizumi Plant, which is scheduled to begin operations in 2027 or later, we will work to establish an optimal production line, with a view to launching the plant with a mixed-model production system for ICE vehicles and BEVs. Meanwhile, in response to recent growth in global demand for HEVs, we will expand production capacity at the Kitamoto Plant, which manufactures transaxles for HEVs, to just under 300,000 units per year in 2027 and respond effectively to growing demand.

Going forward, in a highly uncertain business environment, we will continue to emphasize the concepts of "flexibility and expandability," rigorously pursue efficient investments through selection and concentration, and aim to achieve sustainable growth and enhance corporate value.

Shareholder Returns

In the May 2026 announcement of financial results for the fourth quarter of FYE March 2026, we presented a revision to our shareholder returns policy. Our policy of providing shareholder returns primarily through dividends based on a dividend on equity (DOE) ratio of 3.5% remains unchanged. The key change is to increase dividends and flexibly repurchase treasury stock in response to business performance and market conditions, with a view to improving capital efficiency over the medium to long term. In line with this policy, for shareholder returns in FYE March 2026, in addition to paying dividends of 115.5 yen per share for the year based on a DOE of 3.5%, we decided to repurchase up to 150 billion yen of treasury stock. Regarding shareholder returns for FYE March 2027, based on a DOE of 3.5%, we expect to pay dividends of 116 yen per share for the fiscal year. Going forward, in line with this policy, we will continue to make proactive efforts to deliver shareholder returns that meet our shareholders' expectations.

Change to Returns Policy

Based on comprehensive assessment of business performance, investment plans, and the business environment,

- Position dividends as the basis for shareholder returns
- Aim for progressive dividends by setting DOE at 3.5%*
- Target total returns ratio of 40% or more
- Implement share buybacks according to business performance and market conditions

→

With a view to **improving capital efficiency over the medium to long term,** based on comprehensive assessment of business performance, investment plans, and the business environment,

- Position dividends as the basis for shareholder returns and aim for progressive dividends by setting DOE at 3.5%*
- **Increase dividends and flexibly repurchase treasury stock** according to business performance and market conditions

* Excludes "other components of equity," which fluctuate due to factors such as foreign exchange rate changes. DOE = total annual dividends / (equity attributable to owners of parent - other components of equity)

Financial Soundness and Stability

We have created value that is uniquely SUBARU by making maximum use of our limited management resources, narrowing our focus to specific markets and car models, and concentrating on areas where we can demonstrate our strengths. As mentioned above, the business environment surrounding the SUBARU Group is changing at a dizzying pace, but even under these circumstances, we intend to further hone our strengths and grow together with our stakeholders. Achieving this requires building a financial base that supports the stabilization of business activities, future growth investment, and shareholder returns. Because our business model is focused on specific areas, changes in the external environment tend to have a commensurately large impact on our business and performance. However, even in a time of change and future uncertainty, we believe that financial soundness and stability play an important role in enabling us to seize growth opportunities and make flexible, swift decisions. On the other hand, allowing capital to remain idle due to excessive emphasis on financial soundness could lead to lower capital efficiency. Until now, the SUBARU Group has maintained a net cash position exceeding 1 trillion yen, including time deposits, and we recognize that this was somewhat higher than the level of financial stability we had previously assumed.

In light of these circumstances, our May 2026 announcement of financial results for the fourth quarter of FYE March 2026 included a new policy to manage cash holdings, targeting an upper limit of net cash equivalent to 2.5 months of sales. This new policy is aimed at improving capital efficiency over the medium to long term. Although it is difficult to set a uniform cash level in a highly uncertain business environment, we will aim to stabilize our financial base while curbing excessive cash accumulation. In addition, as the recent rise in interest rates has increased the importance of limiting funding costs, we have established a commitment line agreement with a term-out option as a framework that allows us to raise necessary funds in a timely and flexible manner. Through these efforts, we will work to stabilize our financial base in response to changing times.

As part of the initiatives to expand value chain profit set out in SUBARU Management Policy 2025, we have also recently announced a plan to enter the vehicle financing business in the North American market around 2030. In this new venture, we intend to use vehicle financing as a launchpad to expand customer touchpoints, increasing revenue opportunities throughout customers' vehicle ownership experience and encouraging repeat SUBARU purchases. Expanding our business domains will result in new elements added to our financial structure. As CFO, I will work to accurately assess changes in our business structure and take appropriate measures to ensure optimal financial soundness and stability.

Further Enhancement of Messaging and Dialogue

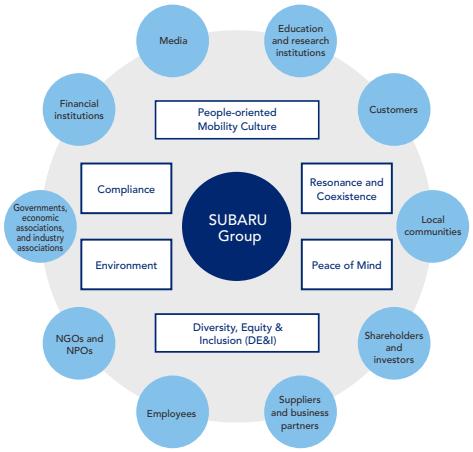
SUBARU places importance on dialogue with shareholders and investors all over the world, from both financial and non-financial perspectives. Going forward, we will further enhance our messaging and dialogue and build a broader base of stakeholders who share the SUBARU Group's approach to medium- to long-term growth. To this end, we will enhance our messaging and dialogue to deepen stakeholders' understanding of the progress of each initiative set out in SUBARU Management Policy 2025 to strengthen the resilience of our business foundation, as well as to deepen understanding of our strengths that underpin these initiatives. Specifically, we will make both qualitative improvements, including in messaging and dialogue through business strategy briefings and technology briefings, and quantitative improvements, such as by creating opportunities for touchpoints through a variety of means in person and online. We hope that this two-pronged approach to enhancing messaging and dialogue will deepen investors' understanding of our strengths and strategies and raise investors' expectations for sustainable growth.

We sincerely appreciate your continued understanding and support of the SUBARU Group.

Social Capital

The SUBARU Group views its connections with customers and other stakeholders as an important management resource, positioning them as social capital. Relationships that begin with our products have extended and deepened among customers, retailers, and local communities, forming networks involving diverse stakeholders.

These relationships go beyond mere points of contact or transactions. They accumulate as lasting connections built on affinity and trust, forming a foundation for value creation through our business activities. The following representative initiatives in the U.S. and Japan illustrate how connections with society become social capital.



U.S.: Connections with Society Fostered Through the Love Promise®

The Subaru Love Promise® is our vision to show love and respect to all people at every interaction with Subaru and work with our retailers to build a better society. Guided by this vision, we are promoting value co-creation involving diverse stakeholders, starting with our relationships with customers and extending our connections to retailers and local communities.

Underlying these initiatives is the strong attachment and affinity customers feel for their cars. In the U.S., we have built relationships that go beyond customers' assessments of our products, as exemplified by the expression "I love my Subaru." Reflecting these customer sentiments and values, the Love Campaign was launched in 2008 with love as the keyword. One representative initiative is the Share the Love Event®, through which the SUBARU Group makes donations to organizations chosen by customers, translating their sentiments into action for society.

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

The Love Campaign, which began as a sales promotion initiative, has fostered new relationships involving retailers and local communities through years of sustained efforts. Today, the Love Campaign has evolved into the Love Promise®, and we are building relationships under a shared commitment with more than 640 participating retailers. Focusing on five areas of interest to customers—environment, health, education, pets, and community—we support not only SOA's partner organizations but also local organizations chosen independently by each retailer. This creates diverse touchpoints connecting customers, retailers, and local communities. The expansion of activities rooted in our connections with customers is deepening our relationships with all three groups.

Love Promise® Initiatives in Five Areas

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

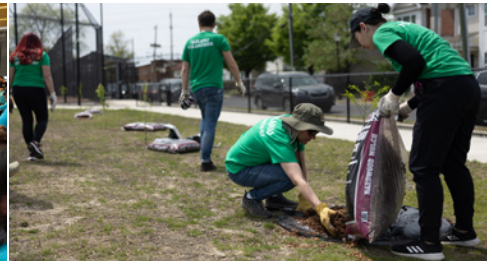
- Subaru Loves to Help®
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- Subaru Loves the Earth®
  https://ourimpact.subaru.com/our-community/subaru-loves-the-earth/
- Subaru Loves to Care®
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- Subaru Loves Learning®
  https://ourimpact.subaru.com/our-community/subaru-loves-learning/
- Subaru Loves Pets®
  https://ourimpact.subaru.com/our-community/subaru-loves-pets/

Creating Hubs That Connect Customers and Local Communities

In the U.S., we are also introducing a new store design that redefines our retailer network as hubs connecting customers and local communities. This initiative expands the role of retailers beyond their conventional function, positioning them as places for building customer relationships and strengthening community connections.

In addition to product experiences and service provision, this concept expands customer touchpoints in both quality and quantity through spaces designed to encourage interaction among visitors and with the local community. By positioning stores as community hubs, we aim to build lasting customer relationships and foster loyalty. These initiatives embody the Love Promise® and strengthen value creation based on connections among customers, retailers, and local communities.









Social Capital

Communities Growing Through Customer Leadership

In addition to these corporate initiatives, a movement is emerging in the U.S. in which customers themselves take the lead in expanding connections. The SUBARU Group supports these activities and views the networks of relationships fostered by customers as part of its social capital.

Fostering Customer Relationships: Creating Shared Experiences Through SubieEvents

Events bringing together SUBARU owners and fans have long been held across the U.S., fostering interaction among customers and connections with local communities. In 2024, the SUBARU Group returned as title sponsor of events for owners and fans held in six cities across the U.S., further deepening its relationships with these customer-led communities. Thousands of SUBARU vehicles and their owners gather at each venue, where diverse programs, including test drives and driving experiences with the latest models and technical seminars, naturally encourage interaction among participants. These events also include initiatives with local organizations linked to Love Promise® activities and adoption opportunities for rescue dogs and cats. These open gatherings expand connections among customers and with local communities, strengthening SUBARU's role in bringing people together.

Subaru Ambassadors Program

Subaru Ambassadors are customers with a deep affinity and attachment to SUBARU who voluntarily share and promote its value. They share their everyday experiences and sentiments in their own words and foster connections centered on SUBARU within diverse communities by supporting Love Promise® activities and participating in events. Rather than one-way communication from SUBARU, customers' voices and activities based on their own experiences inspire affinity, which in turn creates new connections. These customer-led connections are an important part of the SUBARU Group's social capital.

U.S.: SIA, a Production Base Deeply Rooted in the Local Community

In addition to our relationships with customers and retailers, the relationships of trust we have built with local communities through our production sites are also an important part of the SUBARU Group's social capital. With long-standing roots in the Lafayette, Indiana community, Subaru of Indiana Automotive (SIA) has built lasting partnerships with public institutions and NPOs that support community functions such as education, welfare, and environmental conservation. SIA's community activities go beyond individual social contributions. Each is integrated into the functions that support the local community, forming social capital centered on the production base. Employees' affinity for these activities and voluntary participation help build even wider connections.

Foundations Supporting Life and Safety

SIA has consistently participated in blood donation activities for Versiti Blood Center of Indiana since 1991 and is now the center's largest corporate donor in the state. SIA also supports the training infrastructure for local lifesaving and emergency response services by opening its test track for police emergency vehicle training and providing vehicles that have completed their original use to local fire departments for rescue training.

Foundations for Nurturing the Next Generation

As title sponsor of Greater Lafayette Commerce's initiative to develop the area's next generation of workers, SIA provides approximately 5,000 schoolchildren with opportunities to experience manufacturing and technology each year. It also plays a role in developing the people who will support local manufacturing, including by opening its test track for a Monozukuri competition in which more than 200 high school students from eight schools race vehicles they have built themselves.

Foundations Supporting Daily Life and Welfare

The SIA Foundation supports NPOs throughout Indiana through matching gifts, in which the foundation matches employees' donations, and grants of up to U.S.$15,000. In 2025, grants totaling U.S.$329,144 were awarded to 37 organizations working in the arts and culture, education, and health and welfare. Since its establishment in 1997, the foundation has fostered connections with local communities through more than U.S.$3.6 million in grants.

Foundations for Protecting Nature Alongside Community

As annual sponsor, SIA continues to support the 17-acre Peter's Mill Landing, managed by NICHES Land Trust. Together with tree-planting activities in collaboration with Tree Lafayette, this contributes to conserving the local natural environment and passing it on to future generations.





Through these ongoing activities, SIA functions as part of the local infrastructure. Its long-standing involvement in the community provides a foundation for stable business operations.

Social Capital

Japan: Product-Based Initiatives to Spread Resonance and Coexistence—Cherishing Every Life Project

SUBARU places top priority on safety in its human-centered Monozukuri. Extending our commitment to protecting life beyond cars, we are promoting the Cherishing Every Life Project[1] to protect what matters to customers and local communities.

By protecting people and nature cherished by customers, retailers, and SUBARU, we aim to foster bonds that go beyond those between seller and buyer, becoming a partner that enriches customers' lives. In FYE March 2026, we continued activities with lifeguards across Japan and national park conservation activities while undertaking initiatives more closely aligned with customers and local communities.

Human Life

The goal to be "free from drowning" pursued by the Japan Lifesaving Association[2] (JLA) resonates with us, and we support its activities as a JLA official partner. Since 2020, we have continued to provide SUBARU Lifesaver Cars[3] for lifesaving activities such as local community patrols, safety education, and beach patrols, providing a cumulative total of over 200 cars over seven years. Our dealerships work with local lifesaving associations to organize workshops throughout Japan with JLA instructors to teach how to give cardiopulmonary resuscitation and how to operate an automated external defibrillator (AED).

Other activities include sponsorship of the All Japan Life Saving Championships[4] and, in July 2026, holding SUBARU DAY: Canoe Slalom Ocean Safety as part of our support for JLA's 2026 Water Safety Campaign. The event offered opportunities to learn about the importance of protecting life from water-related and traffic accidents. We continue our efforts to deepen relationships with customers, local communities, and partners.

Natural Life

We have partnered with the Shiretoko Nature Foundation, the Natural Parks Foundation[5], which manages Japan's national parks, and the Yakushima Environmental and Cultural Foundation to promote activities that pass on natural environments emblematic of Japan to future generations.

We provide vehicles to partner organizations working in national parks, undertake environmental conservation activities involving employees, and communicate the attractions of nature.

In December 2023, we entered into a National Park Official Partnership to facilitate collaboration with the Ministry of the Environment, which administers the national parks. This will enable us to support our partner organizations and help vitalize national parks and promote their attractions through joint activities.

Through these activities, we build lasting relationships with local communities and partner organizations, deepening our relationships of trust with society.

Locally Rooted Activities Expanding Nationwide

Dealerships across Japan are also expanding their own initiatives in collaboration with local partners, addressing the issues and characteristics of each region.

Initiatives reflect each region's challenges and the natural and cultural assets it seeks to protect. These include restoring disaster-prevention forests lost in the earthquake in Tohoku, conserving forests on Mt. Takao in Tokyo, and revitalizing Mt. Rokko in cooperation with the Kobe Parks and Greenery Association in the Kinki region. These efforts have also developed into activities that help address community issues, such as supporting children's cafeterias and food banks.

In FYE March 2026, the combined number of activities for employees and customers reached 328, an increase of 59 from the previous fiscal year. Activities for customers in particular increased by 30 to 123, demonstrating the steady expansion of activities connecting customers, local communities, and dealerships.

Going forward, we will build on our activities to date and expand into areas more closely aligned with customers, evolving these efforts into initiatives that unite customers, local communities, dealerships, and SUBARU in protecting the future.

1. For details on our activities, please see the SUBARU website. https://www.subaru.jp/project/hitotsunoinochi/ (in Japanese only)
2. Official JLA website: https://jla-lifesaving.or.jp/en/
3. AEDs equipped in all vehicles provided for use in the period from July 1 to August 31, 2026
4. One of the largest lifesaving competitions in Japan, where lifesavers from all over Japan compete in lifesaving skills and teamwork
5. Cooperation with Nasu Heisei-no-mori Forest in Nikko National Park, the Kamikochi area of the Chubusangaku National Park, and the Daisen area of the Daisen-Oki National Park








Social Capital

Japan: Production Sites Deeply Rooted in Local Communities—Gunma Plant

The Gunma Plant is made up of several factories located in close proximity in and around Ota City, Gunma Prefecture, and is the heart of SUBARU's vehicle manufacturing. For more than half a century, guided by our human-centered Monozukuri, we have shared the "Enjoyment and Peace of Mind" we deliver to customers with our local communities. The shared understanding fostered through vehicle manufacturing has spread to local governments, educational institutions, suppliers, and residents, creating a circle of coexistence rooted in the community.

Opening Monozukuri to the Community and Nurturing the Next Generation

We offer factory tours throughout the year, opening our vehicle manufacturing operations to a wide range of visitors, including elementary school students. In FYE March 2026, we held more than 650 tours. In November 2025, we also held the Subagaku Festival fan event at the Main Plant, welcoming approximately 2,600 local residents and SUBARU fans from across Japan. A diverse range of programs allowed visitors to experience Monozukuri with all five senses, including a junior mechanic experience in SUBARU coveralls, a demonstration of the disassembly and assembly of a horizontally opposed engine, and upcycling workshops using offcuts from manufacturing processes. We also provide opportunities for children and students of all ages to experience the enjoyment and skills of Monozukuri through workplace experience and career education for junior and senior high school students, outreach classes at technical high schools, National Skills Competition[1] experiences for high school students, and joint research with Gunma University and Maebashi Institute of Technology. Working with local educational institutions, we are developing the people who will carry Monozukuri into the next generation.

Building Community Ties Through Corporate Sports

Our baseball team, founded in 1953, and our track and field team[2], which began activities in 1998, have grown with the support of their local communities. At the Intercity Baseball Tournament, approximately 12,000 supporters traveled from Gunma to Tokyo Dome to cheer on the team (at the first match of the 96th tournament in 2025[3]). At the New Year Ekiden, local residents line up along the course route on New Year's Day, waving SUBARU flags to encourage the runners. In return, our athletes contribute to communities through a variety of sports and cultural activities. These include athletics and baseball clinics and talks at elementary, junior high, and high schools in and outside Gunma Prefecture, as well as appearances as guest runners at marathons in various locations. In FYE March 2026, these activities totaled more than 60. These reciprocal ties of support connect SUBARU and Gunma deeply in everyday life.

Supporting Communities and Nature Together with Local Governments and Residents

Under the comprehensive partnership agreement[4] signed with Ota City in December 2025, we are working together to address local issues, including disaster assistance, traffic safety, and traffic congestion. We support safety and peace of mind in the community through traffic safety activities on school routes and long-standing blood donation drives at our factories. In April 2018, we acquired the naming rights to Gunma Prefectural Akagi Forest Park, naming it "SUBARU Friendship Forest Akagi," and supported the conservation and maintenance of the prefectural forest through FYE March 2026. In addition, the SUBARU Community Exchange Association, established in 2015 by SUBARU and our business partners, continues to conduct community cleanups and environmental beautification activities. Together with residents of Ota City and the surrounding area, it aims to promote local development and create a comfortable place to live. Through these activities over many years, we have built trust with local communities and contributed to their sustainable development.

The Gunma Plant continues to move forward as a member of the local community. The relationships of trust built with local communities through these long-standing activities provide an important foundation for securing human resources and ensuring business continuity.

1. Held annually since 1963, the National Skills Competition for young technicians (in principle, up to 23 years old) across Japan aims to give them goals to strive for through skills competitions and raise public awareness of the importance of technical skills.
2. For details on our activities, please see the SUBARU website. https://www.subaru.co.jp/sports/ (in Japanese only)
3. As of August 31, 2025
4. December 2025: SUBARU Signs a Comprehensive Partnership Agreement with Ota City for Community Co-Creation https://www.subaru.co.jp/topic/2025_12_11_113917/ (in Japanese only)

These ongoing efforts have built trust with local communities and strong partnerships with retailers, which are reflected in high brand loyalty. In the U.S. in particular, we also receive high external ratings for customer satisfaction and brand strength. Building long-term relationships with customers helps improve the quality of our sales activities and generate ongoing demand. The SUBARU Group regards these accumulated relationships as social capital that provides a foundation for sustainable business growth.






Social Capital

U.S. Accolades for the SUBARU Brand

The social capital accumulated through our programs, including Love Promise® initiatives with retailers and customers, has helped to enhance the SUBARU brand, as reflected in high rankings in U.S. consumer brand evaluations for all industries and in U.S. customer satisfaction surveys.

Ranked Among the Top Three in Forbes[1] "Best Brands for Social Impact" for the Fourth Consecutive Year

In the 2026 Best Brands for Social Impact published by U.S.-based Forbes magazine, SUBARU was ranked among the top three out of more than 5,500 brands overall for the fourth consecutive year, and ranked first in the automotive category for the fourth consecutive year.

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



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Recognized by S&P Global Mobility[2] for Highest Overall Loyalty to Dealer

SUBARU was recognized for the Highest Overall Loyalty to Dealer in S&P Global Mobility's Automotive Loyalty Awards. The award is based on the percentage of customers who purchase or lease another SUBARU vehicle from the same retailer when replacing their vehicle. It demonstrates the strength of the trust and ongoing relationships between customers and the retailer network. SUBARU has received this award for two consecutive years, providing data-backed evidence of high loyalty between customers and the retailer network.

2. Based on S&P Global Mobility U.S. loyalty analysis for the 2025 award year, SUBARU had the greatest percentage of owners who returned to market and purchased or leased another SUBARU vehicle from the same dealer for the 2025 award year (October 2024–September 2025)



Topics

The Subaru Love Promise® Retailer of the Year Awards

W&L SUBARU 2025 SUBARU LOVE PROMISE® RETAILER OF THE YEAR

These awards recognize retailers that embody the values of the Love Promise® through activities that make a positive impact on their communities throughout the year. In 2025, W&L Subaru in Northumberland, Pennsylvania, was named Retailer of the Year, the most prestigious of the awards.

Initiatives by W&L Subaru, the 2025 Subaru Love Promise® Retailer of the Year

Since opening in 1972, W&L Subaru has remained rooted in its community, with a focus on taking care of people and meeting challenges with a positive outlook.

Guided by the values of the Subaru Love Promise®, the company continues to make donations and provide support. Over the last five years, W&L Subaru has donated more than U.S. $800,000 to local charities and causes, building trust within the community through activities such as partnerships with children's hospitals and local facilities. By continuing these activities, the company has built positive relationships with its local community.

The long-term customer relationships cultivated in this way lead not only to repeat visits and purchases but also to new customers through word of mouth, supporting the retailer's sustainable growth. Furthermore, as each employee takes the initiative to deepen connections with customers and the community, W&L Subaru creates a virtuous cycle of community trust and business growth.

In recognition of these efforts and achievements, W&L Subaru was named the Subaru Love Promise® Retailer of the Year in 2025. This example illustrates how the trust built with customers and local communities becomes social capital that contributes to corporate value creation.



Congratulations to W&L Subaru, the 2025 Subaru Love Promise® Retailer of the Year - YouTube
https://www.youtube.com/watch?v=yJkjB0RCimk&t=25s

Natural Capital

In its Environmental Policies, SUBARU states that our fields of business are "the earth, the sky and nature" and positions protection of the global environment as a key theme supporting the future of society and SUBARU. Furthermore, the SUBARU Group has also designated the Environment as one of our Six Priority Areas for Sustainability.

The SUBARU Group's vision for the environment is to "Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities." To achieve this vision, we are advancing initiatives under the priority themes of mitigating climate change, realizing a circular economy, and coexistence with nature. Through these initiatives, we will bring our environmental impact as close to zero as possible while contributing to environmental conservation and restoration.

For more detailed information on our initiatives, please refer to the Sustainability Website.

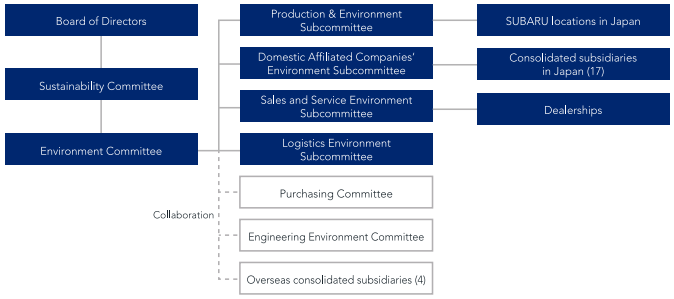
https://www.subaru.co.jp/en/csr/environment/

Environmental Management Framework

The SUBARU Group has established a cross-organizational environmental management framework centered on two pillars, the Environment Committee and the environmental management system (EMS). Leveraging this structure, we promote various environmental management activities across the entire SUBARU Group, including formulating medium- to long-term environmental targets and implementing measures to achieve them, ensuring compliance with environmental laws and regulations, and aggregating environmental performance data.

Environment Committee

SUBARU has established the Environment Committee to discuss important environmental matters and evaluate progress on medium- and long-term policies and targets. The Environment Committee is chaired by the Executive Officer in charge of sustainability appointed by the Board of Directors. Proposals based on discussions held by the Environment Committee are submitted to the Sustainability Committee, and important matters are discussed and reported at the Board of Directors, which supervises the Sustainability Committee. We have also established four subcommittees under the Environment Committee and work with the Purchasing Committee, Engineering Environment Committee, and consolidated subsidiaries outside Japan to advance environmental initiatives across the Group.



Environmental Management System

The SUBARU Group has established an EMS in cooperation with its sites, consolidated subsidiaries in and outside Japan, dealerships in Japan, and business partners. The latest status of our EMS is shown below.

Certifications	Target		
ISO 14001	SUBARU CORPORATION[1]	Fuji Machinery Co., Ltd.[1]	Kiryu Kogyo Co., Ltd.[1]
	Yusoki Kogyo K.K.[1]	Subaru Logistics Co., Ltd.[1]	
	FAS Corporation[1]	Ichitan Co., Ltd.	
	Subaru of Indiana Automotive, Inc.	Subaru of America, Inc.	
	Subaru Canada, Inc.	Business Partners[2]	
ISO 50001	Subaru of Indiana Automotive, Inc.		
Eco-Action 21	21 dealerships in Japan[3], business partners[2]		

1. Companies covered by ISO 14001 group certification
2. Business partners obtain ISO 14001 or Eco-Action 21 certification or conduct self-certification assessment. EMS based on self-certification, in which business partners are deemed to have passed if they answer "yes" or "not applicable" to 43 or more of the 47 items in the SUBARU-drafted voluntary assessment report based on our EMS, and answer "yes" to all three items related to legal compliance
3. Reflects the management integration of dealerships effective April 1, 2026

Environment Action Plan 2030

In FYE March 2026, the SUBARU Group defined a desired state for each of its three priority themes and revised Environment Action Plan 2030, which sets medium-term targets for achieving these desired states. The timing of our electrification targets has been revised from "2030" to "sometime after 2030." By steadily implementing Environment Action Plan 2030, we aim to realize our vision to "Cherish and protect the global environment—the earth, the sky and nature—through Group-wide activities."

Environment Action Plan 2030

Priority Theme	Environment Action Plan 2030
Mitigating Climate Change	Aim to make BEVs account for 50% of SUBARU's global sales beyond 2030
	Apply electrification technologies[1] to all SUBARU vehicles[2] produced and sold by the early 2030s
	Reduce Scope 1 and 2 CO_2 emissions by 60% by FYE March 2036, compared with FYE March 2017 (total volume basis)
Realizing a Circular Economy	Pursue research and development targeting the use of recycled materials[3] for more than 25% of the plastic used in new models by 2030
	Reduce total amount of waste by 1% annually versus BAU[4] emissions
	Achieve zero emissions[5] at production plants[6] in Japan and overseas (zero landfill waste either directly or indirectly)
Coexistence with Nature	Properly manage impact on the natural environment at business sites (air, water quality, noise, vibration, and odor)
	Expand protected areas reducing impact on the natural environment caused by business activities

1. Refers to the technology used to foster the use of electricity for BEVs, HEVs, and others
2. Excluding models supplied by OEMs
3. Including material recycling and chemical recycling
4. Emissions under the current policy without further action (business-as-usual)
5. Final disposal amount (total amount of direct landfill waste + landfill waste after intermediate processing) less than 0.5% of the total amount of waste (total amount of valuable resources + industrial waste + specially controlled industrial waste + general business-related waste)
6. SUBARU: Gunma Plant, Tokyo Office, Aerospace Company; Consolidated subsidiaries: Fuji Machinery Co., Ltd., Kiryu Kogyo Co., Ltd., Ichitan Co., Ltd., Subaru Logistics Co., Ltd., Yusoki Kogyo K.K., Subaru of Indiana Automotive, Inc.

Natural Capital

Mitigating Climate Change

The SUBARU Group positions its response to climate change as an important management issue. As approximately 80% of the SUBARU Group's CO_2 emissions (Scope 1, 2, and 3) originate from the use of sold products, we are working to reduce emissions by advancing electrification and utilizing carbon-neutral fuels, among other measures. We also believe that reducing the SUBARU Group's own CO_2 emissions from business activities (Scope 1 and 2) will help advance decarbonization across the entire value chain, including suppliers and dealerships.

Based on this approach, the SUBARU Group has set long-term goals and medium-term goals toward their achievement, aiming for carbon neutrality in 2050. We will contribute to a decarbonized society by reducing CO_2 emissions from both products and business activities.

Strategy

Toward achieving carbon neutrality in 2050, the SUBARU Group is reviewing its medium-term goals and initiatives in light of changes in the business environment.

For products (Scope 3), there is no change to our view that BEVs will play a central role in the medium to long term. However, given the pace of BEV adoption and uncertainty surrounding market conditions and regulatory trends, we now expect to achieve a BEV share of 50% of total global vehicle sales sometime after 2030. We are continuing BEV research and development and advancing product electrification by flexibly reviewing investment areas while maintaining total growth investment of 1.2 trillion yen.

For plants and offices (Scope 1 and 2), we are advancing decarbonization through both more efficient Monozukuri and the conversion of energy. In addition to improving development and production efficiency, we are systematically advancing initiatives toward our goal of reducing Scope 1 and 2 emissions by 60% compared with FYE March 2017 (total volume basis) by FYE March 2036 through energy-saving measures, the use of renewable energy, and studies on hydrogen utilization.

Measures Considering Risks/Opportunities in Each Scenario

SUBARU continuously assesses climate change-related risks and opportunities. With reference to policy trends in various countries related to the regulation of fuel economy and scenarios published by the International Energy Agency and other organizations, we have developed our own scenario assuming carbon neutrality in 2050 (the 1.5°C scenario). We then analyze the impact of climate change on business activities and consider medium- and long-term goals and business strategies and formulate measures based on the anticipated risks and opportunities.

For example, we analyze the effects on product strategy under cases where the adoption of electrified vehicles progresses rapidly and where it progresses relatively slowly. We also continuously assess and monitor the impact of physical risks, such as the increasing severity of natural disasters, on production activities and water resources.[1]

Scenario	Example Scenario Risks of Particular Importance		Measures Considering Risks and Opportunities
Penetration of electrification	Products	• Risk of limited product sales opportunities due to failure to meet certain fuel economy standards • Risk of market need diverging from electrification technology	Building a production system that can dynamically adapt the production ratio between BEVs, HEVs, and ICE vehicles, keeping a close eye on environmental regulations and market trends
Increasing severity of natural disasters	Business management	Risk of operations being affected by disrupted supply of raw materials and submerged factories as a result of frequent flooding in various locations from extreme torrential rain	• Taking measures against flooding by installing rainwater collection tanks and strengthening drainage capacity • Organizing a system for restoration support activities in the event of a contingency at business partners and assessing the risk of water-related disasters

1. In FYE March 2024, we conducted a water risk assessment using the World Resources Institute (WRI) Aqueduct Water Risk Atlas and WWF-DEG Water Risk Filter, confirming that water risk is generally below moderate, consistent with past surveys.

Risk Management

To address transition risks in policy and regulation, technology, markets, and other areas, dedicated departments gather and analyze information and assess the impact on future business. Particularly important matters are deliberated on and approved by the Board of Directors following discussion at the Executive Meeting.

For physical risks, such as risks to operations arising from natural disasters, the Risk Management & Compliance Office plays a pivotal role in establishing relevant regulations and strengthening the crisis management framework as part of our business continuity plan (BCP) system. We have established a framework for centrally managing information from across the Group and responding promptly and appropriately in an emergency.

Long- and Medium-Term Goals

The SUBARU Group has set long- and medium-term goals for products (Scope 3) and for plants, offices, etc. (Scope 1 and 2), and is advancing initiatives toward a decarbonized society.

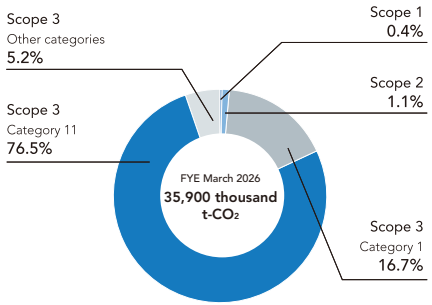
Category	Target Year	Goal
Products (Scope 3)	2050	Reduce average well-to-wheel CO_2 emissions from new vehicles (in operation) by 90% or more compared to 2010 levels
	Early 2030s	Apply electrification technologies to all SUBARU vehicles produced and sold worldwide
	Beyond 2030	Aim for 50% of global sales to be BEVs
Plants and offices (Scope 1 and 2)	FYE March 2051	Achieve carbon neutrality
	FYE March 2036	Reduce CO_2 emissions by 60% compared with FYE March 2017 (total volume basis)

Scope 1: Direct emissions of greenhouse gases from a company's own facilities.
Scope 2: Indirect emissions of greenhouse gases from the use of purchased or acquired electricity, heat, and/or steam supplied by another company.
Scope 3: All indirect emissions other than Scope 1 and 2 emissions, including those arising from the procurement of raw materials, transport, product use, and the disposal process, as well as arising from employee commuting, business travel, etc.

Natural Capital

Achievements and Main Initiatives

For FYE March 2026, the SUBARU Group reported total CO_2 emissions (Scope 1, 2, and 3) of 35,900 thousand t-CO_2. Out of the total amount, 98.5% is related to Scope 3, the majority of which stems from the use of sold products.



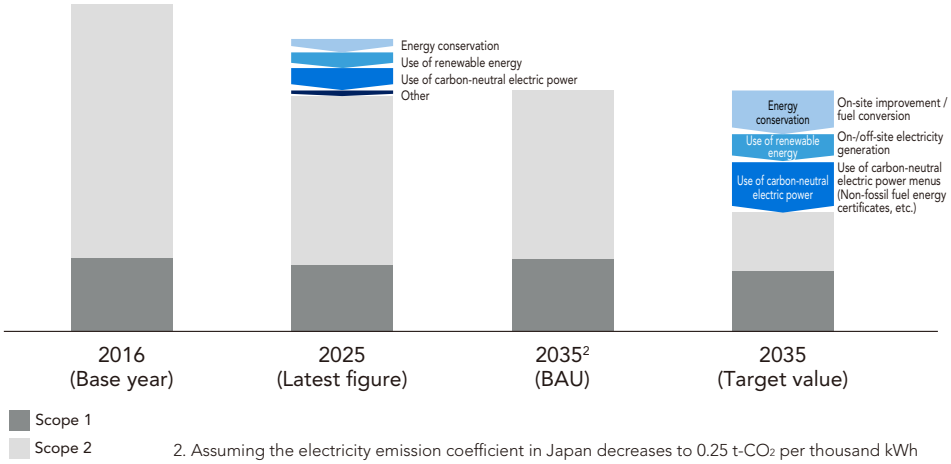
Scope 3 Initiatives

In FYE March 2026, EVs accounted for 16.6% of total global sales. BEVs accounted for 1.7%. Our main initiatives included launching sales of the Forester and Crosstrek, equipped with our unique next-generation hybrid system with high fuel efficiency, primarily in the North American and Japanese markets. We also began introducing the Uncharted and Trailseeker to expand our BEV lineup.

Scope 1 and 2 Initiatives

CO_2 emissions in FYE March 2026 were 550 thousand t-CO_2 based on market standards, a reduction of 20% compared with FYE March 2017. Furthermore, renewable energy sources accounted for 12.3% of the Group's total energy use and 25.7% of total electricity use.

Main initiatives included expanding the installation of solar power generation facilities at plants and other sites and the use of renewable energy through off-site corporate power purchase agreements, as well as increasing the use of carbon-neutral electricity at manufacturing sites and offices. We also promoted the switch to CO_2-free electricity at dealerships in Japan, completing the switch to 100% of electricity use at consolidated dealerships by FYE March 2026. In parallel, we are reducing CO_2 emissions from business activities through energy-saving measures and fuel conversion.



2. Assuming the electricity emission coefficient in Japan decreases to 0.25 t-CO_2 per thousand kWh

Realizing a Circular Economy

The SUBARU Group is working to realize a circular economy in order to conduct sustainable business activities while making effective use of finite resources.

To reduce dependence on newly extracted resources, we have set medium-term goals for expanding the use of recycled materials and reducing waste, and are promoting zero-emission activities at production sites in and outside Japan. Through these efforts, we aim to promote resource circulation and reduce environmental impact.

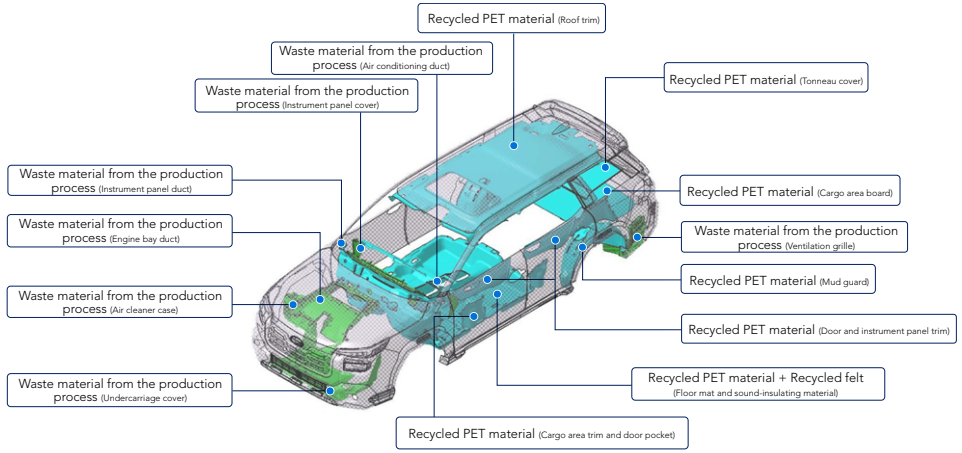
Goal

As an interim target, we are pursuing research and development targeting the use of recycled materials for at least 25% of the plastic used in new models by 2030. To achieve this, we are working to establish quality standards for recycled plastics and a raw material recovery scheme. For waste generated by the SUBARU Group, we have set goals to reduce total waste by 1% each year compared with business-as-usual (BAU) levels and achieve zero emissions at production plants in and outside Japan. Through these initiatives, we are reducing total waste and the amount of final disposal.

Achievements and Main Initiatives

SUBARU considers recyclability from the product design stage and actively incorporates recycled materials, including recycled plastics used in vehicles. In the new Outback launched in the U.S. in 2025, we significantly expanded the parts using recycled materials compared with the previous model.

In our business activities, we are also working to reduce total waste and maintain zero emissions at production plants in and outside Japan. By reusing and recycling waste material and by-products generated in production processes, we aim to promote resource recycling and reduce the amount of final disposal.



Natural Capital

Design for Recycling

SUBARU incorporates recyclability into its automobile design process to make effective use of limited resources. In addition to providing a structure for easy disassembly and separation using an easy-to-disassemble wiring harness layout and visibility-oriented material identification, we use easy-to-recycle materials for parts in the interest of recycling.



Topics Recycling Used Uniforms into Automotive Sound-Insulating Material

To make effective use of resources generated through business activities and day-to-day operations, SUBARU is promoting reuse and recycling initiatives in which employees actively participate.

In March 2026, we began collecting and recycling uniforms discarded as part of a uniform update at the Main Plant in Ota City, subsequently expanding the initiative to the Oizumi, Yajima, and Kitamoto Plants. By May 2026, we had collected 3.5 tons of uniforms. The collected uniforms are cut and processed into fibers, then made into felt and recycled into automotive sound-insulating material. Going forward, we plan to use some of the sound-insulating material recycled from the collected uniforms in the vehicles we produce.

Coexistence with Nature

In its Environmental Policies, SUBARU states that our fields of business are “the earth, the sky and nature” and promotes efforts aimed at coexistence with nature. The natural environment is an important foundation supporting the SUBARU Group’s business activities and value creation.

The SUBARU Group instituted the SUBARU Guidelines on Biodiversity in April 2019 to guide its biodiversity conservation activities. The guidelines were formulated with account taken of international trends in biodiversity management and with reference to documents including the Ministry of the Environment’s Guidelines for Private Sector Engagement in Biodiversity and the Declaration of Biodiversity by Keidanren and Action Policy. They help promote consideration for the natural environment and conservation activities in our business operations in and outside Japan.

Goal

To achieve coexistence with nature, the SUBARU Group has set goals to appropriately manage environmental impacts on the natural environment at business sites (air, water quality, noise, vibration, and odor) and expand protected areas to reduce the impact of business activities on the natural environment.

Achievements and Main Initiatives

To minimize the impact of business activities on the natural environment, the SUBARU Group gives top priority to compliance with environmental laws and regulations and appropriately manages environmental impacts relating to air, water quality, noise, vibration, and odor. Each site works to prevent environmental risks by setting strict voluntary standards, conducting regular monitoring, and implementing equipment-related measures.

We are also undertaking conservation activities, primarily in the regions where we operate, toward coexistence with nature. At the Bifuka Proving Ground of the SUBARU Research and Experiment Center in Bifuka, Hokkaido, we maintain forest management and conservation activities in cooperation with the local community in approximately 115 hectares of forest on the premises. Together with town-owned forests, the forest within the proving ground has held international SGEC-FM forest certification since FYE March 2020. In FYE March 2025, we conducted a literature survey, identifying approximately 1,280 species of wild flora and fauna that are likely to inhabit or grow in the surrounding area. Each site also engages in locally rooted environmental conservation, including ecosystem-conscious planting management based on the Landscaping Guidelines.


A tree-planting event at the Bifuka Proving Ground


A beautiful Matsuyama Marsh landscape

IT and DX Strategies

Message from the CIO

Let AI do what AI can. Let people create the value only people can.



Yuri Tsuji
Executive Officer, CIO (Chief Information Officer), and Chief General Manager, IT Strategy Division

The transformation of the automotive industry, long described as a once-in-a-century event, is entering a new phase with advances in AI. Alongside electrification, the shift toward software, and intensifying global competition, ways of working built around AI are rapidly spreading worldwide.

What companies need to do now goes beyond simply introducing digital tools. Tasks that have taken up so much of people's time, such as searching for, gathering, and organizing information, and preparing materials, must be rethought to free up time for the value creation on which they should be focusing.

Our goal is not AI-driven efficiency for its own sake, but a management foundation that brings out the full potential of our people. People understand customers, envision the future, discuss ideas with colleagues, make decisions, and take on challenges. By drawing on these uniquely human strengths, we can further evolve "Enjoyment and Peace of Mind." To achieve this, we will advance DX and AX* as drivers of Company-wide transformation.

We will create an environment in which all employees can appropriately and confidently use AI in their everyday work, rethink our business processes themselves, and work to utilize data and strengthen our digital infrastructure. At the same time, we will apply IT governance to ensure security, data quality, and the appropriate use of AI, building a foundation that enables people to take on challenges with confidence by supporting both value creation and risk management. We will also focus on creating systems that encourage each person to take on challenges and enable knowledge to be shared across departmental and organizational boundaries.

People must remain at the heart of transformation. Technology is not an end in itself, but simply a means of expanding the possibilities for creating corporate value. By creating an environment in which everyone working at SUBARU can devote their passion and abilities to more creative and challenging work, we will further enhance the value we provide through "Enjoyment and Peace of Mind." I hope you will look forward to SUBARU's future DX and AX initiatives.

* AI transformation

Basic Policy and Key Initiatives

Amid the rapid advancement of IT and digital technologies across society, our enduring vision is to create a sustainable SUBARU through IT. We are building the foundations that support development, manufacturing, and sales, with the aim of developing people and systems that continually drive transformation. Guided by this vision, we have defined four key initiatives in our IT Medium-Term Plan 2026.

Vision: Create a Sustainable SUBARU Through IT
—Developing People and Systems That Continually Drive Transformation—

(1) Increase Group-wide productivity by 50% (FYE March 2030)
- Improve productivity by 10% per year
- Simplify and standardize operations
- Promote transformation into smart employees

(2) Contribute to "Value Creation in the SDV Era"
- Establish software development processes
- Roll out next-generation connected services and utilize data
- Standardize user IDs (ID integration)

(3) Take on the IT Triple-Halving challenge
- Halve lead times from concept to service launch
- Halve the number of separate environments through commonization and standardization
- Halve the work required for development, maintenance, and operation

(4) Protect the brand
- Establish Group IT governance
- Enhance cybersecurity measures

One SUBARU Begins with One IT: One Global SUBARU IT

Rather than separate measures, these are integrated initiatives to drive transformation through both systems and human resources, leading to sustainable value creation. Among these, "Value Creation in the SDV Era" and "IT Triple-Halving" support the enhancement of value provided to customers and corporate transformation, respectively.

Through Value Creation in the SDV Era, we are reviewing the very assumptions underlying car making. By establishing software development processes, rolling out next-generation connected services, and advancing data utilization, we are building a foundation for continually providing new value to customers. This is toward vehicles that are not complete at the point of sale, but continue to evolve the more customers use them. These are initiatives that support such an experience.

Existing systems also determine the pace of transformation. The time from planning to service launch, a systems environment made complex by accumulated individual optimizations, and the work required for development, maintenance, and operation. We are taking on the challenge called "IT Triple-Halving," where we aim to halve each of these three elements. We are also transforming our own structure to redirect resources previously devoted to maintaining existing operations toward creating new value.

And it is our people who support these initiatives. We are transforming all employees into smart employees who can use IT and data to lead change themselves. Under the slogan "One SUBARU Begins with One IT," we are also advancing initiatives in collaboration with our sites and affiliated companies in and outside Japan. We will continue pursuing transformation to build a corporate foundation capable of responding flexibly and swiftly to a rapidly changing business environment.

▶ For details on cybersecurity, please refer to "Risk Management > Cybersecurity" on page 54.

IT and DX Strategies

Productivity Improvement Through AI Utilization

To achieve sustainable growth and enhance corporate value in a rapidly changing business environment, it is essential to direct limited management resources toward higher-value-added work and continually improve productivity. SUBARU is promoting the use of AI under appropriate governance. Our initiatives go beyond improving individual work efficiency to enhance productivity and create added value through business process reform and cross-departmental problem-solving.

By reallocating the time freed up through AI to higher-value-added work and addressing future challenges, we aim to both improve productivity and strengthen competitiveness. We target annual productivity improvements of 10% and a 50% increase over four years, and aim to create a virtuous cycle in which the management resources freed up are reallocated to investments in growth areas and the next generation.

Framework for Improving Productivity

The Corporate Planning Division, Human Resources & General Administration Division, and IT Strategy Division work together to promote Company-wide productivity improvement activities. In addition, 48 productivity improvement leaders selected from across our departments play a central role in leading operational reforms from a workplace perspective, connecting strategy with execution.



Objectives in Three Areas

1 Individual Evolution: Maximizing People's Capabilities

By using AI to support research, document preparation, and meeting preparation, we are creating an environment that gives each person more time to think and focus on higher-value-added work. We aim to enable people to devote more time to creative work and judgment that only humans can provide.

2 Organizational Evolution: Optimally Allocating Management Resources

We are working to improve productivity across the organization by reviewing existing tasks and reforming business processes. By identifying which tasks to discontinue, which to transform with AI, and which to change through systems, we aim to build an organization that can direct management resources toward more important work.

3 Company-Wide Evolution: Solving Problems Through Overall Optimization

By applying AI and business process reform to tasks and issues that span departments, we aim to accelerate information sharing and decision-making. By addressing issues from the perspective of overall optimization, we aim to build an organization capable of collaboration and problem-solving across organizational boundaries.

Topics — Human Resource Development for Transformation into Smart Employees

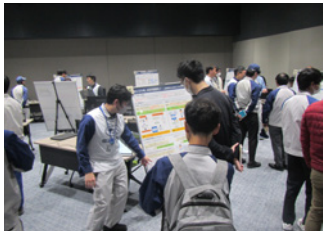
To realize our basic IT policy, SUBARU is not only introducing systems and tools and organizing data, but also developing people who can put them into practice and drive transformation. As the importance of using AI and data grows, we believe that people are the creators of value. We aim to transform all employees into smart employees who can use IT and data to lead change themselves.

The foundation of human resource development for achieving this goal is the IT Academy, an IT and digital education program for all employees. We systematically provide learning opportunities tailored to job types and roles, improving IT and DX literacy and developing highly specialized human resources.

As part of these efforts, we are also providing Company-wide education to embed productivity improvement through the use of AI. In FYE March 2026, we held an AI Exhibition to share internal examples of generative AI and DX tool use. In addition to promoting understanding of AI utilization, the event encouraged knowledge sharing across departments and the wider application of practical expertise.

In FYE March 2027, we again held hands-on training for officers, following the previous fiscal year's program. Training for managers combines lectures and practical exercises with discussions among participants from different departments to help them apply what they learn in their own departments. Managers who have completed the training serve as instructors in their workplaces, sharing what they have learned with team members to further embed AI utilization in day-to-day work.

We will continue to provide learning opportunities tailored to each role, from officers to individual employees, developing people who can use digital technologies to create value themselves.


AI Exhibition


Hands-on training for officers

Risk Management

Our Approach

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

The SUBARU Group, which operates businesses globally, is aiming to enhance the resilience of its management infrastructure and ensure the sustainability of its businesses by quickly tackling changes in world affairs. At the same time, the Group must boost its measures to minimize its human, social, and economic losses. In conducting business activities amid this environment, we aim to enhance corporate value by strategically promoting risk management throughout the Group and making the SUBARU Group more resilient to risk.

Organizational Restructuring to Strengthen the Risk Management System

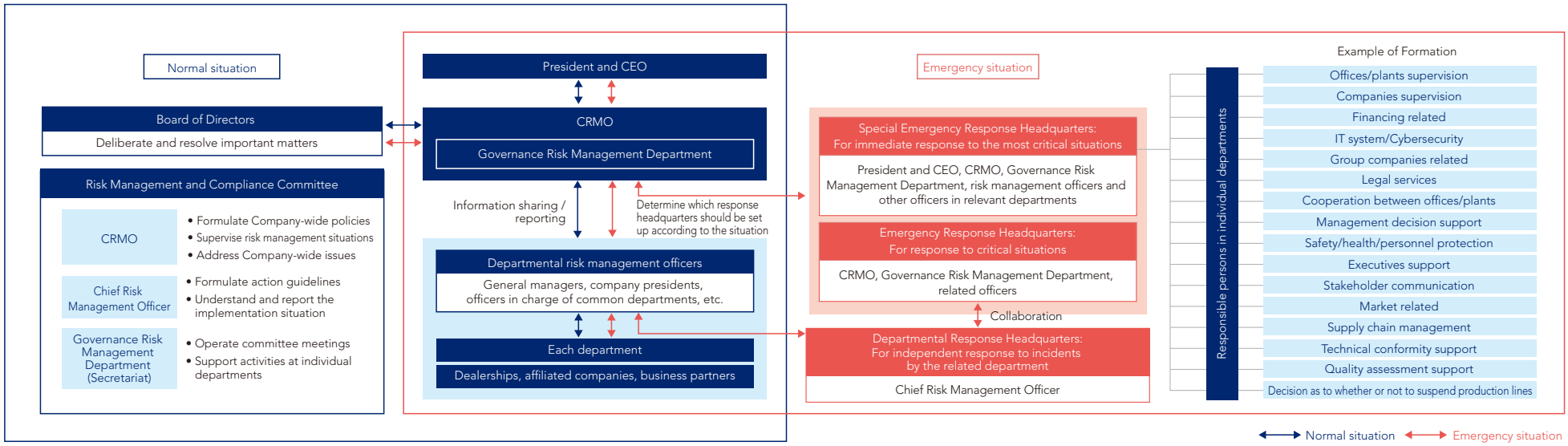
As risk management, compliance, internal control, and Group governance become increasingly important, we integrated the Risk Management & Compliance Office and the Governance Promotion Group of the Secretarial Office in June 2026 to establish the new Governance Risk Management Department. This enables cross-functional, integrated management of these areas and closer alignment with management.

Risk Management Promotion System

To prevent the emergence and expansion of risks to the SUBARU Group, the Chief Risk Management Officer (CRMO) appointed by the Board of Directors leads risk management and compliance activities. The CRMO reports the status of these activities to the Board of Directors, and important matters are subject to deliberation within the Board of Directors before decisions are made.

As part of this framework, we have established the Risk Management and Compliance Committee, chaired by the CRMO, with the Governance Risk Management Department serving as its secretariat. Each division also has a risk management officer at the Chief General Manager level who participates as a member of the committee. The committee deliberates on and discusses important matters, exchanges information, and coordinates communication, submitting matters to the Board of Directors according to their importance. The CRMO leads Group-wide efforts to enhance risk management with professional support from the Governance Risk Management Department, which serves as the secretariat, and corporate departments such as the Legal Department. In this leadership role, the CRMO works closely with the Corporate Planning Department, which performs functions across each business, as well as different divisions and internal companies. The Internal Audit Department audits execution of tasks by each division and subsidiary in a planned manner.

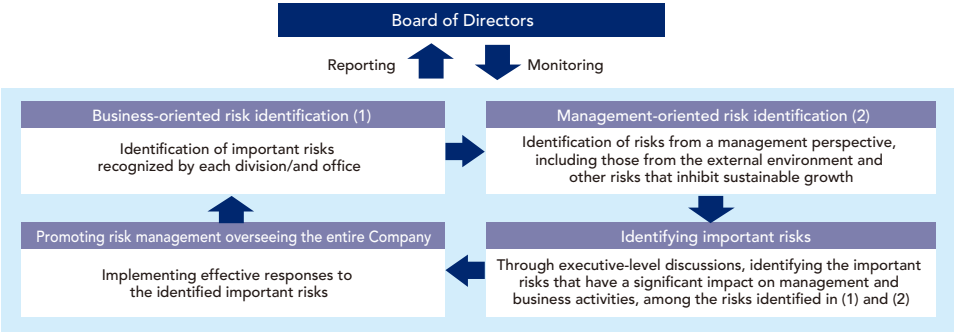
Risk Management System



Risk Management

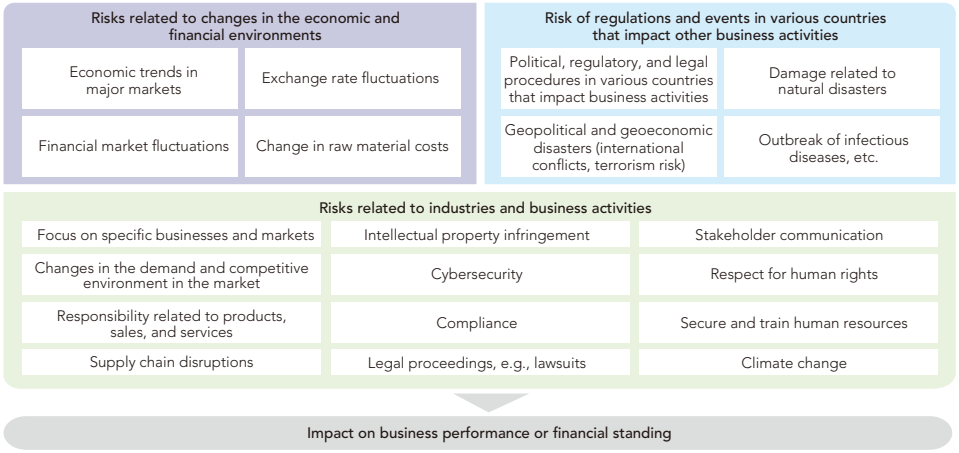
Risks Associated with Business Activities

At the SUBARU Group, we extract and identify key risks associated with our business activities and consider measures to combat them. Specifically, we formulate and use the Risk Map at the management level, taking into account changes in the external environment and current business conditions in addition to important risks identified by each division, to promote risk management throughout the Group.



Through these efforts, we have identified the following 20 risks as having a significant impact on business activities, considering their likelihood of occurrence and impact on business activities. These risks are reassessed on a regular basis as we work to continually strengthen risk management.

20 Risks Affecting Business Activities



For details on risks associated with business activities, please see pages 24 to 33 of the Annual Securities Report (in Japanese only).

https://www.subaru.co.jp/ir/library/pdf/ms/ms_95.pdf

Key Initiatives in FYE March 2026

Company-Wide Risk Management Using the Risk Map

To ensure steady progress toward realizing SUBARU Management Policy 2025 announced in November 2025, we are promoting Company-wide risk management activities using our Risk Map that defines priority issues to be addressed. In addition to addressing key risks, we are working to enhance our framework for identifying and discussing risks that could affect the execution of management strategies at an earlier stage.

Strengthening Our Ability to Address Key Risks

To mitigate key risks for the SUBARU Group, we are advancing various measures under the leadership of risk owners. In FYE March 2026, we developed and enhanced the Company-wide BCP framework for a major earthquake and conducted a Company-wide response headquarters drill simulating an earthquake directly beneath the Tokyo metropolitan area. Management and officers participated in the drill to confirm the flow of decision-making and information sharing during an emergency. By also sharing BCP issues and areas for improvement, we are strengthening our business continuity capabilities.

We also strengthened the Group-wide cybersecurity response framework by appointing a Chief Information Security Officer (CISO) and establishing the Cybersecurity Committee. The Risk Management and Compliance Committee regularly follows up on these initiatives to confirm their progress.

Department-Led Risk Reduction Activities

At SUBARU, departmental risk management officers take the lead in identifying important risks based on changes in the business environment and the characteristics of their operations. Each department formulates annual plans for priority issues and promotes risk reduction activities, with progress regularly reviewed by the Risk Management and Compliance Committee. Through these activities, we connect risks identified in the workplace to Company-wide risk management while embedding proactive risk responses in each department.

Raising Risk Response Capabilities

To enhance the effectiveness of risk management activities in each department, we provide risk management training to the staff responsible for implementing these activities, improving their risk literacy. In addition, we are strengthening cooperation with important subsidiaries outside Japan to promote global risk management activities. We share risk information in and outside Japan to improve response capabilities across the entire Group.

Risk Management

Cybersecurity

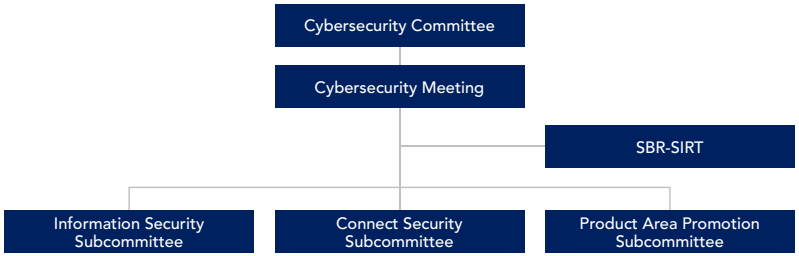
The use of digital data is essential for the SUBARU Group in the course of its business activities, and is not limited to traditional information systems but covers diverse realms, including facilities, products, and a whole range of services offered by the Group. Specifically, the SUBARU Group makes extensive use of information technology, networks, and various information systems in product development, production, and sales, while also incorporating electronic components into its products and controlling them through software.

Cyberattacks have become increasingly advanced and sophisticated in recent years. In addition to the growing risks of targeted attacks, ransomware, unauthorized access, and attacks through supply chains, recent advances in high-performance generative AI raise concerns that attacks could become more automated and advanced, and disinformation and impersonation more sophisticated. If these risks materialize, they could interrupt critical operations and services, corrupt or destroy data, affect product and service quality and safety, and undermine public trust and brand value. Being aware of our social responsibility to handle digital data safely, we are undertaking cybersecurity protection activities Group-wide under our Basic Cybersecurity Policy. We are also enhancing our measures, including the use of generative AI in threat detection, analysis, and response.

Strengthening the Promotion System: CISO and Cybersecurity Committee

To more effectively address security risks, SUBARU established the position of CISO in FYE March 2026. We have also established a Cybersecurity Committee, chaired by the CISO, as a decision-making body overseeing cybersecurity strategy across the SUBARU Group.

Its members include senior management, and its responsibilities include formulating policies and monitoring the progress of initiatives. Under the committee, we have established a Cybersecurity Meeting comprising staff responsible for implementing cybersecurity measures in each division. The CIO, who oversees IT strategy and infrastructure development, also participates as a committee member. Matters deliberated on are reported through the CIO at a joint meeting attended by all executive officers, and to the Board of Directors as necessary. This framework establishes a consistent reporting line connecting operational staff with senior management.



Initiatives to Ensure Cybersecurity

Under the policies and oversight of the Cybersecurity Committee, the cybersecurity department responsible for implementation takes the lead in establishing and operating security management systems for information technology, networks, systems, and products, and in advancing various measures. As an automotive manufacturer, what we must protect extends beyond our internal information systems to the plants that support production and the vehicles themselves. We are advancing multilayered measures tailored to the characteristics of each domain.

Primary Initiatives	
IT security	In response to the expansion of remote access and cloud use and increasingly advanced attacks, we are strengthening security based on the zero trust approach of continuously verifying users and devices, in addition to conventional perimeter defenses. We are working to transition to an environment that minimizes damage and enables rapid recovery even in the event of an attack.
Plant security	To safeguard stable production operations, we are reviewing plant network configurations and enhancing equipment visibility and monitoring. Working with the departments responsible for Monozukuri, we are strengthening security governance at production sites.
Product cybersecurity	We have established a cybersecurity management system based on UN R155[1], the United Nations regulation on automotive cybersecurity, and continuously assess, address, and monitor vehicle cyber risks. We also participate in Auto-ISAC[2] in Japan and the U.S. and use the information shared to strengthen vehicle security.
Strengthening the supply chain	We are strengthening collaboration with consolidated subsidiaries outside Japan, regularly sharing information and implementing improvements based on assessment results. We ask business partners about the status of their security measures once a year and provide advice on improvements as necessary.
Incident response (SBR-SIRT)	We have established the specialized SUBARU Security Incident Response Team (SBR-SIRT), which monitors threats to protected assets during normal operations and, in the event of an incident, carries out the full response from detection and reporting to recovery and prevention of recurrence. Serious incidents are promptly reported to senior management, and we also coordinate with relevant external organizations.
Internal auditing Third-party evaluations	We continuously conduct internal audits based on Company-wide cybersecurity regulations as a routine activity and also undergo regular third-party assessments by external specialist organizations.

1. A regulation on automotive cybersecurity established by the United Nations World Forum for Harmonization of Vehicle Regulations (UNECE WP.29)
2. An organization that shares and analyzes automotive industry cybersecurity information to improve response capabilities across the industry

Cybersecurity Education and Training

Security measures depend on both technical systems and individual awareness. SUBARU regularly provides training tailored to job types and conducts targeted email attack drills. These drills are normally held at least once a year and were conducted twice in FYE March 2026. We also conduct recovery drills using actual equipment to simulate incident response (IT-BCP drills). This education and training is provided not only at SUBARU but also at Group companies and dealerships in Japan.

Please refer to the Sustainability Website for specific participant numbers for cybersecurity education.

https://www.subaru.co.jp/en/csr/governance/risk/security.html

Compliance

Our Approach

At SUBARU, we work to ensure that all officers and employees of the SUBARU Group not only comply with laws, regulations, and internal rules but also consistently act in accordance with social ethics and norms.

Through the establishment and operation of a compliance system and organization, as well as various training activities, we are working to ensure that all employees have a strong awareness that thorough compliance throughout the SUBARU Group forms the foundation of our management, and that each and every employee thinks about compliance, engages in dialogue, and takes action to permeate "Insightful Compliance."

Promotion System

SUBARU has established the Risk Management and Compliance Committee as an organization designed to promote compliance. The Chief Risk Management Officer (CRMO), appointed by the Board of Directors, serves as chair of this committee, with the Governance Risk Management Department serving as its secretariat. Under the direction and oversight of the chair, we implement initiatives throughout the SUBARU Group. The committee deliberates and discusses important matters, such as the formulation of various policies, the status of Group-wide compliance activities, and the operation of the internal reporting system, as well as exchanging information and coordinating activities. These matters are submitted to or reported to the Board of Directors, which supervises the committee.

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

Key Initiatives in FYE March 2026

In FYE March 2026, we promoted activities to strengthen Group-wide governance and provide training and raise awareness.

Establishing Group-Wide Systems

We are strengthening Group-wide governance through initiatives involving Group companies and dealerships, including completing the formalization of legal compliance systems covering Group companies in Japan.

Training and Awareness-Raising

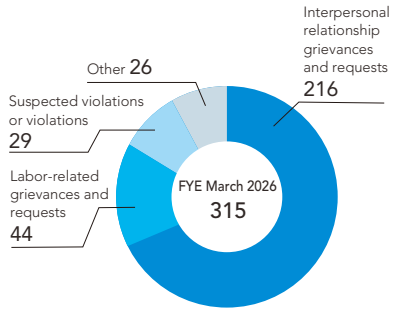
We conduct compliance training for new employees, manufacturing employees, and those of manager level and above at the Aerospace Company. The Legal Department also organizes practical legal training on security export controls, personal information protection laws in various countries, Japan's SME Transactions Act, and competition laws outside Japan to deepen understanding of important legislation.

In October, which we designate as Compliance Month, the CRMO issues a message to the entire SUBARU Group, giving each employee an opportunity to reconsider what compliance means.

Compliance Hotline (Internal Reporting System)

We have established the Compliance Hotline to promptly detect and correct conduct that violates laws and regulations, internal rules, and social norms. Officers and employees (including temporary employees) working at SUBARU and its Group companies and dealerships in Japan can consult the hotline using their real names or anonymously. Internal and external contact points (independent third parties) accept consultations online (available 24 hours a day), by telephone, and by mail. Consultation services are also available in four languages: English, Chinese, Portuguese, and Spanish.

Under our Company-wide Internal Reporting Regulations, we protect the confidentiality and privacy of the reporting persons, and prohibit retaliation or other adverse treatment against reporting persons. We carefully examine consultations received and work to resolve them promptly, reporting to senior management and the Risk Management and Compliance Committee as appropriate. We also analyze trends to help prevent recurrence. Moreover, we enhance the reliability and effectiveness of the hotline through third-party evaluations conducted by attorneys on reported cases and the subsequent actions taken. We have also established internal reporting systems at our consolidated subsidiaries outside Japan in accordance with laws, regulations, and conditions in each country and region.



Of all consultations received, 29 concerned suspected violations or violations. Of these 29 consultations, none involved serious compliance violations or violations of the Labor Standards Act, but four involved conduct identified as harassment, such as abuse of power. Although these cases did not constitute serious compliance violations, we confirmed the facts of the major cases and took corrective measures such as alerting the relevant parties and reeducating them on procedures and rules.

Contact for Business Partner (Supplier) Opinions and Consultation Services

We are taking actions to promote fair trade based on the Automobile Industry Fair Trade Guidelines. As part of this effort, we have established a consultation service for promoting fair trade for business partners in SUBARU's supply chain, with the aim of early detection, prevention, corrective measures, and preventing recurrence of compliance issues, to maintain a healthy supply chain and build the best possible partnerships with our business partners. In FYE March 2023, we endorsed and joined the Japan Platform for Migrant Workers toward Responsible and Inclusive Society (JP-MIRAI), a supply chain human rights initiative. We are also encouraging our suppliers of components and raw materials to participate with us in the Collaborative Program for Companies Responsibly Hosting Foreign Migrant Workers, which launched in earnest in FYE March 2024.

For details of our compliance initiatives, including bribery prevention, taxation, personal information protection, and the internal reporting system (the Compliance Hotline), please refer to our Sustainability Website.

https://www.subaru.co.jp/en/csr/governance/compliance.html

Respect for Human Rights

Our Approach

Based on the belief that respect for the rights and characteristics of individuals through human-centered Monozukuri is an important management issue, the SUBARU Group established its Human Rights Policy in April 2020. The policy complies with international standards, including the Universal Declaration of Human Rights (UDHR), International Covenants on Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, and applies to SUBARU and all its subsidiaries. It also applies to all stakeholders, including business partners, and prohibits all forms of discrimination based on race, age, gender, gender identity or expression, sexual orientation, national origin, ethnicity, place of origin, religion, creed, profession, disability, family relations, or any other status protected by applicable law.

The Human Rights Policy was formulated in consideration of stakeholder expectations through discussions with outside experts and subsidiaries outside Japan, and was established after being reported to the Board of Directors in March 2020. The policy's appendix, which identifies priority human rights issues from the perspective of our business activities, will be reviewed as appropriate based on changes in social demands, including laws and regulations, technological advances, and changes in our business.

Management System

The SUBARU Group has established a system in which the Representative Director and President has responsibility for human right management. We have formed a task team comprising management personnel from the Governance Risk Management Department, Human Resources & General Administration Division, Investor Relations Department, Sustainability Promotion Department, Monozukuri Division, Purchasing Division, and the Aerospace Company (supply chain management department) to regularly examine human rights issues and responses. The matters examined by the task team are reported once a year to the Sustainability Committee, chaired by the Representative Director, Representative Director and President, to drive improvements based on the PDCA cycle.



Risks and Measures for Respect of Human Rights

If labor environment or occupational health and safety issues, various forms of harassment, infringements of workers' rights or opportunities, procurement involving human rights concerns, or similar problems arise within the SUBARU Group or among its related parties, they may result in violations of applicable laws and regulations, loss of customer trust and confidence, damage to brand image resulting from a decline in social reputation, sluggish sales, talent outflow, and difficulties in procuring materials and funding. These impacts could affect our business foundation, business performance, and financial position.

Based on the Human Rights Policy, we carry out human rights due diligence to identify business-related human rights risks and formulate and implement measures to address them. In addition, we encourage our business partners and other stakeholders associated with our operations, including those in the supply chain, to respect human rights in accordance with this policy.

Human Rights Due Diligence

As part of our human rights due diligence, since FYE March 2021 we have identified human rights risks in human resources, procurement, and manufacturing, implemented responses, and conducted ongoing reviews. LRQA Limited,* which has specialized knowledge on business and human rights, reviewed the risks and responses identified in human resources and procurement in FYE March 2021 and 2022, and the responses to risks in manufacturing (Automotive Business) in FYE March 2024 and 2025.

* https://www.lrqa.com

Identified Risks and Corresponding Measures

Field	Human Rights Risks	Major Measures in FYE March 2026	
Human resources domain	Long working hours, infringement of the rights of vulnerable people in local communities (including women and sexual minorities), harassment of workers, industrial accidents, forced labor among foreign workers, forced labor including among on-site contractors on our premises, infringement of workers' rights and opportunities	Human resources domain	Trial program for non-Japanese leaders, labor management training, promotion of activities by LGBTQ+ allies, harassment training, education and information sharing to prevent the recurrence of industrial accidents
		Manufacturing domain (Automotive Business)	Unified standards were established for warning signs throughout the Gunma Plant, including new signs that are easy to understand regardless of nationality; conducted human rights risk surveys among on-site contractors on our premises, with stronger monitoring of these contractors
Procurement domain	Responsible mineral procurement (e.g., conflict minerals and cobalt), human rights violations among suppliers, harassment of suppliers	Continued implementation of responsible mineral procurement surveys for suppliers (in addition to existing conflict mineral surveys, mica surveys were newly added and cobalt survey items were expanded in FYE March 2025), implementation of Supplier CSR Surveys, and implementation of compliance and awareness-raising measures regarding the amended SME Transactions Act	

For more detailed information on our efforts regarding respect for human rights, please refer to the Sustainability Website.

https://www.subaru.co.jp/en/csr/social/resources/humancapital.html

Respect for Human Rights

Respect for Human Rights in the Supply Chain

The SUBARU Group considers respect for human rights an important element supporting a sustainable procurement base. Addressing climate change and human rights issues requires efforts not only internally but throughout the supply chain. Through dialogue with suppliers, we work to improve traceability and ensure transparency in information disclosure.

Risks and Corresponding Measures

If unethical conduct occurs in the supply chain, such as contributing to human rights violations or environmental destruction, it may not only create risks such as violations of international regulations and damage to brand value, but also cause business activities to have adverse impacts on society.

The procurement departments of the Automotive Business and Aerospace Company share the SUBARU Group's policies with suppliers through annual policy briefings and other channels. We also provide information through various meetings and events and hear unfiltered opinions from suppliers. Through this dialogue, we work with suppliers to build CSR-based relationships, promote proper transactions, conduct supply chain due diligence, and establish grievance mechanisms.

With these activities, we promote sustainability throughout the supply chain. We regard procurement not merely as risk management but as an important foundation for competitiveness and sustainability, and are working to achieve sustainable Monozukuri.

Supply Chain Human Rights Due Diligence

The SUBARU Group positions Supplier CSR Surveys as an important initiative for identifying and mitigating human rights risks in the supply chain. In addition to identifying risks through surveys, we seek to improve effectiveness through dialogue and follow-ups, leading to improvement activities.

Based on the SUBARU Supplier CSR Guidelines, we survey suppliers in the Automotive and Aerospace Businesses on human rights and labor, the environment, and compliance. The surveys assess initiatives and management systems for respecting human rights, as well as employment conditions for non-Japanese workers and the implementation of human rights due diligence.

Based on the survey results, we also conduct additional checks and dialogue with suppliers where potential issues have been identified, to confirm the situation and support improvements as necessary. Through these activities, we strive to identify and reduce human rights risks at an early stage and reflect survey results in monitoring from the following fiscal year onward, driving continuous improvement throughout the supply chain.

Supplier CSR Surveys and Follow-Up in FYE March 2026 (Human Rights and Labor Excerpts)

Survey Items	Key Areas Assessed	Follow-Up Status
Supplier CSR check sheet	Initiatives concerning discrimination and harassment, child labor, forced labor, wages, working hours, health and safety, etc.	Five suppliers requiring further review were identified, and follow-ups and improvement support were provided.
Non-Japanese worker employment survey	Wages, working hours, living conditions, passport management, Japanese-language education, etc.	Five suppliers requiring further review were identified, and follow-up surveys were conducted.
Human rights initiatives survey	Implementation of human rights due diligence and responses to human rights risks	Two suppliers requiring further review were identified, and interviews and follow-up meetings were conducted.

Responsible Mineral Procurement

To prevent complicity in human rights violations and environmental destruction through the procurement and use of mineral raw materials, including conflict minerals (tin, tantalum, tungsten, and gold), the SUBARU Group has participated in collaborative initiatives to address conflict minerals since 2014 as a member of the Japan Automobile Manufacturers Association (JAMA).

In 2025, we conducted a conflict minerals survey with 392 suppliers of components and raw materials for automotive mass production and repair. We also conducted a mica and cobalt survey of the same 392 suppliers. We will continue to expand the scope of our surveys to minerals other than conflict minerals.

- In this survey, we referenced the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, using the Conflict Minerals Reporting Template (CMRT), a questionnaire provided by the Responsible Minerals Initiative (RMI), and other information. We used this to trace through the supply chain and identify smelters, working to avoid procuring raw materials from smelters that are linked to the infringement of human rights or sources of funding for armed groups in conflict and high-risk areas, such as countries around the Democratic Republic of the Congo.
- In addition, for minerals other than conflict minerals (tin, tantalum, tungsten, and gold) such as cobalt, for which child labor is a concern in some mining, we will use the Extended Minerals Reporting Template (EMRT) questionnaire provided by the RMI, as well as other tools, to conduct due diligence. If any problems are found, we will take necessary corrective measures.

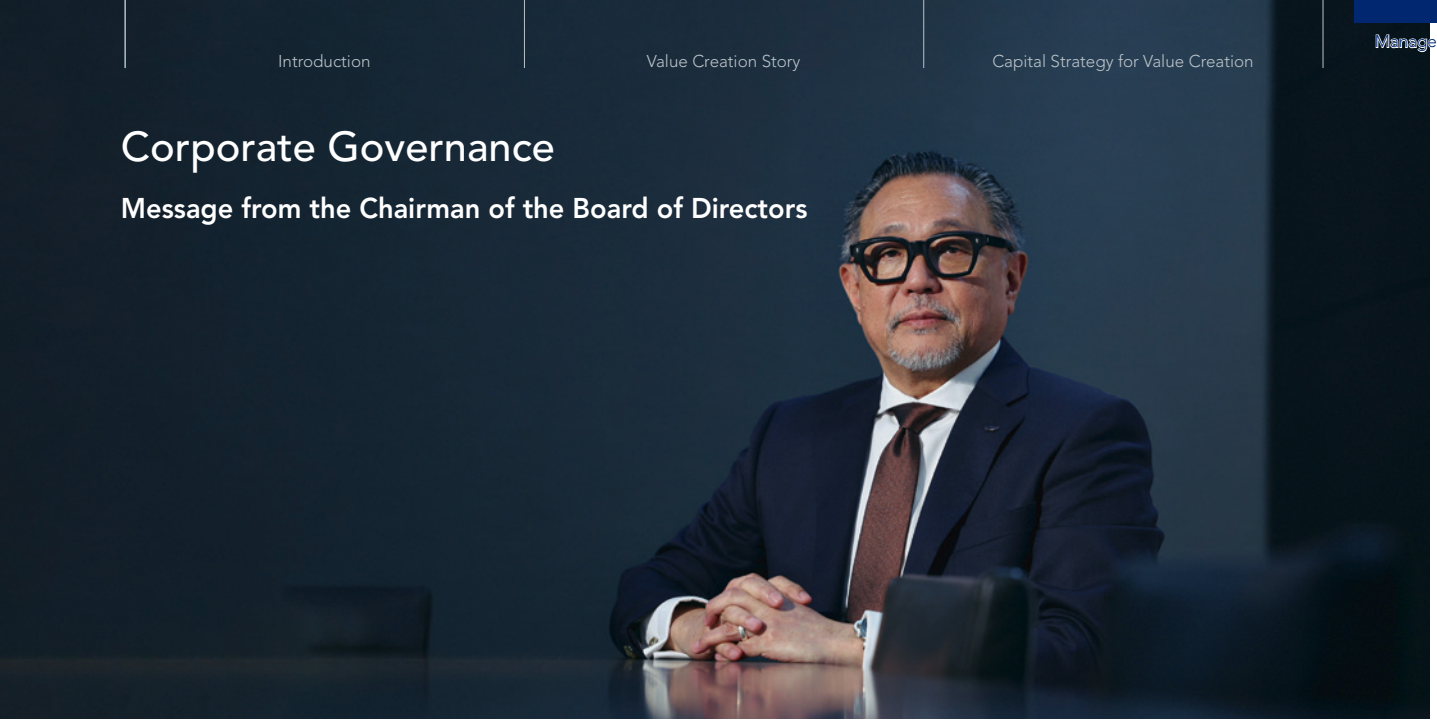
SUBARU's policy is to work toward "No use of materials engendering social problems" in partnership with our customers and suppliers as our social responsibility in procurement activities.

For more information on our supply chain initiatives, please refer to the Sustainability Website.

https://www.subaru.co.jp/en/csr/social/procurement.html

Corporate Governance

Message from the Chairman of the Board of Directors



Facing questions with no ready answers:
Taking substantive discussion to the next level

Fumiaki Hayata
Representative Director and Chairman

In June 2026, SUBARU transitioned from a company with an audit and supervisory board to a company with an audit and supervisory committee. In conjunction with this transition, I assumed the role of Chairman of the Board of Directors. The Automotive Business, the core of the SUBARU Group, faces discontinuous changes, including electrification and shifts in the trade environment, that are advancing faster than expected. Today, we have reached a critical juncture that will shape the future of this business. Our other pillar, the Aerospace Business, is also pursuing medium- to long-term growth as a contributor to corporate value creation. In these uncertain times, I believe the role of the Board of Directors is more important than ever. Mindful of this responsibility, I will devote myself fully to this new role, further enhancing corporate governance and helping build a better future for the SUBARU Group.

Since the tenure of the previous Chairman, our Board of Directors has focused on effective discussion while fostering an open culture in which everyone can exchange views candidly. I believe this quality becomes all the more important in an uncertain business environment, and we must further develop it as one of our strengths. Above all, we have valued substance in our discussions. Looking to the essence of an issue without becoming overly constrained by formalities is an approach the entire Board has embraced. We want governance to serve both as a foundation for sustainable growth and as a force that supports appropriate risk-taking by management. To this end, we will separate management decision-making and supervision from business execution, improving the quality of management decisions through independent supervision.

I see the change in our organizational design as a choice to take these efforts a step further. It was precisely because we had built a record of substantive Board discussions under the previous structure that we were able to decide to advance further, enhancing governance through this change in organizational design. In a highly uncertain business environment, we need to genuinely accelerate management decision-making. We will delegate individual decisions to the executive side, while the Board of Directors discusses the broad direction of management strategy in greater depth, considering both risks and opportunities. In this environment, the Board must directly confront management decisions for which past experience offers no ready answers. I believe its essential role is to secure the time and depth of discussion needed to do so. As SUBARU Management Policy 2025 enters a more concrete implementation phase, we will enhance the quality of important management decisions and appropriately supervise their execution.

Our new management system will further enhance the independence and objectivity of supervision. In addition to independent outside directors forming a majority of the Board, Audit & Supervisory Board members who previously attended Board and voluntary committee meetings as observers will now participate in supervision with voting rights as directors who are Audit and Supervisory Committee members. We have also changed the structure so that independent outside directors chair the Governance and Executive Nomination Committee and the Executive Compensation Committee. I expect our outside directors to supervise management independently, taking a broad, comprehensive view, and at times offering candid suggestions and raising issues from an outside perspective. We will also improve the operation of the aforementioned committees so that these outside perspectives are put to more substantive use. I myself will also engage in more dialogue than ever with our outside directors, seeking better decisions through candid exchanges of diverse views. It is my belief that this exchange of diverse insights is what will enable SUBARU to move forward with confidence in this period of transformation.

The Board will firmly support our pursuit of becoming a compelling company with a strong market presence, guided by our customer-first principle, and our efforts to realize our vision of “Delivering Happiness to All.” As we supervise management, we will take seriously the views expressed in dialogue with shareholders and investors, and carefully explain the thinking behind the Board’s discussions. Building on a foundation of open discussion, we will focus on substance and improve effectiveness. I will carry forward and deepen the approach our Board has carefully cultivated, taking it into the next era. Through these efforts, we will enhance corporate value over the medium to long term and live up to the trust of our shareholders and other stakeholders.

Corporate Governance

Transition to a Structure with an Audit and Supervisory Committee

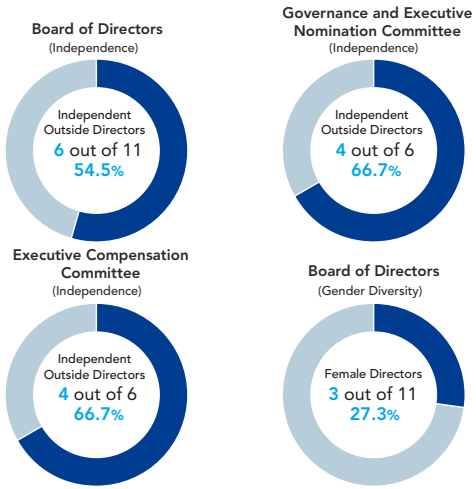
Corporate Governance Structure

At the 95th Ordinary General Meeting of Shareholders held on June 24, 2026, SUBARU resolved to change its corporate governance structure from a company with an audit and supervisory board to a company with an audit and supervisory committee.

Under this structure, the Board of Directors makes decisions on fundamental management matters, such as basic management policy, and supervises business execution, while the Audit and Supervisory Committee audits directors' performance of their duties.

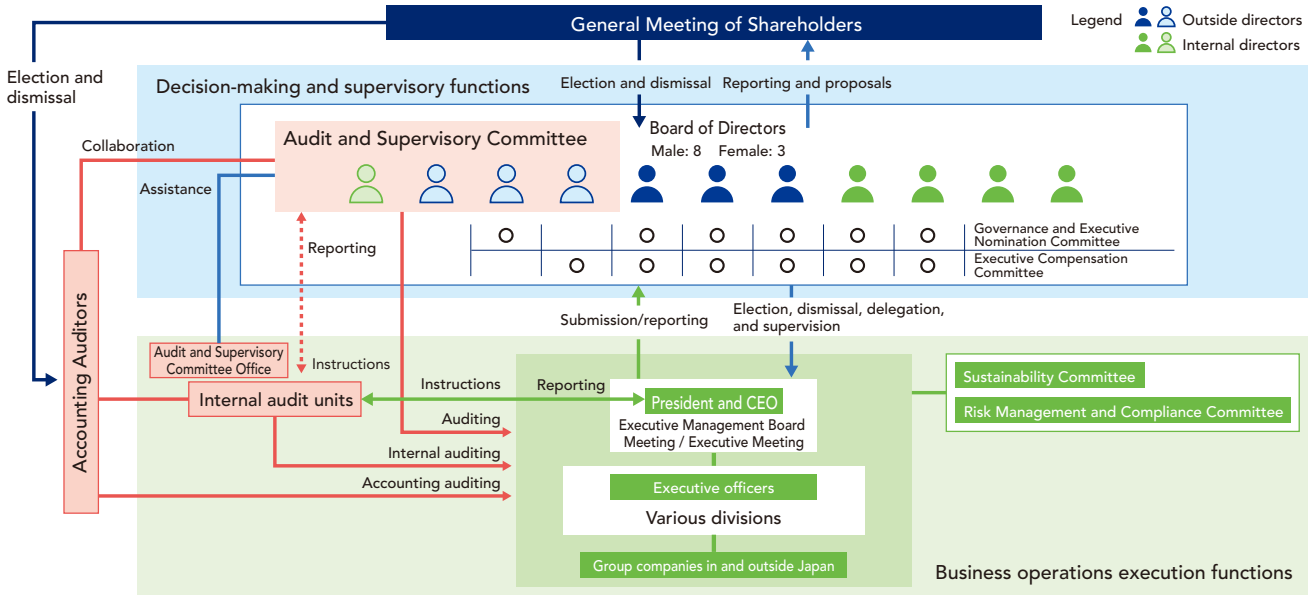
By delegating decisions on important business execution from the Board of Directors to individual directors, we aim to accelerate management decision-making, further enhance Board deliberations, and strengthen supervision.

We have also established the Governance and Executive Nomination Committee and the Executive Compensation Committee as voluntary committees, each with a majority of independent outside directors, to strengthen the independence, objectivity, and accountability of the Board's functions concerning the nomination (including succession planning) and compensation of directors, the CEO, and other members of senior management, and to enhance the effectiveness of our corporate governance system.



For information on corporate governance (general)

https://www.subaru.co.jp/en/ir/management/governance/



Key Changes Accompanying the Transition in Organizational Design

Through the change in organizational design, we are further enhancing the independence and objectivity of supervision. Under the previous structure, Audit & Supervisory Board members also attended Board of Directors' meetings and offered advice and recommendations from an audit perspective. Under the new structure, outside directors who are Audit and Supervisory Committee members participate in the Board with voting rights. Independent outside directors now form a majority of the Board, further strengthening supervision.

We have also increased the proportion of independent outside directors on our voluntary committees and appointed independent outside directors to chair each.

Key Changes[1]	Company with an Audit and Supervisory Board (through June 23, 2026)	Company with an Audit and Supervisory Committee (from June 24, 2026)
Officers under the Companies Act	12: 8 directors + 4 Audit & Supervisory Board members	11, including 4 directors who are Audit and Supervisory Committee members
Independent outside directors with voting rights	3	6
Board decision-making	The Board decides on matters related to important business execution	Decisions are delegated to directors to the extent permitted by law, with the Board focusing on supervision
Auditing officers	4: 2 standing Audit & Supervisory Board members + 2 independent outside Audit & Supervisory Board members	4: 1 standing Audit and Supervisory Committee member + 3 independent outside Audit and Supervisory Committee members
Composition of voluntary committees[2]	5: 2 internal directors + 3 independent outside directors	6: 2 internal directors + 4 independent outside directors
Chairpersons of voluntary committees[2]	Internal directors	Independent outside directors

1. This table is not an exhaustive list of changes accompanying the transition to a company with an audit and supervisory committee.
2. Refers to the Governance and Executive Nomination Committee and the Executive Compensation Committee. Both committees have been renamed from the Governance and Executive Nomination Meeting and the Executive Compensation Meeting under the previous structure.

Corporate Governance

Director Skills for Sustainable Growth

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

We have selected "business management (executive experience)," "promotion of business strategies," and "strengthening of management infrastructure" as the three skill areas that the Board of Directors should possess in order to overcome this once-in-a-century period of transformation in the automotive industry and achieve sustainable growth beyond it. Furthermore, we have identified the specialized skills required to effectively advance "promotion of business strategies" and "strengthening of management infrastructure." Drawing on this foundation of skills, the Board of Directors will monitor the steady implementation of SUBARU Management Policy 2025, announced in November 2025.

Background for Skill Selection	Three Skill Areas	Required Specialized Skills	Definition of Skill Possession
Overcoming a once-in-a-century period of transformation Achieving sustainable growth	Experience, insight, and leadership required for making important strategic decisions	Business management (executive experience)	Experience of serving as top management of a listed company
	Promotion of business strategies: Accelerate responses to major transformation	Technology/development	Experience and track record as an officer in charge of each business division
		Manufacturing/procurement	
		Sales/marketing	
		Global	
		IT/digital	
	Strengthening of management infrastructure: Support the Company's sustainable growth	Human capital/labor	Knowledge, experience, and competency as an officer in charge of a field or employee with experience in highly specialized operations
		Business administration/financial affairs/accounting	
		Legal affairs/compliance/risk management	

Skills Matrix

Name	Title at the Company	Gender	Total years of service	Board of Directors	Audit and Supervisory Committee	Governance and Executive Nomination Meeting	Executive Compensation Committee	Required Skills: Promotion of business strategies: Business management (executive experience)	Technology/development	Manufacturing/procurement	Sales/marketing	Global	IT/digital	Strengthening of management infrastructure: Human capital/labor	Business administration/financial affairs/accounting	Legal affairs/compliance/risk management
Fumiaki Hayata	Representative Director and Chairman	Male	5 years	Chairman		●	●			●	●	●			●	●
Atsushi Osaki	Representative Director, President (CEO)	Male	5 years	●		●	●	●	●	●				●	●	●
Tetsuo Fujinuki	Director, Senior Managing Executive Officer (CTO)	Male	3 years	●					●				●			
Shinsuke Toda	Director, Managing Executive Officer (CFO)	Male	1 year	●							●	●			●	
Fuminao Hachiuma	Independent Outside Director	Male	3 years	●		●	●	●			●	●		●	●	
Shigeru Yamashita	Independent Outside Director	Male	2 years	●		Chair	Chair	●			●	●		●	●	
Kayako Omura	Independent Outside Director	Female	Newly appointed	●		●	●			●			●			
Jinya Shoji	Director (Standing Audit and Supervisory Committee Member)	Male	1 year	●	Chair						●	●		●	●	
Yuri Furusawa	Independent Outside Director (Audit and Supervisory Committee Member)	Female	4 years	●	●	●						●		●		●
Yasumasa Masuda	Independent Outside Director (Audit and Supervisory Committee Member)	Male	3 years	●	●		●					●			●	
Yukiko Mitsuhashi	Independent Outside Director (Audit and Supervisory Committee Member)	Female	Newly appointed	●	●											●

Directors



Fumiaki Hayata
Representative Director and Chairman
Number of shares held: 32,207 shares



Atsushi Osaki
Representative Director, President and CEO
Number of shares held: 53,954 shares



Tetsuo Fujinuki
Director, Senior Managing Executive Officer, CTO
Number of shares held: 28,366 shares



Shinsuke Toda
Director, Managing Executive Officer, CFO
Number of shares held: 10,848 shares



Fuminao Hachiuma
Independent Outside Director
Number of shares held: 1,000 shares



Shigeru Yamashita
Independent Outside Director
Number of shares held: 3,000 shares



Kayako Omura
Independent Outside Director
Number of shares held: 0 shares

Directors Who Are Audit and Supervisory Committee Members



Jinya Shoji
Directors
Number of shares held: 20,764 shares



Yuri Furusawa
Independent Outside Director
Number of shares held: 1,500 shares



Yasumasa Masuda
Independent Outside Director
Number of shares held: 0 shares



Yukiko Mitsuhashi
Independent Outside Director
Number of shares held: 0 shares

Corporate Governance

Messages from Newly Appointed Outside Directors

Kayako Omura



Career Summary

April 1986	Joined Kobe Steel, Ltd.
April 1995	Sabbatical to study abroad at Uppsala University in Sweden
October 2001	Joined IBM Japan, Ltd.
June 2008	Part-time lecturer, Department of Industrial and Systems Engineering, Faculty of Science and Engineering, Chuo University
January 2009	Manager in charge of Planning, Cloud Computing Business, IBM Japan, Ltd.
January 2013	General Manager of Planning Department, Financial Business Division, IBM Japan, Ltd.
April 2014	Representative Director and Vice President, OB Kogyo, Ltd.
April 2017	Representative Director and President, OB Kogyo, Ltd.
April 2025	Advisor, Mabuchi OB Gear System Co., Ltd.
March 2026	Outside Director, MonotaRO Co., Ltd. (to the present)

Significant Concurrent Position
Outside Director, MonotaRO Co., Ltd.

Empowering Autonomous Ambition in the Workplace and Ensuring Effectiveness

I love Monozukuri and have been involved in manufacturing throughout my career. I believe the key to Monozukuri is providing customers with truly unique value, which forms a solid foundation for business continuity. In this respect, SUBARU's technological capabilities and the distinctive customer value it creates stand out. In particular, its safety philosophy, expressed in the goal of zero fatal traffic accidents by 2030, is rooted in values that go beyond economic considerations such as vehicle prices and fuel economy. This resonates strongly with me.

Every automaker in the industry faces an uncertain business outlook. It is precisely at times like these that taking on a variety of challenges is important, and SUBARU has a sound financial foundation to support those efforts. New challenges are now being taken up across its various departments. With substantial authority being delegated to workplaces, a structure is taking shape that enables each organization to take on challenges autonomously and swiftly. I believe a key responsibility in managing a company is to provide an environment where every employee can fully exercise their abilities, find fulfillment, and work with enthusiasm. Delegating authority is a mechanism that can support precisely these efforts. As an outside director, I intend to continually monitor whether this mechanism is working effectively.

My sense of the employees I have met with is that they embody a positive corporate culture. At Board meetings, attendees exchange views candidly while listening carefully to one another. I sense a strong desire to draw on good ideas and make the Company better. Even though it is an intangible thing, corporate culture is an important asset. Drawing on my understanding of manufacturing workplaces and my experience in IT, I will support diverse ambitions at SUBARU from an independent perspective.

Yukiko Mitsuhashi



Career Summary

April 1989	Joined Central Japan Railway Company
April 2000	Registered as attorney at law in Japan
April 2000	Joined Blakemore & Mitsuki
November 2002	Joined Ashurst Tokyo
January 2010	Joined City-Yuwa Partners
June 2015	Outside Director, AOI Pro. Inc. (resigned in 2022)
June 2016	Outside Director, PUNCH INDUSTRY CO., LTD. (resigned in 2022)
July 2020	Joined Atsumi & Sakai (to the present)
September 2022	Outside Audit & Supervisory Board Member, Archem Inc. (resigned in 2026)
June 2023	Outside Audit & Supervisory Board Member, ANA HOLDINGS INC. (to the present)

Significant Concurrent Position
Senior Partner and Attorney at Law, Atsumi & Sakai
Outside Audit & Supervisory Board Member, ANA HOLDINGS INC.

Enhancing Governance and Risk Management Under the New Management System

After working for a railway company, I became a lawyer and am now in my 27th year of practice. Alongside my work in corporate and financial law, I have actively taken on secondments to client companies, including serving as a compliance officer for a listed REIT. Since 2015, I have also served as an outside director and outside audit and supervisory board member at several companies, including in manufacturing and aviation, working to improve governance systems as discussions of Japan's Corporate Governance Code have evolved.

I feel a strong sense of responsibility in taking up this role as SUBARU transitions to a company with an audit and supervisory committee and launches a new organizational design in which independent outside directors form a majority of the Board. On the Board, I will draw on the expertise I have developed as a lawyer in articulating and controlling risks. I will support appropriate risk management by considering where responsibility lies for the full range of risks companies face—not just legal risks in the narrow sense, but also environmental, quality, and human rights issues, macroeconomic and technological developments, and population aging and declining birthrates. Also, I will actively contribute to discussions in light of the latest thinking on governance, while closely monitoring the handling and quality of increasingly important non-financial disclosures, including sustainability-related information, to help enhance corporate value over the medium to long term.

Since joining, I have been struck by how all of SUBARU's functions—not just product planning, but manufacturing, IT, governance, and auditing—pursue what makes SUBARU different from others, and by the pride employees take in their company. It has also been encouraging to see each department interpreting SUBARU Management Policy 2025, announced in November 2025, and translating it into concrete action. I will support these challenges from an independent, objective perspective so that SUBARU can sustain its growth in the rapidly changing automotive industry.

Corporate Governance

Roundtable Discussion with Outside Directors



Enhancing supervision for more robust corporate value creation

Amid a business environment changing at unanticipated speeds, SUBARU transitioned from a company with an audit and supervisory board to a company with an audit and supervisory committee in June 2026. From deciding individual agenda items to strategic discussions that support medium- to long-term corporate value creation, the question is how to shift the Board's focus. Two outside directors and two directors who are Audit and Supervisory Committee members, newly practicing supervision with voting rights under the new management system as of FYE March 2027, held a candid discussion. The four shared their views on changes in the Board, oversight under the new structure, strategic discussions, human capital, Group governance, and the roles they should play going forward.

Evolution of the Board and Distinctive Features of SUBARU's Governance

Looking back on the past fiscal year, what stands out about SUBARU's Board of Directors, and where have you seen it evolve?

Hachiuma: I feel the Board has long had a culture of open, candid discussion. What I found particularly valuable last year were the opportunities to speak with executive officers outside Board meetings. I had the chance to speak with them individually and hear directly about the difficulties they face in their workplaces. This gave me a deeper understanding of the background to Board discussions and materials. SUBARU has a culture that values the workplace, so proposals from the executive side also reflect the issues people face on the ground. The key is how to take those issues into strategic discussions, and I feel the Company is working carefully to improve that process year by year.

Masuda: I tend to speak candidly. In the past, although there had been a culture and a forum that allowed us to speak freely, I sometimes felt there was less willingness in some areas to bring in those views and take real action. But that has improved each year, and I now feel it has become one of SUBARU's strengths.

Furusawa: From the time I became an officer, I felt this was a company that took what I said seriously and acted on it. For example, I suggested sharing information about initiatives with outside officers even at the stage when the Company was still grappling with its approach, before a policy had been settled. Since then, opportunities to share information after Board meetings have been arranged as needed. The same was true when I proposed involving internal Audit & Supervisory Board members in selecting candidates for outside Audit & Supervisory Board members. I think the Company is receptive to the views of outside officers.

Yamashita: I also feel that my views are regularly taken seriously. That said, when I raised the topic of the dividend policy shortly after becoming an officer, there were times when I felt the response was limited. Subsequently, however, the introduction of DOE gave concrete form to the shareholder returns policy. Although it took time, the observations of outside officers have been reflected in actual measures.

Masuda: There has also been gradual progress in how uncertainty is handled at the management level. For example, we are beginning to develop multiple scenarios and discuss them in greater depth than before. There is still considerable room to improve the quality of discussion, but I believe we are heading in the right direction.

Furusawa: The commitment to translating effectiveness evaluation results into the following year's initiatives is also growing stronger each year. In response to outside officers' suggestions that results be examined more deeply, this year in particular all directors have devoted considerable time and effort to developing the Board's agenda. With support from the Board secretariat, we are working hard to improve our discussions.

Hachiuma: At Board meetings, every comment by an outside officer is carefully recorded. People take the discussions seriously; our views are not simply brushed aside. The views heard in this way are then fed back into operations and management. Each year, I see more tangible evidence of that.

Significance of the Change in Organizational Design and Supervision Under the New Management System

What do you see as the significance of transitioning to a company with an audit and supervisory committee?

Masuda: I have argued that, in seeking greater effectiveness, we should stop treating form and substance as an either-or choice. To reach a higher standard, we can change the form—organizational design—to encourage progress in substance. With this change, the first priority should be delegating authority to the executive side. Further delegation within the executive organization will also accelerate management decision-making. Choosing to make outside directors a majority of the Board also creates a healthy sense of accountability. I see this as a major turning point because it changes not just the structure but also the composition of the Board. From here, I believe we need to work even harder to achieve substantive progress.



Yuri Furusawa
Appointed June 2022

Ms. Yuri Furusawa has held key positions at the Ministry of Land, Infrastructure, Transport and Tourism and has been involved in the promotion of work style reform, active participation by women, and diversity in the Cabinet Secretariat. Combined with experience in overseas business development in the private sector, this has given her a broad perspective and a high level of insight. Beginning in June 2022, she has served as an outside Audit & Supervisory Board member of SUBARU since, conducting audits from a broad and professional perspective.

Significant Concurrent Position:
Outside Director, Kubota Corporation

Yamashita: I agree with Mr. Masuda. I also think we should always return to the fundamental question of why to undertake governance reform. The objectives are continued business growth and enhanced corporate value over the medium to long term. Changing the organizational design is meaningless unless it contributes to those objectives. The time freed up by delegation should be used to discuss matters important over the medium to long term. The substance of discussions should also be deepened in the Governance and Executive Nomination Committee and the Executive Compensation Committee so that reform produces results. Having recently become chair of both committees, I want to turn these efforts into results.

Furusawa: I believe that accelerating decision-making in a fluid environment and devoting more time to strategic discussion is exactly the transition SUBARU needs now. It is also important to deepen discussion of Board succession, which was identified as an issue in the effectiveness evaluation. Mr. Yamashita's appointment as chair and the start of concrete discussions represent a major step forward.

Masuda: Another point is that, to conduct organizational audits under the new management system, the relevant departments and the staff of the Audit and Supervisory Committee Office must be enhanced. The executive side has taken these requests seriously as well.

Furusawa: Yes, we held extensive discussions both with the executive side and among the Audit & Supervisory Board members. Delegating important business execution decisions to directors calls for stronger supervision. Following discussions about strengthening internal audit and internal control functions, the Governance Risk Management Department was established in June, with the department also serving as the Board secretariat. Efforts to strengthen the organization alongside the change in organizational design are making steady progress.

Hachiuma: I believe the change in organizational design and the appointment of outside directors to chair the voluntary committees have a common significance. I hope governance will evolve so that these are not simply forums where the Company explains what it wants to convey and obtains endorsement, but places for more transparent discussion and decision-making, with greater awareness of stakeholders' perspectives.

Implementing SUBARU Management Policy 2025 and the Board's Role amid Uncertainty

As SUBARU Management Policy 2025 moves into implementation, how should the Board deepen its discussions?

Hachiuma: My understanding is that the Company emphasized flexibility and chose to leverage alliances in responding to electrification precisely because it anticipated uncertainty in the business environment. Rather than attempting a complete transition to BEVs or trying to do everything alone, it has pursued technological development on the basis that it can be applied to ICE vehicles as well as BEVs, and has carefully considered the timing of factory investments. Over the past two years, I believe the executive side has accurately read market trends and consistently made sound decisions, minimizing the impact of dramatic changes in the business environment.

Masuda: I feel the same way. Going forward, though, the Board also needs to ensure the quality of those decisions. Now that this transition has made the separation of supervision and execution clearer, the Board must bring the sound judgments made by the executive side into deeper strategic discussions that also address uncertainty. The discussions leading to SUBARU Management Policy 2025 (the "2025 Policy") were more substantive than in the past. Recently, there have been more opportunities for discussion involving outside officers, including off-site meetings, and I would like to deepen those discussions further.

Yamashita: My assessment of the 2025 Policy announced last year is a strong one. The policy sets out cost innovation on the scale of 200 billion yen, expansion of the number of units sold toward 1.2 million vehicles, and growth in value chain profit. I believe the key is to steadily execute all three and turn them into results.

Hachiuma: I agree. Precisely because the policy has become more concrete, one of our roles is to monitor how it will be achieved. Now that the vision is understood, the next step is to make it tangible and continually demonstrate progress and results. With current stock prices reflecting uncertainty across the automotive industry, I also see considerable scope to communicate these milestones and SUBARU's strengths to a wider range of investors, including those in North America.

Yamashita: Building on that, I would like the Board to deepen its discussion of management conscious of cost of capital and stock price. How much profit will the capital invested to realize the initiatives in the 2025 Policy generate? And how will the cash generated be allocated to further growth investments and shareholder returns? If this cycle can be coherently explained, it will help people understand the SUBARU Group's direction from the perspective of capital efficiency as well. As an outside officer, I would like to support this direction.

Masuda: Quantitative analysis is what underpins that discussion. Efforts to close information gaps are already making steady progress, through advance briefings on Board agenda items, management roundtable discussions, and study sessions for outside directors. I think we need to build on that foundation with higher-quality quantitative analysis to deepen our discussions.



Fuminao Hachiuma
Appointed June 2023

Mr. Fuminao Hachiuma has abundant experience and insights acquired through his involvement in management in a broad range of fields including overseas business at Ajinomoto Co., Inc. and its group companies as well as strengthening corporate governance and management reform at J-OIL MILLS, INC. as Representative Director and President. He also offers opinions on SUBARU's overall management and the importance of risk management.

Significant Concurrent Positions:
Outside Director, Seven & i Holdings Co., Ltd.
Outside Audit & Supervisory Board Member, YKK AP Inc.

Hachiuma: SUBARU's brand strength is underpinned by the value it offers—"Enjoyment and Peace of Mind"—and I believe one of the elements that creates that value is its competitive edge in technological development. Priorities within the technological development portfolio that supports "Enjoyment and Peace of Mind" are an important topic. The prospects for achieving the 2025 Policy will also improve if we discuss its underlying technological development and brand strength together with a linked financial strategy.

Furusawa: I feel the Company takes the quantity and quality of its investor and shareholder relations (IR/SR) activities, its response to Tokyo Stock Exchange requests, and external disclosure very seriously. It has also repeatedly updated its disclosure on management conscious of cost of capital and stock price, providing careful explanations each time. I appreciate that commitment. At the same time, I find that things understood internally can be surprisingly difficult to convey to people outside the Company. When I attended a Love Promise® awards ceremony in the U.S. two years ago, I saw firsthand how deeply the Group's values were rooted in the workplace. But sharing that experience with people outside the organization is not easy. The same is true of technology. How does SUBARU make these strengths visible and communicate them externally? I believe helping with that is also part of our role as outside officers, and I would like to continue discussions on this topic.

Organizational Strength Supporting Execution: Human Capital and Group Governance

What discussions has the Board been having about the people and organizations that drive these initiatives?

Furusawa: Every year, the Board discusses employee attitudes survey results and engagement scores, using them as a basis for discussions on human capital. How can a culture be fostered in which people take on challenges without fearing failure? The CHRO and the responsible director are personally leading these efforts, and results are gradually beginning to emerge.

Yasumasa Masuda
Appointed June 2023

Mr. Yasumasa Masuda has held key management positions at Astellas Pharma Inc., including Vice President of Corporate Finance & Control and CFO, and has deep knowledge of management, particularly finance and accounting. He has also served as an Independent Non-Executive of Deloitte Tohmatsu Group and as an Outside Director and Chairperson of the Audit Committee of Olympus Corporation, giving him a broad perspective and a high level of insight. Beginning in June 2023, he has served as an outside Audit & Supervisory Board member of SUBARU, conducting audits from a broad and professional perspective.

Significant Concurrent Positions: None



Yamashita: My frank opinion is that, when I first saw the engagement scores shortly after joining, I felt they were far too low. The Company took this seriously, and the Board has discussed improvements. As a result, although the level is still not satisfactory, the scores continue to improve. That said, I am somewhat concerned that these scores are only checked once a year. I think it would be better if each department's progress could be reviewed every six months.

Hachiuma: The improvement in scores is important in itself, but what encouraged me even more was that the improvement activities undertaken in each workplace based on employee attitudes surveys are producing tangible results. How should investment in human capital, including training and compensation, fit into SUBARU's overall equity story? I would like the Board to discuss this more explicitly. As AI and other technologies change the competitive landscape, we will also face issues that cannot be resolved through workplace efforts alone. What should SUBARU's vision for human capital be in such an era? I think it is time to reconsider that question.

Furusawa: Diversity is another topic frequently discussed by the Board. Under the President's strong leadership, the Company has met ambitious targets for appointing women to management positions. At the Kitamoto Plant, which I visited recently, efforts are being made to create a workplace that reflects the views of women in manufacturing. Women account for more than 35% of employees at the Kitamoto Plant, and the engagement score there is above the Company-wide level. Seeing firsthand that change is taking place in manufacturing workplaces gives me great hope.

How will you further develop governance across the Group, including overseas operations?

Furusawa: In my auditing role, I have visited Group companies in and outside Japan and heard reports from internal control and internal audit units. These experiences have made me feel that strengthening Group and global governance systems will be an important issue for the SUBARU Group going forward. The executive side shares this view, and the topic has been included in this year's Board agenda.

Masuda: The U.S. business currently has an exceptionally large presence within the Group, so I believe SUBARU's approach differs from what is generally described as Group or global governance. The U.S. business is performing well, and its management team is fulfilling its role effectively. SUBARU is now at a stage where it needs to build on that strength and evolve its own unique form of Group governance. I see this positively as a step in that direction.

Hachiuma: The word "global" tends to suggest a uniform model, but at this stage I think "multinational" may better describe the SUBARU Group. SUBARU should consider how to combine management across several countries and connect improvements in individual operations to what is best for the Group as a whole. I would like to deepen our discussions on designing that approach.

Furusawa: There may still be a long road ahead to the ultimate goal of total optimization for Group management. But, we have begun making steady progress, starting with establishing the necessary systems. I believe we must monitor that progress carefully.

To SUBARU's Stakeholders

Finally, please share your thoughts on your role as an outside officer and a message for SUBARU's stakeholders.

Hachiuma: Having set goals of industry-leading profitability and ROE of 10% or more, SUBARU will need to show a path to achieving these. I see my role as helping make that path more credible and concrete over the coming year and monitoring progress. Then, what will it take for SUBARU's brand and technology strengths to continue generating competitiveness? I would like to explore that question in greater depth than ever.

Yamashita: Corporate value has both economic and social dimensions, and SUBARU is particularly strong in social value. The 2025 Policy's aspiration to be "indispensable to people, communities, and society as a whole" feels exactly right to me. As an outside officer, I will also support the path to creating economic value. Ultimately, it is each employee who carries out these efforts. Improving the engagement score toward the target of 70 points in 2028 is another area I will personally focus on and support.

Furusawa: With greater responsibility on the Board and the Governance and Executive Nomination Committee, I will supervise business progress and the implementation of succession plans while maintaining a healthy degree of tension with management. In auditing, I will help establish coordination with internal audit and internal control units and the accounting auditors. Even as organizational audits become central, I want to continue visiting workplaces and sharing what I learn with other outside officers. SUBARU also enjoys strong brand recognition in the U.S. and the technological capabilities to deliver "Enjoyment and Peace of Mind." I will closely monitor whether the 2025 Policy, built on these strengths, is genuinely moving SUBARU in the intended direction and whether that progress is being clearly communicated.



Shigeru Yamashita

Appointed June 2024

Mr. Shigeru Yamashita has abundant experience and insight acquired through his involvement in management in a broad range of fields including overseas operations at Pigeon Corporation and its group companies and, once he was appointed the representative director of the company, he strived to promote management reform, strengthen corporate governance, and led initiatives for maximizing corporate values. Drawing on his extensive insight into CSR, he also offers opinions on SUBARU's overall management and further advancement of management conscious of cost of capital.

Significant Concurrent Positions: None

Masuda: At several companies, I have been involved in the evolution of management from both executive and supervisory roles, through business highs and lows, corporate restructuring, and globalization. Drawing on that experience, I would like to enhance corporate value by contributing to the evolution of both defensive governance and proactive governance that pursues growth while managing risks and opportunities. SUBARU is my first professional experience in the automotive and aerospace industries, and I believe I can contribute to its growth by working from a perspective different from that of insiders and closer to that of external stakeholders.

Supplementary Notes

Following approval at the 95th Ordinary General Meeting of Shareholders held on June 24, 2026, SUBARU transitioned from a company with an audit and supervisory board to a company with an audit and supervisory committee. Although the corporate governance sections from this section onward include some policies that continue under the new structure, descriptions of activities and initiatives generally refer to the previous structure as a company with an audit and supervisory board. The voluntary committees are also generally referred to by the names used at the time in question.

Activities of the Board of Directors

The Board of Directors supervises overall management and makes decisions on important matters to realize SUBARU's vision, achieve sustainable growth, and enhance corporate value over the medium to long term.

In FYE March 2026, the Board held active discussions on changes in the business environment and key issues for enhancing corporate value.

Main Items Deliberated in FYE March 2026

- Formulation of SUBARU Management Policy 2025
- Medium- to long-term management challenges, including the electrification strategy
- Action to implement management that is conscious of the cost of capital and stock price
- Matters pertaining to repurchase and cancellation of own shares
- The role of the Board of Directors and review of criteria for matters submitted to the Board
- Consideration of changes in organizational design
- Election and dismissal of the CEO and other management team members
- Determination of candidates for directors and Audit & Supervisory Board members
- Revision of executive compensation system
- Reports and discussions on IR/SR activities

Initiatives to Enhance the Effectiveness of the Board of Directors

SUBARU undertakes various initiatives to enable the Board to thoroughly discuss important management issues related to corporate value enhancement and effectively supervise management.

SUBARU provides information and knowledge regarding its business activities that is necessary to supervise corporate management on an ongoing basis to directors and Audit & Supervisory Board members. To deepen outside officers' understanding of SUBARU's corporate statement, corporate culture, and business environment, we also provide opportunities for business reports from executive departments and visits to key sites in and outside Japan.

For Board meetings, we strive to create an environment for open and constructive discussion through advance briefings for outside officers and information-sharing and exchanges of views among officers.

Discussing Medium- to Long-Term Issues Through Management Roundtable Discussions

Management roundtable discussions are held to enrich discussions at Board meetings. Directors and Audit & Supervisory Board members participate, with the discussions serving as a forum for sharing information and exchanging opinions on important management themes.

These discussions deepen understanding of the business environment, industry trends, and the status of the Group's business execution that underpin Board discussions, while providing opportunities for active exchanges on medium- to long-term management issues.

Main Discussion Topics in FYE March 2026

- Future vision
- The role of SUBARU's Board of Directors and changes in organizational design
- SUBARU's Aerospace Business
- Investment plans and progress for the new Oizumi Plant project
- Results of the effectiveness evaluation of the Board of Directors

Topics Using Management Roundtable Discussions to Develop SUBARU Management Policy 2025

Developing a medium- to long-term management policy requires all participants on the Board, including outside directors and outside Audit & Supervisory Board members, to share an understanding of the business environment and engage in thorough discussion. This requires the executive side to provide outside officers with sufficient information in a timely and appropriate manner.

Particularly amid the rapid and dramatic changes in the business environment that SUBARU currently faces, it is essential for the Board to determine management policy through open discussion and support appropriate risk-taking by the executive side. To ensure thorough discussion, forums that allow more flexible information-sharing and exchanges of views, in addition to Board meetings, are important. With this in mind, SUBARU established management roundtable discussions and used them to explore the direction of SUBARU Management Policy 2025 in greater depth during its development.

The process began with an exchange of views on how to further develop our vision of "Delivering Happiness to All" and the value we offer, "Enjoyment and Peace of Mind." We then deepened discussions on the management policy the SUBARU Group should pursue, taking into account outside officers' concerns about how to sustainably enhance corporate value and meet the expectations of stakeholders, including capital markets, even in an uncertain business environment. After further consideration by the executive side, the draft policy was discussed again at a management roundtable. Following Board approval, SUBARU Management Policy 2025 was announced in November 2025.

Activities of the Governance and Executive Nomination Meeting

In FYE March 2026, the Governance and Executive Nomination Meeting comprised three highly independent outside directors and two internal directors. As an advisory body to the Board, it deliberated and submitted recommendations on important matters concerning officer appointments and governance.

One outside Audit & Supervisory Board member also attended as an observer.

Main Items Deliberated in FYE March 2026

- Consideration of succession plans for the CEO and other management team members
- Human resource development through 360-degree evaluations of officers and use of the skills matrix
- Improving transparency in the officer evaluation process by sharing executive officers' performance results and other measures
- Deliberations on the composition, appointments, and division of duties of officers at SUBARU and major consolidated subsidiaries
- Discussions on corporate governance distinctive to SUBARU and the Board's role and delegation of authority following the change in organizational design

CEO Succession Plan

Approach to the CEO Succession Plan

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

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

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

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

To ensure the objectivity of the successor selection process and increase the effectiveness of its supervision by the Board of Directors and the Governance and Executive Nomination Committee, SUBARU believes it is important to establish a clear vision of the ideal CEO, which serves as a reference point for outside directors and others in their decision-making. To this end, the Board of Directors and the Governance and Executive Nomination Committee discuss the quality, competency, experience, track record, specialized expertise, personality, and other factors required of SUBARU's CEO, and clarify the following two sets of criteria: "Abilities required of the SUBARU Group's CEO" and "Five key qualities required of the SUBARU Group's CEO."

Abilities Required of the SUBARU Group's CEO

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

Five Key Qualities Required of the SUBARU Group's CEO



Activities of the Executive Compensation Meeting

In FYE March 2026, the Executive Compensation Meeting comprised three highly independent outside directors and two internal directors and deliberated on matters concerning compensation for directors and executive officers.

One outside Audit & Supervisory Board member also attended as an observer.

Main Items Deliberated in FYE March 2026

- Consideration of executive compensation levels and the reasonableness of performance-linked compensation using external survey data
- Determination of individual performance-linked compensation amounts for directors (excluding outside directors) and executive officers based on their evaluations
- Consideration of outside director compensation in light of changes in organizational design
- Determination of individual base amounts, etc., for restricted stock compensation

Executive Compensation System

Overview of Executive Compensation System

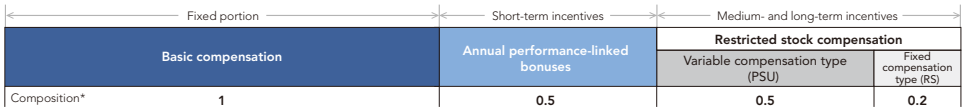
Basic compensation		Directors and executive officers receive the fixed monetary compensation monthly as basic compensation. The amount for individual executive officers is determined based on their positions, taking into consideration elements such as the business environment.
Annual performance-linked bonuses (Short-term incentives)		For annual performance-linked bonuses for directors (excluding outside directors and directors who are Audit and Supervisory Committee members), we have set a compensation table based on rank and the KPI of consolidated profit before tax for the fiscal year under review. Based on this table, cash compensation is paid at a certain time each year.
(Medium- and long-term incentives) Restricted stock compensation	Variable compensation-type restricted stock compensation (PSUs)	Units (one unit = one share) are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director and executive officer, and other factors. After an evaluation period, shares of the Company's common stock are granted at an amount equivalent to the number of units multiplied by a payout ratio determined in accordance with achievement levels for each performance indicator target.
	Fixed compensation-type restricted stock compensation (RS)	Shares of the Company's common stock are granted at a certain time each year at an amount equivalent to a base amount determined in consideration of the Company's business performance, responsibilities of each director and executive officer, and other factors.

Restricted stock compensation cannot be transferred while in office, and the transfer restrictions are lifted upon resignation. This compensation is not granted to outside directors or directors who are Audit and Supervisory Committee members. In addition, in the event that a director engages in certain acts of misconduct and/or certain events occur by the day on which three years elapse after the expiration of the restricted transfer period, the Board of Directors, based on a resolution taking into account the deliberation and decision at the Executive Compensation Meeting, may demand the director return all or part of the said shares in common stock or pay the equivalent fair value of the said shares (clawback).

Breakdown of Director Compensation by Type

The Company shall design the proportion of compensation by type for directors, excluding outside directors, in reference to the compensation levels and compensation mix of companies of a similar scale to the Company or industry peers obtained through an external research company, and in consideration of factors such as the Company's overall salary levels and social conditions.

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



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

Matters Concerning the Determination of Details of Compensation, etc., for Individual Directors in FYE March 2026

To ensure fairness and transparency in the process for determining executive compensation, the Company has established the Executive Compensation Meeting as a voluntary committee with a majority of independent outside directors. Its chair is appointed by resolution of the Board of Directors.

The Executive Compensation Meeting, by a resolution of the General Meeting of Shareholders and the Board of Directors, is delegated authority from the Board of Directors to determine specific amounts of basic compensation, annual performance-linked bonuses, restricted stock compensation, etc., for directors, and their payment schedule, following sufficient deliberation by its members including independent outside directors. For restricted stock units, the number of shares allotted to individual directors is determined by the resolution of the Board of Directors based on the standard amount decided by the Executive Compensation Meeting.

With regard to revisions of the executive compensation system and other matters pertaining to compensation overall, the Board of Directors deliberates and makes decisions taking into consideration the content of proposals approved by the Executive Compensation Meeting.

Matters Concerning Performance-Linked Compensation in FYE March 2026

The Executive Compensation Meeting, delegated by the Board of Directors, determines the annual performance-linked bonus to be paid to each director by setting a compensation table that is more closely linked to annual performance the higher the rank, based on actual profit before tax for FYE March 2026.

The following shows the amount of the annual performance-linked bonuses for FYE March 2026 and the actual results related to the KPIs used for PSUs.

Performance Indicator (KPI)	Results
Consolidated profit before tax	107.5 billion yen
ROE	3.3%
Relative TSR (Compared to the TOPIX growth rate including dividends)	61.7%
Employee engagement score improvement points	+3 points

Total Compensation for Directors and Audit & Supervisory Board Members for FYE March 2026

(Millions of yen)

Category		Basic Compensation (Paid in Fixed Monthly Installments)	Annual Performance-linked Bonuses	Restricted Stock Compensation		Total
				PSU	RS	
Directors: 9	Internal directors: 6	233	67	60	63	423
	Outside directors: 3	40	—	—	—	40
Audit & Supervisory Board members: 5	Internal Audit & Supervisory Board members: 3	73	—	—	—	73
	Outside Audit & Supervisory Board members: 2	26	—	—	—	26
Total: 14		372	67	60	63	562

Notes: 1. Figures in the above table include one internal director and one internal Audit & Supervisory Board member who resigned before the last day of the fiscal year under review. At the end of the fiscal year under review, there were eight directors, including three outside directors, and four Audit & Supervisory Board members, including two outside Audit & Supervisory Board members.
2. Total amounts in the above table represent the amounts recorded as expenses at the end of the fiscal year under review and include contingent compensation (such as phantom stock and PSUs granted to non-residents of Japan).
3. The amounts for phantom stock and PSUs are calculated based on the closing price of the Company's common stock on the Tokyo Stock Exchange Prime Market as of March 31, 2026, and the stock price at the time of grant will be applied for the actual payment or grant.

Auditing

Auditing by Audit & Supervisory Board Members

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

Major Activities of the Audit & Supervisory Board Members in FYE March 2026

- **Confirming management monitoring and execution**
  Each corporate auditor attended important meetings, including those of the Board of Directors, Executive Management Board Meeting, and Risk Management and Compliance Committee. When in attendance, they monitored management decision-making processes, sought explanations as necessary (including through opportunities other than those meetings), and actively expressed their opinions.

- **Communication with directors, executive officers, and others, and confirmation of internal control status at various business establishments, including Group companies**
  Through exchanges of opinions with directors, executive officers, and others, as well as visits to and inspections of major business establishments and Group companies, and collaboration with the directors and corporate auditors of Group companies, the corporate auditors confirmed the status of business execution, including the development and operation of the Group's internal controls.
  Through regular meetings with the Legal Department, Risk Management & Compliance Office, and Internal Audit Department, they confirmed the status of risk management practices across the Group.

- **Cooperation in the three-party audit system**
  Corporate auditors conducted regular reporting sessions with the Internal Audit Department and accounting auditors, facilitating information sharing and exchanges of opinions that fostered close cooperation in the three-party audit system. By implementing coordinated audit activities, they carried out mutual verification of the effectiveness of internal controls across the Group.

Main Resolutions and Discussions of the Audit & Supervisory Board

(Main resolutions)
- Audit policy, audit plan, and allocation of audit responsibilities for the fiscal year under review
- Consent to agenda items for the General Meeting of Shareholders (appointment of Audit & Supervisory Board members)
- Preparation of audit reports
- Evaluation and reappointment of accounting auditors
- Consent to the audit fee for the accounting auditor

(Main matters for reporting and sharing)
- Reports on the results of visiting audit of the Company's business establishments and affiliated companies as well as observations
- Sharing of information from standing corporate auditors to outside corporate auditors on important company matters, including via the Executive Management Board Meeting and the Executive Meeting
- Reports from the responsible departments on risk management issues internally and in the industry that require special care from a preventive audit perspective

Dialogue with Shareholders and Investors and Feedback to the Board of Directors

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

Main Dialogue Topics in FYE March 2026
- Performance: Sales trends, impact of U.S. tariffs, effects of raw material prices and market conditions, costs related to environmental regulations, etc.
- Progress of initiatives in SUBARU Management Policy 2025
- Business: U.S. market strategy, SDV strategy, Aerospace Business growth strategy, etc.
- Capital policy: Growth investments, shareholder returns, fund level, etc.
- ESG: Approach to carbon neutrality, promotion of human capital management, strengthening governance and cybersecurity, etc.

Results of Dialogue with Shareholders and Investors

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

Dialogue Events	Times Held
Financial results briefings	4 times
Small meetings	7 times
Securities houses' conferences	8 times
Product/technical briefings, factory tours	5 times

Individual Dialogue	Times Held
Dialogue with investors/shareholders (of which, dialogue with overseas investors/shareholders)	248 times (176 times)
Dialogue with analysts	87 times

For details on dialogue activities, including the main participants from SUBARU, please refer to the Corporate Governance Report.
https://www.subaru.co.jp/en/outline/pdf/governance_e.pdf

Reports to the Board of Directors

Views and concerns identified through dialogue with shareholders and investors are regularly reported to the Board of Directors and relevant departments. In FYE March 2026, investors' views and interests concerning management strategy, capital policy, business operations, corporate governance, and other matters were shared and used in discussions on management and governance.

Providing Feedback to Management	Times Held	Description
Implementation reports on overseas presentation events	3	Reports on interests, opinions, requests, etc., of overseas institutional investors as well as the direction of future IR activities
Reports on SR engagement activities	1	Reports on the trend of revisions to criteria for exercising voting rights as well as opinions, requests, etc., to the Company from ESG perspectives
Reports on quarterly IR activity status	4	Reports on major topics in IR activities, including institutional investor trends and stock price
Reports on general meetings of shareholders voting rights exercise results analyses	1	Reports on shareholder voting outcome analyses
Other	As required	Periodic reports on shareholder composition, trends in institutional investors' holdings, IR activity plans, etc.

Evaluation Results of the Effectiveness of the Board of Directors

SUBARU conducts an annual evaluation of the effectiveness of the Board of Directors ("BoD") to continually improve the effectiveness of its supervisory function. Issues and progress on improvements are identified through questionnaires and individual interviews. The Board then discusses the results to further improve its effectiveness.

Methods of Evaluation and Analysis

Survey period	December 2025 to January 2026
Method	Self-evaluation questionnaire survey and interviews conducted by a third-party organization
Eligible participants	Survey: Directors (8) and Audit & Supervisory Board members (4) for a total of 12 respondents Interviewees: Chairman of the Board of Directors, Representative Director and President, outside directors (3), and outside Audit & Supervisory Board Members (2), for a total of 7 interviewees
Process	1. The BoD secretariat administered and analyzed an anonymous self-evaluation questionnaire for directors and Audit & Supervisory Board members 2. Based on the questionnaire results, a third-party organization interviewed and evaluated the Chairman of the Board, Representative Director and President, outside directors, and outside Audit & Supervisory Board members 3. Reports prepared separately by the third-party organization and the BoD secretariat were reviewed and discussed at management roundtable discussions and BoD meetings
Survey evaluation items	(a) BoD roles and functions (b) BoD composition (c) BoD operation (d) BoD support system (e) BoD culture and communication (f) BoD risk management and internal control (g) Governance and Executive Nomination Meeting and Executive Compensation Meeting operation (h) Shareholder dialogue (i) Continued BoD improvements

Results of the Board of Directors' Effectiveness Evaluation for FYE March 2026

1. General evaluation

The evaluation confirmed that the Company's BoD is effective.

2. Positive findings

Item	Outline
BoD supporting execution through strong trust between supervisory and executive functions	Amid rapidly changing business conditions, including tariff policies in the key U.S. market and the sharp slowdown in the EV market, the BoD is supporting executive decision-making on the basis of strong trust between the supervisory and executive sides.
BoD conducive to free and open discussion	A culture of open, constructive, and transparent discussion has been fostered on the basis of mutual understanding and trust between internal and outside officers.
BoD with high awareness of shareholder dialogue	Insights gained through dialogue with shareholders and investors are regularly and continually reported to the Board and form an important element of its supervision and decision-making.

Responses to Issues Identified in FYE March 2025

Item	Outline	Assessment
Clarification of roles of various meeting bodies and enhancement of discussions	Issues identified in FYE March 2025 effectiveness evaluation were taken seriously, and improvement measures were steadily implemented. Specific initiatives included participation by Audit & Supervisory Board members as observers in the Governance and Executive Nomination Meeting and Executive Compensation Meeting, more thorough advance consideration of governance agenda items, provision of information on important meetings to outside officers, and expanded opportunities for dialogue with executive officers.	Improvement
Role of the BoD in an uncertain business environment	Improvements were made to meeting operations to deepen discussion of important management issues and major risks that the BoD should focus on monitoring. Further improvements in agenda-setting are also expected in preparation for the transition to a company with an audit and supervisory committee.	Improvements still in progress
Further strengthening of monitoring framework throughout the Group	Further discussion is expected in preparation for a transition to organizational audits, including alignment among directors and Audit & Supervisory Board members on the desired Group governance structure and the time frame for achieving it. With the transition to a company with an audit and supervisory committee in mind, further discussion is expected on monitoring from a Group-wide perspective.	Improvements still in progress

Future Actions

Item	Outline
Building consensus on the BoD's roles	The importance of more in-depth consideration of the items and scope the Board should monitor and the approach to discussions on medium- to long-term strategy was confirmed. In pursuing a monitoring board, it was also agreed to clarify the Board's role in a company with an audit and supervisory committee and enhance discussions of important medium- to long-term themes through Board meetings and management roundtable discussions, including how outside directors should be involved.
Further enhancing agenda-setting	To make effective use of limited Board meeting time, the importance of setting an agenda that addresses what the BoD should discuss was reaffirmed, including through the application of criteria for matters submitted to the BoD, use of written resolutions, and expanded opportunities for open discussion. There was also shared recognition of the need to establish a process for developing and setting the annual agenda that makes greater use of outside officers' knowledge and experience.
Considering the appropriate BoD composition	It was confirmed that there is scope to strategically consider what expertise the BoD as a whole needs to supplement and how to better respond to risks in the external environment. There was shared recognition of the importance of supplementing expertise in a focused manner aligned with the Company's business characteristics and management priorities, rather than seeking personnel to cover every area. The need to continually enhance discussions on BoD succession in the BoD and the Governance and Executive Nomination Meeting was also identified.

Consolidated Financial Summary

SUBARU CORPORATION and its consolidated subsidiaries
Years ended March 31

		2019	2020	2021	2022	2023	2024	2025	2026
Operating Results (For the year)									
Revenue	(Millions of yen)	3,156,150	3,344,109	2,830,210	2,744,520	3,774,468	4,702,947	4,685,763	4,784,965
Operating profit	(Millions of yen)	181,724	210,319	102,468	90,452	267,483	468,198	405,308	40,120
Profit before tax	(Millions of yen)	186,026	207,656	113,954	106,972	278,366	532,574	448,507	107,469
Profit for the period attributable to owners of parent	(Millions of yen)	141,418	152,587	76,510	70,007	200,431	385,084	338,062	90,842
Capital expenditures	(Millions of yen)	114,022	126,002	86,193	86,143	122,840	167,495	176,144	210,245
Depreciation/amortization[1]	(Millions of yen)	187,077	192,742	206,317	224,055	239,806	217,780	232,541	271,106
R&D expenditures	(Millions of yen)	102,719	118,735	101,626	113,752	107,780	113,508	142,448	169,424
Financial Position (At year-end)									
Total equity	(Millions of yen)	1,689,899	1,720,123	1,786,383	1,901,019	2,109,947	2,565,394	2,715,708	2,781,661
Equity attributable to owners of parent	(Millions of yen)	1,682,248	1,712,881	1,777,735	1,890,789	2,100,973	2,563,204	2,714,517	2,780,407
Total assets	(Millions of yen)	3,180,597	3,293,908	3,411,712	3,543,753	3,944,150	4,814,149	5,088,246	5,492,301
Financial Indicators									
Operating margin	(%)	5.8	6.3	3.6	3.3	7.1	10.0	8.6	0.8
Ratio of equity attributable to owners of parent to total assets	(%)	52.9	52.0	52.1	53.4	53.3	53.2	53.3	50.6
Ratio of profit to equity attributable to owners of parent (ROE)	(%)	8.5	9.0	4.4	3.8	10.0	16.5	12.8	3.3
Cash Flows									
Net cash provided by operating activities	(Millions of yen)	250,732	210,134	289,376	195,651	503,759	767,665	492,136	358,227
Net cash used in investing activities	(Millions of yen)	(190,119)	(25,844)	(272,174)	(179,723)	(336,813)	(703,699)	(404,077)	(114,650)
Free cash flow	(Millions of yen)	60,613	184,290	17,202	15,928	166,946	63,966	88,059	243,577
Net cash provided by (used in) financing activities	(Millions of yen)	(141,551)	(15,818)	13,966	(98,502)	(122,307)	(66,469)	(187,320)	(217,816)
Per Share									
Profit for the period attributable to owners of parent (EPS)	(Yen)	184.44	198.99	99.77	91.28	261.33	509.2	458.0	125.50
Equity attributable to owners of parent (BPS)	(Yen)	2,193.97	2,233.76	2,318.17	2,465.41	2,739.27	3,409.45	3,713.26	3,886.35
Shareholder Returns									
Dividends	(Yen)	144	100	56	56	76	106	115	115.5
Repurchase of treasury stock	(Millions of yen)	—	—	—	—	40,000	60,000	50,000	150,000[2]
Other Information									
Non-consolidated exchange rate	(Yen to the U.S. dollar)	111	109	106	112	135	144	152	150
Number of shares issued	(Thousand shares)	769,175	769,175	769,175	769,175	769,175	753,901	733,057	717,335
Number of shareholders	(Persons)	133,879	145,289	142,890	147,507	139,908	121,965	127,221	139,671
Number of employees (non-consolidated)	(Persons)	15,274	15,806	16,478	16,961	17,228	17,347	17,885	17,948
Number of employees (consolidated)	(Persons)	34,200	35,034	36,070	36,910	37,521	37,693	37,866	37,542
Number of Units									
Consolidated automobile unit sales[3]	(Thousand units)	1,001	1,034	860	734	852	976	936	896
Vehicle unit production	(Thousand units)	989	1,031	810	727	874	970	946	880
Japan	(Thousand units)	617	664	525	455	575	602	602	525
Outside Japan[4]	(Thousand units)	372	367	285	272	299	368	345	355

Note: The SUBARU Group has voluntarily applied IFRS since the first quarter of FYE March 2020. Financial data for FYE March 2019 has been restated based on IFRS.

1. Total amount of property, plant and equipment and intangible assets
2. Including the completion of matters pertaining to "Notice Regarding Repurchase and Cancellation of Own Shares" released May 15, 2026. https://www.subaru.co.jp/news-en/2026_05_15_170345/
3. Automobile unit sales of SUBARU CORPORATION and its consolidated subsidiaries
4. U.S. production base Subaru of Indiana Automotive, Inc.

Third-Party Evaluations and Awards

Major Third-Party Evaluations and Awards

Brand and Social Contribution

Forbes 2023-2026 BEST BRANDS FOR SOCIAL IMPACT POWERED BY hundredX

Best Brands for Social Impact

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S&P Global Mobility

Subaru Accolades
Highest Overall Dealer Loyalty

Subaru has been recognized by S&P Global Mobility for having the Highest Overall Loyalty to Dealer for two years in a row

Highest Overall Dealer Loyalty

Products, Technology, and Innovation

Top 100 Global Innovator 2026 Clarivate

Top 100 Global Innovator 2026

Pedestrian protection airbag that also protects cyclists

Winner of the 2025–2026 Japan Automotive Hall of Fame Car Technology of the Year Award

SUBARU next-generation hybrid system

Winner of the 35th (2026) RJC Technology of the Year Award

SINCE 1980 JAPAN CAR OF THE YEAR 2025-2026

2025–2026 Japan Car of the Year winner

Customer Touchpoints and Human Capital

3 Stars Customer Service HDI-Japan 2025

3 Stars Support Portal HDI-Japan 2025

HDI-Japan 2025: Highest rating in the Inquiry Desk and Web Support categories

Obtained three stars in the "Kurumin" certification by the Minister of Health, Labour and Welfare

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

2026 Certified Outstanding Organizations of KENKO Investment for Health Program (large enterprise category)

SPORTS YELL COMPANY 2026

Sports Yell Company

Major Third-Party Evaluations of Safety Performance

Assessed Automobiles	Assessment Organization	Assessment
2025 Forester	JNCAP, Japan	• Vehicle Safety Performance • JNCAP Best Award 2025 • JNCAP Five Star Award 2025
2026 Outback, Forester, Ascent, and Crosstrek Hybrid	(U.S.-specification models only) IIHS, U.S.	• 2026 TSP+ Award
2026 Forester, Crosstrek, Impreza, Ascent, and WRX	U.S. NCAP, U.S.	• Overall vehicle score: Five stars
2025 Solterra, E-Outback, and Uncharted	Euro NCAP, Europe	• 2025 Five-star rating
2025 Solterra, Trailseeker, and Uncharted	ANCAP, Australia	• 2025 Five-star rating

Corporate Data

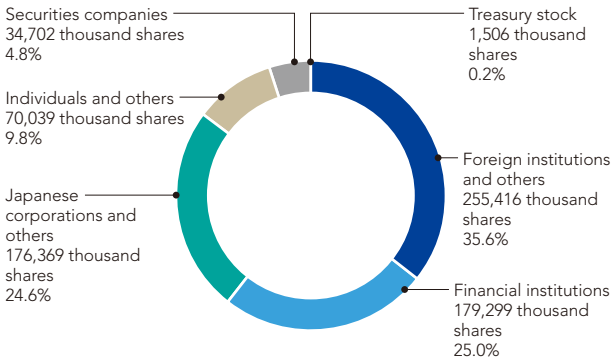
Corporate Data (As of March 31, 2026)

Company Name	SUBARU CORPORATION
Established	July 15, 1953
Paid-In Capital	153,795 million yen
Fiscal Year-End	March 31
Accounting Auditors	KPMG AZSA LLC
Main Businesses	Automotive: The manufacture, sale, and repair of passenger cars and their components Aerospace: The manufacture, sale, and repair of airplanes, aerospace-related machinery, and their components
Head Office	Ebisu Subaru Bldg., 1-20-8, Ebisu, Shibuya-ku, Tokyo 150-8554 Japan
Number of Affiliates	80 (73 subsidiaries, 6 affiliated companies, and 1 other affiliated company)
Number of Employees	17,948 (consolidated: 37,542) (excluding executive officers, advisors, and transferred employees)
Website	Corporate website: https://www.subaru.co.jp/en/ Investor relations website: https://www.subaru.co.jp/en/ir/

Stock Information (As of March 31, 2026)

Common Stock Authorized	1,500,000,000 shares
Common Stock Issued	717,335,273 shares
Number of Shareholders	139,671
Number of Shares per Trading Unit	100 shares
Stock Exchange Listing	Tokyo Stock Exchange (Prime Market)
Securities Code	7270
Transfer Agent and Account Management Institution of Special Accounts	3–3, Marunouchi 1-chome, Chiyoda–ku, Tokyo 100–8241, Japan Mizuho Trust & Banking Co., Ltd. Tel: 0120-288-324 (toll free in Japan)

Breakdown of Shareholders



Note: The number of shares held is rounded down to the nearest thousand shares.

Major Shareholders (As of March 31, 2026)

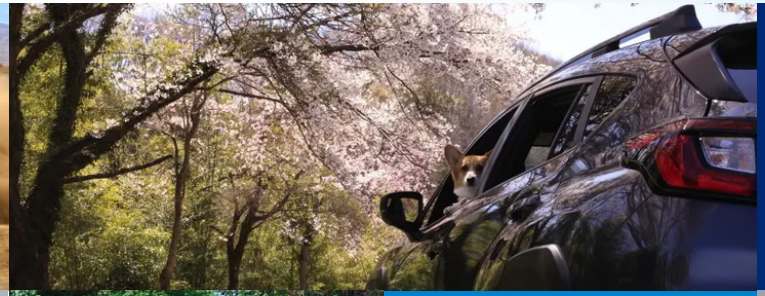
Name		Number of Shares Held (in thousands)	Percentage of Total Shares Held
Toyota Motor Corporation	1 Toyota-Cho, Toyota City, Aichi Prefecture, Japan	153,600	21.46
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	106,524	14.88
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	31,701	4.43
STATE STREET BANK AND TRUST COMPANY 505001	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS	13,490	1.88
JPMorgan Securities Japan Co., Ltd.	Tokyo Building, 7-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan	10,857	1.52
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan	10,078	1.41
JP MORGAN CHASE BANK 385781	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM	8,211	1.15
NSL DTT CLIENT ACCOUNT 1	10 MARINA BOULEVARD, 36-01 MARINA BAY FINANCIAL CENTRE TOWER-2 SINGAPORE, 018983	7,544	1.05
THE BANK OF NEW YORK MELLON 140042	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A.	7,340	1.03
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	9-2, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan	7,156	1.00

Notes: 1. Number of shares held are rounded down to the nearest thousand shares.
2. The percentage of total shares held is calculated based on the total number of shares excluding treasury stock of 1,506,899 shares.



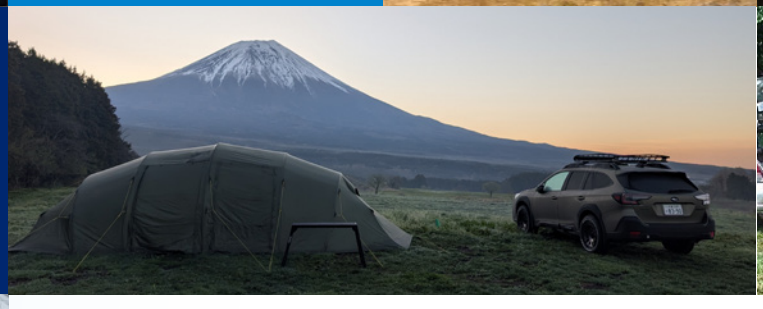
With Subaru, my happiness barometer is rising!





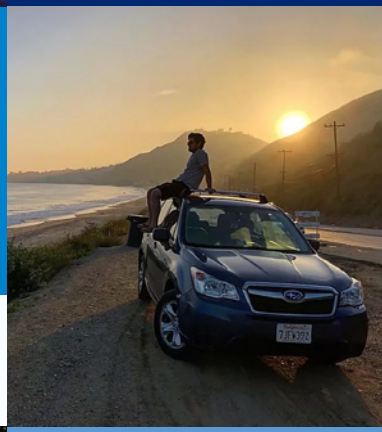
We love our newest "Adventure Wagon." Thank you for a fantastic automobile.

Discovering Subaru taught me the joy of driving. More than just a thank-you— I'm truly grateful!!





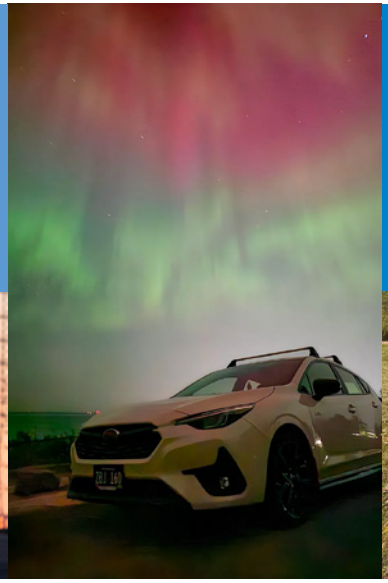
My wife, daughter, and I will make so many memories together. I'll always cherish my Subaru as a trusted companion.



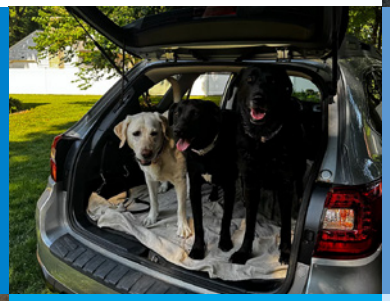


Delivering Happiness to All

My Subaru has helped me meet so many people. I'm really enjoying life with my car.



I know that no matter where I go, if I go in a Subaru, I'll make it home. Thank you, Subaru, I will always love you!



Now I can go to places you can only reach with a car. It's all thanks to my Subaru— it's fun to drive, and I don't feel tired even after hours behind the wheel.

Thank you, Subaru, for building a vehicle that brought my daughter home safe.





Home is where the Subaru is.



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



SUBARU CORPORATION

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https://www.subaru.co.jp/en/ir/