



# Annual Report 2019

For the year ended March 31, 2019





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### Disclaimer Regarding Forward-Looking Statements

Statements herein concerning plans and strategies, expectations or projections about the future, SUBARU's efforts with regard to various management issues, and other statements, except for historical facts, are forward-looking statements. These forward-looking statements are subject to uncertainties that could cause actual results to differ materially from those anticipated. These uncertainties include, but are not limited to, general economic conditions, demand for and prices of SUBARU's products, SUBARU's ability to continue to develop and market advanced products, raw material prices, and currency exchange rates. SUBARU disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.



## Corporate Philosophy

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1. We strive to create advanced technology on an ongoing basis and provide consumers with distinctive products with the highest level of quality and customer satisfaction.
2. We aim to continuously promote harmony between people, society, and the environment while contributing to the prosperity of society.
3. We look to the future with a global perspective and aim to foster a vibrant, progressive company.

## Corporate Code of Conduct

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SUBARU CORPORATION sets down the Corporate Code of Conduct to comply with laws and regulations and to fulfill its social responsibilities based on its corporate philosophy. We will continue to strive to become a company loved by all and contribute to making society more affluent by respecting individuals and the Corporate Code of Conduct and acting on the same sense of values.

1. We develop and provide creative products and services while paying sufficient attention to the environment and safety.
2. We respect the rights and characteristics of individuals.
3. We promote harmony with society and contribute to the prosperity of society.
4. We meet social norms and act honestly and fairly.
5. We maintain global perspective and aim to be in harmony with international society.

## Management Philosophy

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Aiming to be a compelling company with a strong market presence built upon its customer-first principle.





Vision for 2025

# From a company making things, to a company making people smile.

SUBARU, by no means a large automaker, is implementing a business model centered on selection and concentration of limited management resources, creating added value, and pursuing uncompromising differentiation.

Under the STEP mid-term management vision, we will swiftly, steadily, and powerfully, move forward and solidify our foundation for the sustained growth of both the automotive and aerospace businesses.



## Strengthening of the management foundation

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We will strengthen the management foundation by pursuing qualitative improvement in every aspect of the company, including products, services, culture, human resources, organizations, finance, and operations.



## Focus business strategy to enhance strengths

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Rather than pursue an omnidirectional business strategy, we have chosen to optimally focus our limited management resources on categories and markets in which we can leverage our strengths. In business development, our product focus is mainly on SUVs and sports models, and our market focus is on the United States and other developed countries in mature stages of motorization.

## Achieve an industry-leading profit margin

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While continuously making strategic investments for future sustained growth, we will pursue a management approach that emphasizes a high operating margin, focusing on differentiation and value-added strategies. On that basis, we will aim for steady volume growth.

## History

# History of the SUBARU Group

SUBARU, which can trace some of its roots to Aircraft Research Laboratory, has continuously nurtured highly creative technologies and increased corporate value by pursuing business alliances to respond to major changes in the times. Here we outline the history of the SUBARU Group to date.

1917	Establishment of Aircraft Research Laboratory
1931	Establishment of Nakajima Aircraft Co., Ltd.
1945	Change of company name from Nakajima Aircraft to Fuji Sangyo



1946 Production of the first Rabbit Scooter

1953	Establishment of Fuji Heavy Industries Ltd. Start of aircraft production and automobile development
1960	Opening of the Gunma Main Plant
1960	Listing of shares on the Tokyo Stock Exchange
1966	Signing of a business alliance agreement with Isuzu Motors Ltd.

1968	Establishment of Subaru of America, Inc. (SOA)
1968	Dissolution of the business alliance with Isuzu Motors Ltd.
1968	Signing of a business alliance agreement with Nissan Motor Co., Ltd.
1968	Start of exports of Robin engines for snowmobiles to Polaris (USA)
1969	Start of operation of the Yajima Plant
1972	Release of the Leone 4WD Estate Van, the world's first mass-production 4WD passenger vehicle
1978	Conclusion of a 767 business agreement with Boeing
1983	Start of full-scale operation of the Oizumi Plant
1987	Release of the Justy model equipped with the world's first electro-continuously variable transmission (ECVT)
1987	Establishment of Subaru-Isuzu Automotive, Inc. (SIA) in the U.S. in a joint venture with Isuzu Motors Ltd.

## SUBARU Models through the Years



1958	1966	1972	1984
SUBARU 360 released	SUBARU 1000 four-door sedan released	Rex released	Justy released
1961	1969	1977	1985
SUBARU Sambar truck released	R-2 released	Brat released	Alcyone released
1971	1983	1989	
Leone coupe released	Domingo released	Legacy series released	

## Origin of the SUBARU Name and Logo



"SUBARU" is Japanese for the Pleiades star cluster in the constellation Taurus. These stars are also known as "six-star group." The name reflects the fact that Fuji Heavy Industries was formed from capital contributions from five companies that sprang from Nakajima Aircraft.

1989	Establishment of Subaru Canada, Inc. (SCI)
1989	Completion of Subaru Research & Testing Center (SKC)
1990	Subaru of America (SOA) made a wholly owned subsidiary
1991	Participation in the Boeing 777 program
1993	Start of operation of the Handa Plant
1999	Capital and business alliance with General Motors Corporation (GM) (USA)
1999	Business alliance with Suzuki Motor Corporation
2000	Dissolution of the business alliance with Nissan Motor Co., Ltd.
2002	Dissolution of the SIA joint venture with Isuzu Motors Ltd. and formal signing of a contract production agreement
2003	The Legacy wins the 2003–2004 Car of the Year Japan award
2003	Subaru of Indiana Automotive, Inc. (SIA) made a wholly owned subsidiary
2005	Participation in the Boeing 787 program Delivery of main wings for next-generation transport aircraft and next-generation fixed-wing patrol aircraft

2005	Dissolution of the alliance with GM, agreement to enter into a business alliance with Toyota Motor Corporation
2007	Start of production of Toyota cars (Camry) at SIA
2012	Start of knockdown production of the SUBARU XV in Malaysia
2012	Termination of production of mini-vehicles and shift to marketing on an OEM basis
2014	Signing of an agreement to participate in a project to develop and mass produce the Boeing 777X
2016	Termination of contract production of the Toyota Camry at SIA Transfer of production of Impreza vehicles for North America to SIA
2016	All-new Impreza Sport/GR wins the 2016–2017 Car of the Year Japan award
2017	Change of company name to SUBARU CORPORATION
2017	Termination of production and sales of SUBARU general-purpose engines and generators
2018	Introduction of the SUBARU BELL 412EPX helicopter

1992	 Vivio released	1998	 Pleo released	2008	 Exiga released	2014	 Levorg released
1992	 Impreza series released	2003	 Outback released	2012	 SUBARU BRZ released	2014	 WRX released
1997	 Forester released	2005	 B9 Tribeca released	2012	 SUBARU XV released	2018	 Ascent released (Exclusively for North America)