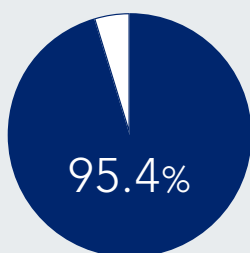


Automotive Business Unit

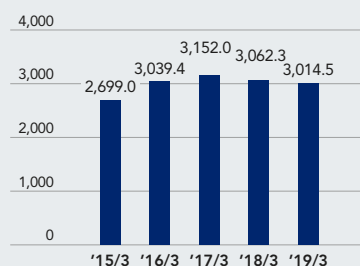
SUBARU continues to develop cars that promise total driving enjoyment and safety for all passengers.



Consolidated Net Sales Contribution Ratio of the Automotive Business Unit

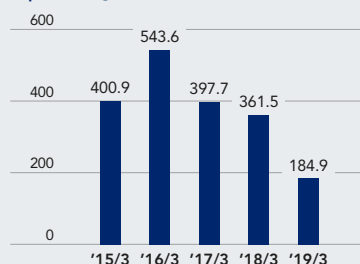


Net Sales (Billions of yen)



* Change of accounting policy effective from FYE March 2019 (deduction of sales incentives from net sales)
Retroactively applied to the figures for FYE March 2018

Operating Income (Billions of yen)



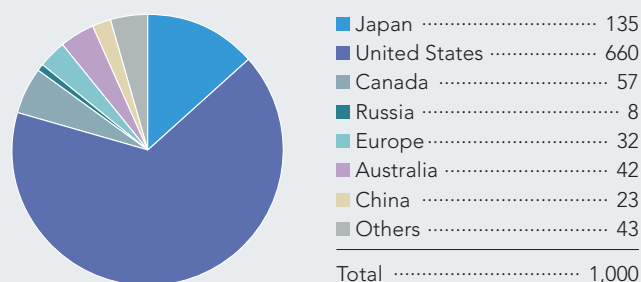
The launch of the SUBARU 360 in 1958 marked SUBARU's start as an automaker. Ever since, we have contributed to the development of Japan's automotive industry by creating a succession of distinctive cars equipped with creative technologies such as the horizontally opposed engine and Symmetrical All-Wheel Drive. We continue to take on new challenges in order to provide all of our customers with "Enjoyment and Peace of Mind." For example, we continue to evolve the EyeSight driver assist system, have improved safety performance and driving performance by adopting the Subaru Global Platform, our next-generation vehicle platform, and were the first Japanese automaker to use a pedestrian protection airbag.

Overview of FYE March 2019

- Consolidated global unit sales decreased by 6.3% year on year to 1,000,000 units.
- Sales in Japan were 135,000 units. Overseas sales were 865,000 units.

* Vehicle volume figures are rounded off to the nearest thousand

Consolidated Automobile Sales by Region (Thousand units)



Product Lineup

Legacy Series

LEGACY



OUTBACK



Consolidated unit sales: 260,000 units
Sales regions: Japan, North America, Russia, Europe, Australia, China, and other

FORESTER



Consolidated unit sales: 260,000 units
Sales regions: Japan, North America, Russia, Europe, Australia, China, and other

WRX



Consolidated unit sales: 41,000 units
Sales regions: Japan, North America, Russia, Europe, Australia, and other

Impreza Series

IMPREZA



SUBARU XV

(North America: CROSSTREK)



Consolidated unit sales: 322,000 units
Sales regions: Japan, North America, Russia, Europe, Australia, China, and other

LEVORG



Consolidated unit sales: 15,000 units
Sales regions: Japan, Europe, Australia, and other

SUBARU BRZ



Consolidated unit sales: 7,000 units
Sales regions: Japan, North America, Europe, Australia, and other

ASCENT

(Exclusively for North America)



Consolidated unit sales: 67,000 units
Sales region: North America

OEM Models

JUSTY



CHIFFON



STELLA



PLEO+ PLUS



DIAS WAGON



SAMBAR



Consolidated unit sales: 28,000 units
Sales region: Japan
(OEM supply from Daihatsu Motor Co., Ltd.)

* For the period from April 1, 2018 to March 31, 2019

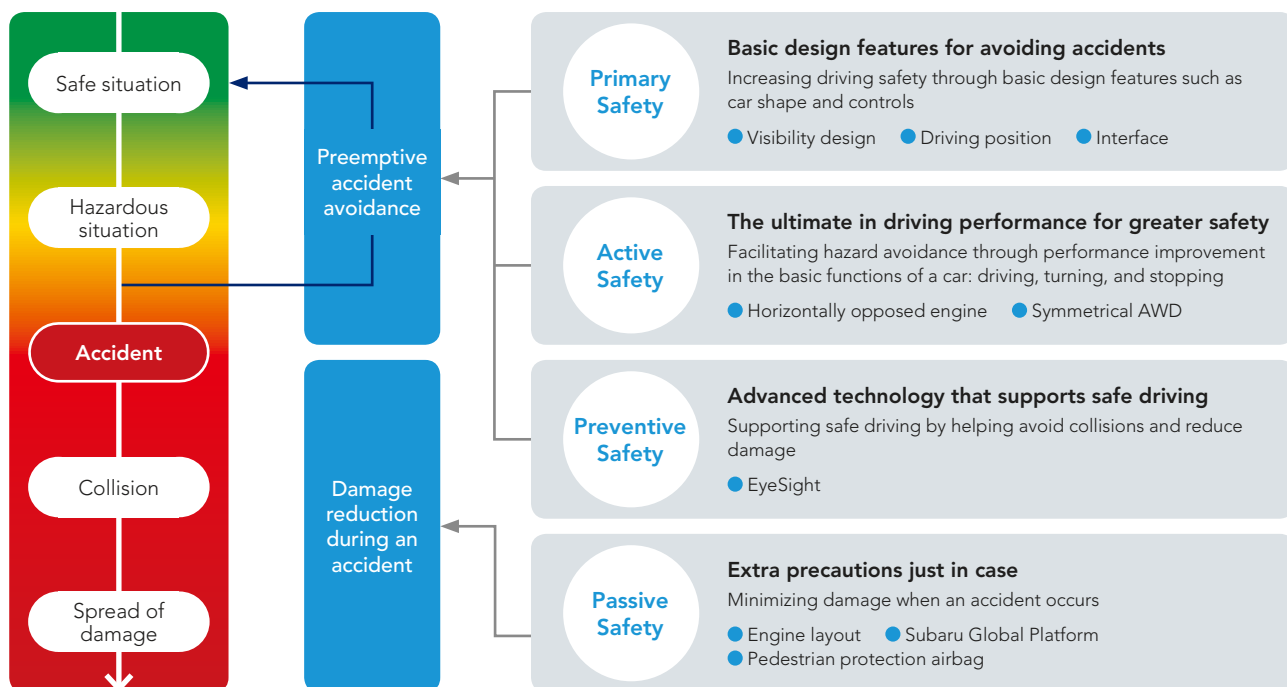
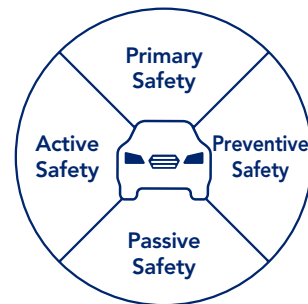
* Automobile sales of SUBARU CORPORATION and its consolidated subsidiaries

Automotive Business Unit

The SUBARU Concept of All-Around Safety

Aiming for the highest level of peace of mind and safety for all passengers

SUBARU pursues automobile safety performance from every perspective and is refining and perfecting core technologies on the basis of four safety criteria: primary safety, active safety, preventive safety, and passive safety.



Safety Performance Recognized Worldwide

SUBARU has received the highest rating in the NCAP¹ conducted by the authorities in Japan, the U.S., Australia, and other countries, as well as in the safety performance assessment conducted by the IIHS² in the U.S.³

In the IIHS safety performance assessment, all models equipped with EyeSight and specific headlights received the 2019 Top Safety Pick Plus (TSP+) rating. The 2019 TSP+ awards only apply to the North America models.



JNCAP ASV+++ rated models:
Impreza/SUBARU XV and Forester (models equipped with EyeSight) in 2018
JNCAP 5-star rated and first prize models: Forester in 2018
2019 IIHS TSP+ rated models: 2019 Impreza, Crosstrek, Legacy, Outback, WRX, Ascent, and Forester (models equipped with EyeSight and specific headlights)
UN-NCAP 5-star rated models:
2019 Impreza, Crosstrek, Legacy, Outback, Ascent, and Forester
Euro NCAP 5-star rated models: Impreza and SUBARU XV in 2017
ANCAP 5-star rated models: Forester in 2019

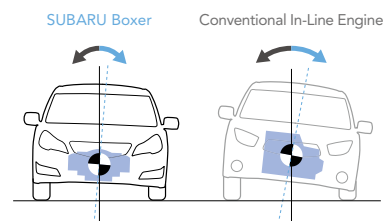
1 NCAP: New Car Assessment Program
2 IIHS: Insurance Institute for Highway Safety
3 For ratings details, please refer to rating agency websites

SUBARU Core Technologies

Horizontally-Opposed Engine (Boxer engine)

Compact, low center of gravity

The horizontally opposed engine has pistons arranged symmetrically to the left and right of the crankshaft. Since the opposed pistons mutually cancel out engine vibrations, the engine can rotate smoothly, which reduces vibrations conveyed to the vehicle interior. The engine's low height and compact design contribute to low vehicle center of gravity. The stable attitude provides a high sense of security during driving.



Symmetrical All-Wheel Drive (AWD)

Superior overall weight distribution

The combination of the low center of gravity provided by the horizontally opposed engine and superior longitudinal-transverse weight balance achieved by placing the transmission near the center of the vehicle maximizes all-wheel drive capability and delivers superb driving performance in various conditions. SUBARU has been committed to Symmetrical AWD as a core technology that drivers can depend on in every situation from day-to-day town use to high-speed highway driving.



Symmetrical All-Wheel Drive (AWD)

Subaru Global Platform

A next-generation vehicle platform designed with the future in mind, looking ahead to 2025

SUBARU is sequentially introducing the Subaru Global Platform, starting with the all-new Impreza launched in October 2016. The new vehicle platform substantially increases body and chassis rigidity and further lowers vehicle center of gravity, raising the level of active safety and passive safety and delivering responsive handling performance and a comfortable ride with reduced unpleasant vibration and noise.



Subaru Global Platform

EyeSight Driver Assist System

Stereo cameras for advanced object recognition capabilities

The use of two cameras positioned to the left and right, like human eyes, contributes to preventive safety by helping avoid accidents, reduce impact, and alleviate driver burden by enabling three-dimensional recognition of cars, pedestrians, and other objects in front of the vehicle and accurate recognition of the distance, shape, and speed of movement of these objects. SUBARU began development of a driver assist system using stereo cameras in 1989. Application of research results and experience accumulated over many years since then has culminated in EyeSight, a system that anyone can use with peace of mind. In 2017, we introduced EyeSight Touring Assist, which dramatically reduces driver fatigue by automatically assisting accelerator, brake, and steering operation at a wide range of speeds from 0 to approximately 120 km/h for expressway driving.

SUBARU pursues "protecting people's lives" and evolves preventive safety technologies with the aim of eliminating fatal accidents involving SUBARU vehicles* by 2030.



Stereo cameras

* Elimination of accidents resulting in the death of drivers or passengers in SUBARU vehicles and accidents resulting in the death of pedestrians, cyclists, or other persons due to collision with SUBARU vehicles



Debut of the All-New FORESTER

As a top-selling model in the SUBARU lineup, the all-new fifth-generation Forester is positioned as a key part of the company's global strategy. The new model offers packaging that balances excellent handling with a spacious interior as well as easy-to-use features, bringing comfort and enjoyment for all passengers. Under SUBARU's design philosophy "Dynamic x Solid," we have created the new design for the Forester that imparts a feeling of the toughness of an SUV and easy-to-use functionality.

- Incorporates the Driver Monitoring System,¹ SUBARU's first-ever occupant recognition technology
- Equipped with the e-BOXER² power unit system, which makes even everyday driving enjoyable thanks to smooth acceleration from a motor assist function
- Incorporates the Subaru Global Platform, which provides top-of-class comfort and safety performance
- Pedestrian protection airbags and EyeSight Touring Assist, the latest advanced safety equipment, come standard³ in all models

1 A safety feature designed to alert an inattentive driver, not to prevent driver inattention or accidents
2 A hybrid system that combines a horizontally-opposed engine and electric-drive technology for eco-friendly performance in addition to SUBARU's signature driving enjoyment
3 The Forester specifications shown on this page are the specifications in Japan

2018-2019

Car Assessment (JNCAP)
**Received
the Grand Prix Award
for collision safety
performance**



The Forester won the Grand Prix Award in the collision safety performance assessment for earning the highest score in the 2018–2019 Japan New Car Assessment Program (JNCAP) collision safety performance assessment. It also received Advanced Safety Vehicle Triple Plus (ASV +++) rating, the highest rating in the preventive safety performance assessment. The Forester's high safety performance in a wide range of areas from accident risk reduction to collision damage reduction has been demonstrated once again.

The Head of Development's Uncompromising Attention to Detail that is Winning the Forester Worldwide Acclaim

Concept of the All-New Forester

We defined the SUBARU value proposition that shaped development of the Forester as "Trust in Forester—Able to go anywhere, suitable for use in any situation." We created the product by following the core concept of the previous model and adding new value concepts. We sought to add two new value concepts. The first is the ability to share comfort and a dynamic space, for all passengers alike—the driver and loved ones. The second is that through owning or riding in the vehicle, drivers will feel able to embark on an exciting adventure and that all passengers, regardless of generation, can feel a sense of adventure. These two value concepts are the key development themes for the new Forester.

Comfort for Loved Ones

When I considered what makes a comfortable car, I thought of the Japanese expression *fukuyoka* (meaning "well-rounded"). As an example, for the door trim, we used soft-touch materials all the way up to the top of the window shoulder and, for areas that come into contact with the body, we devised a way of expressing interior richness with a spacious seating area and plush interior surfaces. As a result of thinking through how to provide comfort, we concentrated on creating comfort with an emphasis on the back-seat area. For instance, we created spacious legroom by using nearly all of the added wheelbase length of the new platform for the rear seats and also enhanced the comfort of the rear-seat environment. Furthermore, although the Driver Monitoring System (DMS) was initially conceived for the purpose enhancing safety and peace of mind, such as through preventing the driver from dozing off, since a key objective was to create a comfortable car, we brainstormed ways of utilizing the DMS to enhance vehicle comfort. We came up with an idea to increase the customer value of the DMS by utilizing the facial recognition software to automatically adjust the driver's seat position and mirror angles to preset individual preferences.

Stir of Adventure

The word "adventure" can mean many things: for instance, the sense of expectation when the driver straps into the driver's seat or the feeling of excitement about going on a new journey together with loved ones. First, we thought about how to embody the notion of adventure in a car and decided to do everything we could to achieve this. One example of this is the cargo area, designed to contribute to a sense of excitement. The engineers and designers drew up plans and considered together how to create a cargo area that looks spacious from the rear and has a large luggage area with room to stow everything needed for a family picnic. The result is a cargo area with a 1,300-mm extra-wide rear gate opening, which is exciting in its potential.

The e-BOXER power unit was first conceived with the idea of using an electric motor to enhance traditional SUBARU strengths, not simply to improve fuel economy. However, following repeated discussion among the project team members, we decided to use a motor to compensate for the weaknesses of gasoline engines. The advantage of a motor is that since it runs on electricity, it can be simply switched off and on. Using an electric motor for functions for which a gasoline engine is ill suited, resulted in much smoother driving performance. We also considered whether we could use the motor to further improve driving performance on uneven road surfaces. Getting just the right amount of engine power using the accelerator is most difficult at the slow speeds required for rough and bumpy terrain. Since (unlike a gasoline engine) motor operation varies linearly with the accelerator pedal position, cars equipped with the e-BOXER power unit become a great deal easier to drive. By combining e-BOXER with X-MODE⁴ and concentrating on using the motor to assist when the accelerator pedal is pressed, we were able to evolve X-MODE to make it easier to drive even on bad roads. I think that the development of e-BOXER has allowed us to create a car that really supports a sense of adventure.

⁴ X-MODE is an AWD control function. Appropriately controlling the driving force of the four wheels, braking, and other vehicle functions makes it possible to smoothly escape from bad road conditions



Project General Manager
Product & Portfolio Planning Division

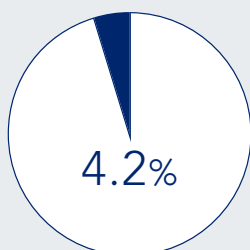
Tomoyuki Nunome



Aerospace Company

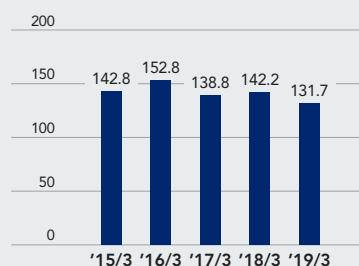
Leveraging tradition and innovative technologies to develop and produce a wide variety of aircraft.

Consolidated Net Sales Contribution Ratio of the Aerospace Company



Net Sales

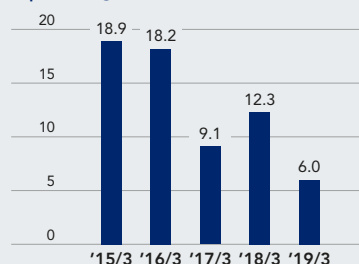
(Billions of yen)



* Change of accounting policy effective from FYE March 2019 (deduction of sales incentives from net sales)
Retroactively applied to the figures for FYE March 2018

Operating Income

(Billions of yen)



SUBARU's roots trace to 1917 and Aircraft Research Laboratory, later to become Nakajima Aircraft. The Aerospace Company, which has inherited Nakajima Aircraft's manufacturing technologies and spirit, leads Japan's aerospace industry and develops and produces a wide variety of aircraft.

In the defense program, we develop, manufacture, maintain, repair, and provide technical support for products such as the UH-1J utility helicopter used by the Japan Ground Self-Defense Force for disaster relief and other purposes, the T-5 Maritime Self-Defense Force trainer, unmanned aerial vehicles (more than 15 models developed over a half century), and flight simulators. In the commercial program, we participate in many international joint development projects for Boeing. For the 777X, Boeing's newest large passenger airliner, we are responsible for the Center Wing and its integration with main landing gear (MLG) wheel well, as well as MLG doors and Wing-to-Body Fairings (forward). In addition, taking advantage of an alliance with Bell Textron, we jointly developed the SUBARU BELL 412EPX and have started sales.

By further refining our technologies through involvement in a wide variety of aircraft programs, we will continue to take on additional challenges for growing into an aircraft manufacturer with a global presence.



Boeing 777X



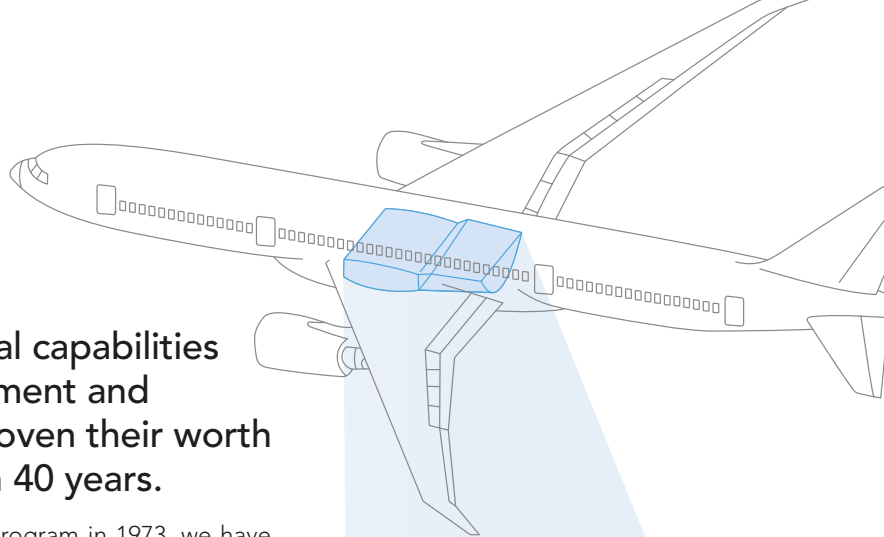
SUBARU BELL 412EPX

Overview of Center Wing Box and SUBARU's Technology

SUBARU's advanced technological capabilities continue to support the development and production of wings that have proven their worth in the world's skies for more than 40 years.

Since first participating in the Boeing passenger program in 1973, we have been involved in development and production as a key partner of Boeing for more than 40 years. We manufacture the center wing box, the critical aircraft section where the right and left wings are attached to the forward and aft fuselage sections. Since the center wing box contains the fuel, they must have high mechanical strength and high fluid tightness. For these reasons, great accuracy and advanced assembly technologies are required for its manufacture, and SUBARU is one of the few companies capable of making them. The Handa Plant, where center wing boxes are manufactured, is a global-level production center that produces these parts for the new Boeing 777X as well as for the Boeing 777 large airliner, the Boeing 787 mid-size airliner, the Ministry of Defense's P-1 maritime patrol aircraft, and the C-2 transport aircraft.

SUBARU's advanced technological capabilities are recognized worldwide. For example, we engage in development on the "Drop test for Simplified Evaluation of Non-symmetrically Distributed sonic boom" Project (D-SEND) together with Japan Aerospace Exploration Agency (JAXA).



A center wing box (Handa Plant)



President
Aerospace Company

Shoichiro Tozuka

Message from the Company President

The Aerospace Company will contribute to the enhancement of the SUBARU brand.

We are a start-to-finish aircraft builder with a wide-range of integration capability from aircraft development and manufacturing to flight testing. Flight safety is an important factor for aircraft, and for many years we have fostered a culture in which quality and safety are recognized as inextricably linked and uncompromisingly pursued. This total safety concept is at the core of SUBARU's DNA.

In the commercial airplane business, the production rate of the Boeing 787, which is our major product, has reached 14 shipsets per month. Meanwhile, for the Boeing 777X, the latest derivative of the Boeing 777 series, we have completed delivery of components for test airplanes and expect full-scale production to start.

In the defense program, we have successfully made the first flight and delivered the prototype of a New Utility Helicopter for Japan Ground Self-Defense Force in FYE March 2019. We have begun production of the SUBARU BELL 412EPX, which is based on the New Utility Helicopter, and will engage in full-scale production and sales from FYE March 2020.

We will continue to hone and perfect every aspect of our business and pursue further growth with the aim of expanding the SUBARU brand to the sky and space.