



**Notice of Convocation of
the 94th Ordinary General Meeting of Shareholders**

SUBARU CORPORATION

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 94th Ordinary General Meeting of Shareholders of Subaru Corporation. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

CEO's message

Over the past fiscal year, competition in the automobile industry intensified significantly. In that changing business environment, we have maintained strong sales performance in the U.S. market, becoming the only automobile brand to record year-on-year growth in retail sales for 32 consecutive months. In addition, domestic sales exceeded the results for the previous fiscal year. As we carefully calibrated production to avoid excess inventory in light of market conditions, we saw a decline in wholesale volume; revenue also fell 0.4% year on year, totaling 4.6858 trillion yen, and operating profit came to 405.3 billion yen, a 13.4% year-on-year decrease. Nevertheless, we managed to keep sales incentives relatively low despite a broader industry trend toward higher incentives. Altogether, we believe these results reflect the strength and stability of the Group's business model. We were also honored that SUBARU ranked in the top three overall—and first in the automobile category—for the third consecutive year in Forbes' recent Best Brands for Social Impact rankings. We take pride in earning recognition and acclaim not only for our products but as a brand as a whole.

In our efforts to help realize a carbon-neutral society, we remain committed to responding with flexibility and expandability while keeping a close eye on market trends. In April 2025, we unveiled the Trailseeker, our second battery electric vehicle (BEV), which we co-developed with Toyota Motor Corporation (Toyota). On the hybrid vehicle (HEV) front, we announced the long-awaited next-generation hybrid versions of the Crosstrek and the new Forester—both of which have already received a strong volume of orders. For gasoline-powered vehicles, we are preparing to launch an all-new Outback lineup, a model that enjoys robust support in the U.S. market. As we navigate the uncertainty of the BEV market, we will continue to diversify risk in cooperation with Toyota while strengthening our BEV, HEV, and gasoline-powered vehicle offerings as well as adapt flexibly amid the transition to electrification. We will also deliver on our commitment to “Monozukuri Innovation” and “Value Creation,” strengthening our standing as a winner in what observers are calling a once-in-a-century transformation of the automobile industry.

The SUBARU Group currently operates three production lines in Ota City, Gunma Prefecture, and two in Indiana (U.S.). In the fiscal year ending March 2026, we plan to suspend operations on one of our domestic lines for approximately six months to implement a major overhaul in preparation for in-house BEV production. Our two U.S. lines account for more than half of the vehicles we sell in the U.S., but the remainder of the production volume is exported from Japan—and that makes tariffs a significant factor in SUBARU Group business. While we anticipate the revenue environment in the fiscal year ending March 2026 to be a challenging one, we will continue working to create opportunities and secure ensure profit.

Regarding returns to our shareholders, in line with the new shareholder return policy that we announced in February 2025, we would like to provide a year-end dividend of 67 yen per share, which is a 19-yen increase compared to the initial forecast, resulting in an annual dividend of 115 yen per share. With regard to share repurchases, we have deferred a decision on whether to implement them in light of significant uncertainties in the business environment. However, for the fiscal year ending March 2026, we currently forecast an annual dividend of 115 yen per share, the same value as the current fiscal year. We appreciate your understanding.

Thank you again for your continued support.

Atsushi Osaki
Representative Director, President and CEO



(Securities Code: 7270)

June 4, 2025

(Start date of electronic provision measures: May 28, 2025)

SUBARU CORPORATION

1-20-8, Ebisu, Shibuya-ku, Tokyo, Japan

Notice of Convocation of the 94th Ordinary General Meeting of Shareholders

To our Shareholders:

You are cordially invited to attend the 94th Ordinary General Meeting of Shareholders of Subaru Corporation (the “Company”), to be held as set forth below.

Upon convening the General Meeting of Shareholders, the Company has taken measures for the electronic provision of information contained in the reference documents for the General Meeting of Shareholders, etc. (matters subject to measures for the electronic provision of information) and it is posted as “Notice of Convocation of the 94th Ordinary General Meeting of Shareholders” on each of the following websites on the internet. Please access any of those websites to view the information.

Company Website

<https://www.subaru.co.jp/en/ir/stock/meeting.html>

Website for materials for General Meeting of Shareholders

<https://d.sokai.jp/7270/teiji/>

Shareholders who are not attending the meeting in person may exercise their voting rights in advance via the Internet or in writing and they are kindly requested to do so by 6:00 p.m. on Tuesday, June 24, 2025, after reviewing the reference documents for the General Meeting of Shareholders described below.

Sincerely,
Atsushi Osaki,
Representative Director, President and CEO

1 Date	10 a.m., Wednesday, June 25, 2025 (Reception will start at 9 a.m.)				
2 Venue	Ebisu Subaru Building, 1-20-8, Ebisu, Shibuya-ku, Tokyo, Japan EVENT SPACE EBIS303, Event Hall on the third floor				
3 Purposes	<table><tr><td>Matters for Reporting</td><td><ol style="list-style-type: none">1. Business report, consolidated financial statements, and reporting of results of audits on consolidated financial statements by accounting auditors and the Audit & Supervisory Board for the 94th fiscal period (April 1, 2024 to March 31, 2025)2. Report on non-consolidated financial statements for the 94th fiscal period (April 1, 2024 to March 31, 2025)</td></tr><tr><td>Matters for Resolution</td><td><p>Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings</p><p>Proposal No. 2: Election of Eight (8) Directors of the Board</p><p>Proposal No. 3: Election of One (1) Audit & Supervisory Board Member</p><p>Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member</p></td></tr></table>	Matters for Reporting	<ol style="list-style-type: none">1. Business report, consolidated financial statements, and reporting of results of audits on consolidated financial statements by accounting auditors and the Audit & Supervisory Board for the 94th fiscal period (April 1, 2024 to March 31, 2025)2. Report on non-consolidated financial statements for the 94th fiscal period (April 1, 2024 to March 31, 2025)	Matters for Resolution	<p>Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings</p> <p>Proposal No. 2: Election of Eight (8) Directors of the Board</p> <p>Proposal No. 3: Election of One (1) Audit & Supervisory Board Member</p> <p>Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member</p>
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<p>4 Exercise of Voting Rights</p>	<p>[Exercise of Voting Rights by Mail] Please indicate your vote for or against each of the proposals on the enclosed voting form, and return the form to the Company so that it arrives no later than 6:00 p.m., Tuesday, June 24, 2025 (Japan time).</p> <p>[Exercise of Voting Rights via the Internet] Please access the “Website for the exercise of voting rights (https://soukai.mizuho-tb.co.jp/)” designated by the Company. This site is provided in Japanese only. Once on the site, please enter the Voting Code and the Password provided on the right-hand side of the enclosed voting form and follow the instructions on screen to complete your vote for or against each of the proposals no later than 6:00 p.m., Tuesday, June 24, 2025 (Japan time).</p> <p>[Matters for Acknowledgment] In case that there is no indication of approval or disapproval for each proposal on the returned Voting Form, the vote will be regarded as having indicated approval for proposals. In case the voting rights are exercised in duplicate via the form and on internet, exercise of voting rights on the internet will be deemed to be the effective vote. In case the voting right is exercised multiple times via the internet, the last exercise shall be deemed to be the effective vote.</p> <p>[To Institutional Investors] An electronic voting platform is available as a method for exercising a vote right.</p>
<p>5 Other matters concerning General Meeting of Shareholders</p>	<p>Among the matters subject to measures for the electronic provision of information, the following matters are not stated in the documents delivered to shareholders who requested them in accordance with relevant laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company.</p> <p>[1] “Main Businesses”, “Major Places of Business, Etc.”, “Main Lenders”, “Basic Approach to Corporate Governance”, “Summary of Company Organizational Bodies and Key Meetings”, “Policy and Procedures on Nomination of Candidates for Directors and Audit & Supervisory Board Members”, “Outside Directors and Audit & Supervisory Board Members”, “Summary of Contract for Limitation of Liability”, “Summary of Directors and Officers Liability Insurance”, “Summary of Evaluation of the Effectiveness of the Board of Directors”, “Information on Shares Issued by the Company”, “Information on Shares Held by the Company”, “Company Framework and Policies” and “Accounting Auditors” of Business Report</p> <p>[2] “Consolidated Statements of Financial Position”, “Consolidated Statements of Income”, “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” of Consolidated Financial Statements</p> <p>[3] “Non-consolidated Balance Sheet”, “Non-consolidated Statements of Income”, “Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” of Financial Statements</p> <p>[4] “Accounting Audit Report on Consolidated Financial Statements”, “Accounting Audit Report on Non-consolidated Financial Statements” and “Audit & Supervisory Board’s Report” of Audit Report</p> <p>Upon preparation of Audit Report, Audit & Supervisory Board Members audited the [1], [2] and [3] above, and the Accounting Auditors audited the [2] and [3] above.</p> <p>Company Website https://www.subaru.co.jp/en/ir/stock/meeting.html Website for materials for General Meeting of Shareholders https://d.sokai.jp/7270/teiji/</p> <p>In case amendments are made to the matters subject to measures for the electronic provision of information, details of the amendments will be posted on the above websites.</p>

[To Institutional Investors]

[ICJ, Inc.’s electronic voting platform is available as a method for exercising a voting right.](#)

Deadline for exercising voting rights: 6 p.m., Tuesday, June 24, 2025

REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS

Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings

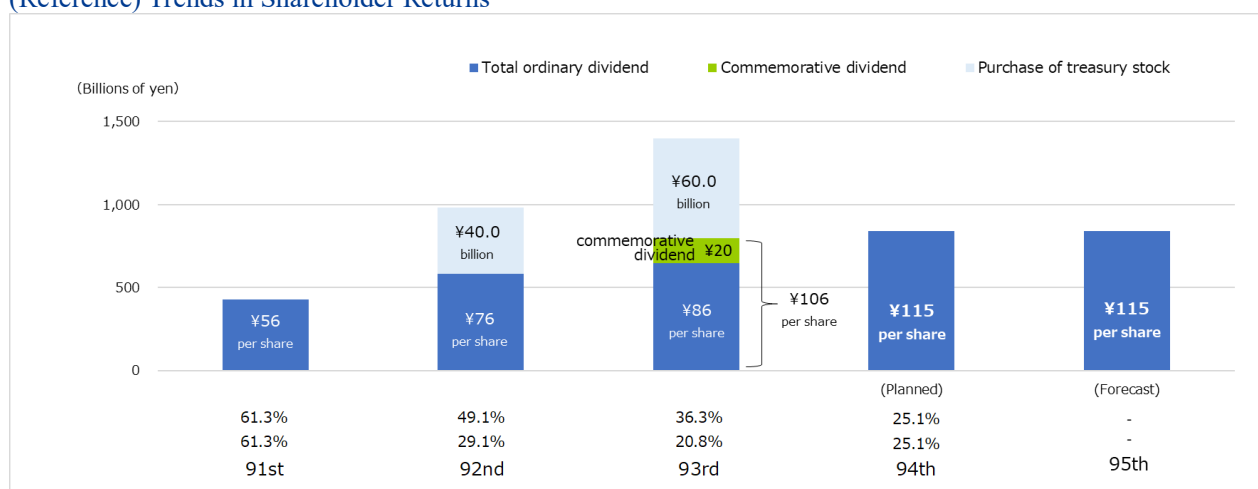
As for the appropriation of surplus for the year under review, it is proposed as follows.

The Company positions the return to shareholders as an important managerial issue and takes an approach based on dividend payouts, comprehensively taking into account the business performance, investment plans, and business environment for each fiscal period. It aims for total payout ratio of 40% or more. The Company sets DOE (ratio of equity attributable to owners of parent to total assets) at 3.5% for dividend payment, and in case the dividend amount falls below the 40% total payout ratio, it carries out purchase of treasury stock to address that. Further, as the Company aims for progressive dividend, ratio of equity attributable to owners of parent to total assets, the base for DOE, excludes other components of capital that significantly fluctuates due to the impact of foreign exchange and other factors.

The Company would like to propose dividends for the 94th fiscal period as presented in its most recent forecast in the manner described below, taking into account the financial results for the fiscal year under review and future business development.

1. Type of Dividend	Cash
2. The Matters Regarding the Assignment of the Dividend Property to Shareholders and the Total Amount Thereof	<p>¥67 per share of the Company's common stock</p> <p>Total dividends: ¥49,006,077,665</p> <p>The total annual dividend for the year under review would be ¥115 per share including the paid interim dividend of ¥48 per share</p>
3. Effective Date	June 26, 2025

(Reference) Trends in Shareholder Returns



* With regard to share repurchases, the Company has deferred a decision on whether to implement them in light of significant uncertainties in the business environment.

Proposal No. 2: Election of Eight (8) Directors of the Board

The terms of office of all eight (8) Directors of the Board will expire at the conclusion of this Ordinary General Meeting of Shareholders. It is hereby proposed that eight (8) Directors of the Board be elected.

The Company nominates as the candidates for Directors individuals who have abundant experience, superior abilities and knowledge, and high expertise appropriate for a Director of the Company in order to realize our vision, effective corporate governance, sustainable growth, and corporate value improvement for the medium and long term. To ensure fairness and transparency in decisions on executive appointments, the Executive Nomination Meeting, in accordance with inquiries from Board of Directors, submits to the Board of Directors proposals on the nomination of officers sufficiently deliberated on and approved by its members, a majority of which is accounted for by independent outside directors. These personnel matters are decided by resolution of the Board of Directors.


Candidates for the position of Director of the Board are as follows:

No.		Name		Current title in the company	Attendance at the Board of Directors meetings for the year	Tenure as Director
1	Candidate for reelection	Atsushi Osaki	Male	Representative Director, President	13 of 13 meetings (100%)	4 years
2	Candidate for reelection	Fumiaki Hayata	Male	Representative Director, Executive Vice President	13 of 13 meetings (100%)	4 years
3	Candidate for reelection	Tomomi Nakamura	Male	Director, Chairman	13 of 13 meetings (100%)	7 years
4	Candidate for reelection	Tetsuo Fujinuki	Male	Director, Senior Managing Executive Officer	13 of 13 meetings (100%)	2 years
5	New candidate	Shinsuke Toda	Male	Managing Executive Officer	-	-
6	Candidate for reelection Outside Independent	Miwako Doi	Female	Independent Outside Director	13 of 13 meetings (100%)	5 years
7	Candidate for reelection Outside Independent	Fuminao Hachiuma	Male	Independent Outside Director	13 of 13 meetings (100%)	2 years
8	Candidate for reelection Outside Independent	Shigeru Yamashita	Male	Independent Outside Director	10 of 10 meetings (100%)	1 year

Notes:

1. The candidates have no special interest relationships with the Company.
2. Mr. Yamashita's attendance at Board of Directors meetings during the year under review covers only his attendance at Board of Directors meetings held after his appointment on June 19, 2024.
3. Each candidate is currently a Director of the Board or Executive Officer, and the Company has entered into a directors and officers liability insurance contract with an insurance company, under which these candidates are included in the list of insured persons. The insurance policy covers compensation for damages and legal expenses to be borne by the insured in cases when they receive a claim for damages as a result of their wrongful acts conducted in their capacity as directors and officers. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed knowing that it is a violation of law. The insurance premiums are fully borne by the Company, and the insured persons are not required to pay the premiums in real terms. When their appointment is approved, each of the candidates will be included in the list of insured persons under the insurance contract. The insurance contract will expire in the middle of each candidate's term of office, and the Company intends to renew the contract with similar terms and conditions.

[Translation for Reference and Convenience Purposes Only]


No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
1	 <p>Atsushi Osaki (April 19, 1962)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1988 Joined the Company</p> <p>Apr. 2007 General Manager, Subaru Product & Portfolio Planning Division</p> <p>Jun. 2011 General Manager, Engineering Administration Department Subaru Engineering Division</p> <p>Apr. 2016 Vice President, Senior General Manager, Subaru Quality Assurance Division</p> <p>Apr. 2017 Vice President, Chief General Manager, Subaru Quality Assurance Division</p> <p>Apr. 2018 Managing Executive Officer, Chief General Manager, Subaru Quality Assurance Division and CQO</p> <p>Jan. 2019 Managing Executive Officer Chief General Manager, Quality Assurance Division Chief General Manager Customer Service Division and CQO</p> <p>Apr. 2019 Executive Vice President Chief General Manager, Quality Assurance Division and CQO</p> <p>Apr. 2020 Executive Vice President Chief General Manager, Quality Assurance Division and CQO Director of Total Quality Management Office</p> <p>Apr. 2021 Senior Managing Executive Officer Chief General Manager, Subaru Manufacturing Division</p> <p>Jun. 2021 Director, Senior Managing Executive Officer, Chief General Manager, Subaru Manufacturing Division</p> <p>Apr. 2023 Director, Senior Managing Executive Officer</p> <p>Jun. 2023 Representative Director President and CEO (to the present)</p> <p style="text-align: right;">[Continued to the next page]</p>	40,133 shares

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1	Atsushi Osaki (April 19, 1962) Candidate for reelection Male	<p>[Continued from the previous page]</p> <p><u>(Main fields of responsibilities in the Company)</u></p> <p>-</p> <p><u>(Significant Positions Concurrently Held)</u></p> <p>Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA)</p> <p><u>(Reasons for nominating the candidate for Director of the Board)</u></p> <p>Mr. Atsushi Osaki has abundant experience and knowledge acquired through extensive service at the Company and the Group companies mainly in the fields of technology, product planning, quality, customer service and manufacturing areas. After assuming the post of Representative Director, President and CEO in June 2023, he formulated the new management policy to respond to the once-in-a-century transformation in the automobile industry with flexibility and expandability. In that he declared that the Company's aim is to be a world-leading company in Monozukuri Innovation and Value Creation and has been spearheading the reform and pursuing initiatives for building the SUBARU Group's foundation for a new era by leading the reforms from the front. In order to realize the Group's sustainable growth, we are nominating him to serve as Director again, strongly expecting him to supervise management considering interests of all stakeholders and demonstrate leadership to achieve the vision of a company delivering happiness to all.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u></p> <p>13 of 13 meetings (100%)</p>	


Notes: In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
2	 <p>Fumiaki Hayata (March 18, 1964)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1986 Joined the Company</p> <p>Apr. 2007 General Manager, Purchasing Planning Department, Subaru Purchasing Division</p> <p>Apr. 2015 Vice President, Senior General Manager, Subaru Overseas Sales & Marketing Division 1 General Manager, North America Sales & Marketing Department</p> <p>Apr. 2017 Managing Executive Officer, General Manager, Corporate Planning Dept.</p> <p>Apr. 2019 Managing Executive Officer, Chief General Manager, Corporate Planning Department</p> <p>Apr. 2020 Senior Managing Executive Officer, Chief General Manager, Overseas Sales & Marketing Division 1 Chairman and CEO, Subaru of Indiana Automotive, Inc. (SIA)</p> <p>Jun. 2021 Director, Senior Managing Executive Officer, Chief General Manager, Overseas Sales & Marketing Division 1 Chairman and CEO, Subaru of Indiana Automotive, Inc. (SIA)</p> <p>Apr. 2023 Director, Senior Managing Executive Officer</p> <p>Jun. 2023 Representative Director, Executive Vice President,</p> <p>Apr. 2025 Representative Director, Executive Vice President, and Chief Risk Management Officer (CRMO; to the present)</p> <p><i>(Main fields of responsibilities in the Company)</i> Secretarial Office, Human Resources Dept., cost, procurement</p> <p><i>(Significant Positions Concurrently Held)</i> Not applicable</p> <p><i>(Reasons for nominating the candidate for Director of the Board)</i> Mr. Fumiaki Hayata has abundant experience and knowledge acquired through extensive service at the Company and the Group companies mainly in procurement, sales and marketing, corporate planning, and overseas business areas. In June 2023, he was appointed Representative Director and Executive Vice President, and has been engaged in strengthening of the cost and procurement fields that support Monozukuri Innovation promoted by the Company as well as implementation of human capital management. In order to realize sustainable growth of the Group, we are nominating him once again to serve as Director, expecting him to supervise management considering interests of all stakeholders and properly implement strengthening of risk management and corporate governance.</p> <p><i>(Attendance at the Board of Directors meetings during the year under review)</i> 13 of 13 meetings (100%)</p>	23,743shares


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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
3	 <p>Tomomi Nakamura (May 17, 1959)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2004 General Manager, Marketing Planning Department, Subaru Japan Sales & Marketing Division</p> <p>Apr. 2011 Vice President, Senior General Manager, Strategy Development Division</p> <p>Jun. 2011 Vice President, Chief General Manager, Strategy Development Division, General Manager, Corporate Planning Department</p> <p>Apr. 2013 Vice President, Senior General Manager, Subaru Global Marketing Division Senior General Manager, Subaru Overseas Sales & Marketing Division 1 Senior General Manager, Subaru Overseas Sales & Marketing Division 2</p> <p>Apr. 2014 Managing Executive Officer, Chief General Manager, Subaru Overseas Sales & Marketing Division 1 Chairman and CEO, Subaru of America, Inc. (SOA)</p> <p>Apr. 2016 Senior Managing Executive Officer, Chief General Manager, Subaru Overseas Sales & Marketing Division 1 Chairman and CEO, Subaru of America, Inc. (SOA)</p> <p>Apr. 2018 Senior Managing Executive Officer</p> <p>Jun. 2018 Representative Director President and CEO</p> <p>Jun. 2023 Director, Chairman (to the present)</p> <p><u>(Main fields of responsibilities in the Company)</u></p> <p>-</p> <p><u>(Significant Positions Concurrently Held)</u></p> <p>Chairman, Society of Japanese Aerospace Companies</p> <p><u>(Reasons for nominating the candidate for Director of the Board)</u></p> <p>Mr. Tomomi Nakamura was in charge of the Company's management from 2018 to 2023 as the Representative Director and has extensive experience and knowledge in business management in the Company and the Group companies over many years. Since June 2023, he has been focusing exclusively on monitoring overall management as a Director with no specific area of responsibility, working to strengthen corporate governance. As Chairman of the Board, he has been promoting free and open discussions while drawing out the knowledge of outside officers, and his handling of the proceedings of the Board meetings has been highly appreciated by the members from both inside and outside the Company. Based on the above, we are nominating him to serve as Director again, expecting him to supervise management considering interests of all stakeholders to realize the Group's sustainable growth.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u></p> <p>13 of 13 meetings (100%)</p>	57,961 shares


Notes: In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

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4	 <p>Tetsuo Fujinuki (August 30, 1963)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1986 Joined the Company</p> <p>Jan. 2010 Deputy General Manager, 1st Vehicle Research & Experiment Department, Subaru Engineering Division 1</p> <p>Apr. 2019 Vice President, Senior General Manager, Engineering Division 1</p> <p>Aug. 2019 Vice President, Chief General Manager, Engineering Management Division, Senior General Manager, Engineering Division 1, Chief General Manager, Technical Research Center</p> <p>Apr. 2020 Vice President and CTO, Chief General Manager, Engineering Management Division, Chief General Manager, Technical Research Center</p> <p>Apr. 2021 Managing Executive Officer and CTO, Chief General Manager, Engineering Division, Chief General Manager, Technical Research Center</p> <p>Apr. 2023 Senior Managing Executive Officer and CTO</p> <p>Jun. 2023 Director, Senior Managing Executive Officer and CTO (to the present)</p> <p><i>(Main fields of responsibilities in the Company)</i> CTO Strategy Office, Engineering Division, Technical Research Center, Product and Business Management Division</p> <p><i>(Significant Positions Concurrently Held)</i> Director, Subaru Tecnica International Inc.</p> <p><i>(Reasons for nominating the candidate for Director of the Board)</i> Mr. Tetsuo Fujinuki has been serving as CTO since 2020, and has abundant experience and knowledge acquired through extensive service at the Company and the Group companies mainly in technology. In order to realize sustainable growth of the Group, we are nominating him once again to serve as Director, expecting him to supervise management considering interests of all stakeholders and properly plan the overall manufacturing strategy primarily for future technologies, manufacturing, and procurement.</p> <p><i>(Attendance at the Board of Directors meetings during the year under review)</i> 13 of 13 meetings (100%)</p>	21,165 shares

Notes: In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

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5	 <p>Shinsuke Toda (July 16, 1966)</p> <p>New candidate</p> <p>Male</p>	<p>Apr. 1990 Joined The Industrial Bank of Japan, Ltd.</p> <p>Apr. 2015 General Manager, Europe Division, Mizuho Bank, Ltd.</p> <p>Oct. 2015 General Manager, Europe Division, Mizuho Financial Group, Inc.</p> <p>Apr. 2018 General Manager, Global Corporate Coordination Department, Mizuho Financial Group, Inc.</p> <p>General Manager, Global Corporate Coordination Department, Mizuho Bank, Ltd.</p> <p>Apr. 2019 Executive Officer Deputy Head of the Europe, Middle East and Africa, Mizuho Bank, Ltd.</p> <p>Apr. 2020 Managing Executive Officer Deputy Head of the Europe, Middle East and Africa, Mizuho Bank, Ltd.</p> <p>May 2020 Managing Executive Officer Head of the Europe, Middle East and Africa, Mizuho Financial Group, Inc.</p> <p>Managing Executive Officer Head of the Europe, Middle East and Africa, Mizuho Bank, Ltd.</p> <p>Jul. 2021 Group Executive Officer CEO for Europe, Middle East and Africa, Mizuho Financial Group, Inc.</p> <p>Managing Executive Officer CEO for Europe, Middle East and Africa, Mizuho Bank, Ltd.</p> <p>May 2023 Managing Executive Officer Senior General Manager, Overseas Sales & Marketing Division 2 Senior General Manager, Corporate Planning Division, the Company</p> <p>Apr. 2025 Managing Executive Officer & CFO (Chief Financial Officer), the Company President, Subaru Finance Co., Ltd. (to the present)</p> <p><u>(Main fields of responsibilities in the Company)</u> Finance & Accounting Department, Corporate Communications Department, Investor Relations Department</p> <p><u>(Significant Positions Concurrently Held)</u> Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA)</p> <p><u>(Reasons for nominating the candidate for Director of the Board)</u> Mr. Shinsuke Toda served in key positions at a financial institution. After joining the Company, he accumulated experience mainly in the overseas business. In addition to the abundant experience and broad knowledge, Mr. Toda also has a non-insider viewpoint. In order to realize sustainable growth of the Group, we are nominating him as a Director candidate, expecting him to supervise management considering interests of all stakeholders and promote financial and capital policies as well as investment for growth appropriate for the entire SUBARU Group.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> -</p>	5,546 shares


[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
6	 Miwako Doi (June 2, 1954) Candidate for reelection Outside Independent Female	<p>Apr. 1979 Joined Research & Development Center, Tokyo Shibaura Electric Corporation (Toshiba Corporation)</p> <p>Jul. 2005 Senior Fellow, Human Centric Laboratory, Corporate Research & Development Center Toshiba Corporation</p> <p>Jul. 2006 Senior Fellow, Corporate Research & Development Center</p> <p>Jul. 2008 Chief Fellow, Corporate Research & Development Center</p> <p>Jun. 2014 Retired from Toshiba Corporation</p> <p>Jun. 2020 Outside Director, Subaru Corporation (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Auditor, National Institute of Information and Communications Technology (part-time) Outside Director, NGK Spark Plug Co., Ltd.</p> <p><u>(Reasons for nominating the candidate as an Outside Director and outline of expected roles)</u> Ms. Miwako Doi long worked for Toshiba Corp. for many years as researcher and supervisor in the area of information technology. As an expert of the area, she has made many achievements. In recognition of her high expertise and abundant experience and knowledge, she has been appointed to governmental advisory bodies. Since Ms. Doi's appointment as an Independent Outside Director of the Company in June 2020, she has been making beneficial recommendations to the Company's management on creation of new innovation. During the fiscal year under review, Ms. Doi provided constructive opinions especially regarding technology development and IT risks. We expect her to continue to provide sufficient advice and supervision regarding the Company's management in general from an independent position as Outside Director of the Company, and thus proposed her again as a candidate for Outside Director.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 13 of 13 meetings (100%)</p>	400 shares

Notes:

1. In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.
2. To allow the Company's Directors and Audit & Supervisory Board Members fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, the Company has concluded a contract for limitation of liability with Ms. Miwako Doi which limits her liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act. If her reelection as Director is approved in this Annual General Meeting of Shareholders, we intend to continue with the contract for limitation of liability concluded between her and the Company.
3. The Company designates Ms. Miwako Doi as Independent Director as set forth by the Tokyo Stock Exchange. If her reelection is approved in this Annual General Meeting of Shareholders, the Company will continue the designation. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.


[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
7	 Fuminao Hachiuma (December 8, 1959) Candidate for reelection Outside Independent Male	<p>Apr. 1983 Joined Ajinomoto Co., Inc. Jul. 1998 President, PT AJINOMOTO SALES INDONESIA Jul. 2008 Director and Vice President, America Ajinomoto, Inc. Jun. 2013 Executive Officer, Ajinomoto Co., Inc. Jun. 2015 Managing Executive Officer, Ajinomoto Co., Inc. Jun. 2015 Representative Director, President, J-OIL MILLS, INC. Jun. 2016 Representative Director, President, J-OIL MILLS, INC. Apr. 2022 Director, J-OIL MILLS, INC. Jun. 2022 Retired from Director, J-OIL MILLS, INC. Jun. 2023 Outside Director, Subaru Corporation (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Outside Director, Seven & i Holdings Co., Ltd. Outside Audit & Supervisory Board Member, YKK AP Inc.</p> <p><u>(Reasons for nominating the candidate as an Outside Director and outline of expected roles)</u> 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 promotion of strengthening of corporate governance and management reform of J-OIL MILLS, INC. as Representative Director and President. Since his appointment as Independent Outside Director in June 2023, he has presented honest opinions regarding the Company's management. During the fiscal year under review, Mr. Hachiuma provided constructive comments especially regarding global governance. We expect him to continue to provide sufficient advice and supervision regarding management in general from an independent position as Outside Director of the Company, and thus proposed him again as a candidate for Outside Director.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 13 of 13 meetings (100%)</p>	1,000 shares

Notes:

1. In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.
2. To allow the Company's Directors and Audit & Supervisory Board Members fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, the Company has concluded a contract for limitation of liability with Mr. Fuminao Hachiuma, which limits his liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reelection as Director is approved in this Annual General Meeting of Shareholders, we intend to continue with the contract for limitation of liability concluded between him and the Company.
3. The Company designates Mr. Fuminao Hachiuma as Independent Director as set forth by the Tokyo Stock Exchange. If his reelection is approved in this Annual General Meeting of Shareholders, the Company will continue the designation. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.

[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
8	 <p>Shigeru Yamashita (February 14, 1958)</p> <p>Candidate for reelection</p> <p>Outside Independent</p> <p>Male</p>	<p>Mar. 1981 Joined Pigeon Corporation</p> <p>Feb. 1997 President and Representative Director, Pigeon Industries (Thailand) Co., Ltd.</p> <p>Jul. 2004 President and Representative Director, Lansinoh Laboratories, Inc.</p> <p>Apr. 2007 Managing Officer, Overseas Business Division Manager, Pigeon Corporation</p> <p>Apr. 2009 Director, Overseas Business Division Manager, Pigeon Corporation</p> <p>Apr. 2011 Managing Executive Officer in charge of Personnel and General Affairs Division, Overseas Business Division, China Business Division, Pigeon Corporation</p> <p>Apr. 2012 Director, Managing Executive Officer, Overseas Business Division Manager, Pigeon Corporation</p> <p>Apr. 2013 President and CEO, Pigeon Corporation</p> <p>Apr. 2019 Chairman of the Board, Pigeon Corporation</p> <p>Mar. 2023 Retired as Chairman of the Board, Pigeon Corporation</p> <p>Jun. 2024 Outside Director, Subaru Corporation (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u></p> <p>Not applicable</p> <p><u>(Reasons for nominating the candidate as an Outside Director and outline of expected roles)</u></p> <p>Mr. Shigeru Yamashita has abundant experience and knowledge acquired through his involvement in management in a broad range of fields including overseas business 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. Since his appointment as Independent Outside director in June 2024 and Independent Outside Director in June of the fiscal year under review, he has presented honest opinions regarding the Company's management in general based on his deep insight regarding social responsibilities of businesses. Mr. Yamashita provided comments especially regarding safety and corporate culture in the fiscal year under review. We expect him to continue to provide sufficient advice and supervision regarding management in general from an independent position as Outside Director of the Company, and thus proposed him again as a candidate for Outside Director.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u></p> <p>10 of 10 meetings (100%)</p>	3,000 shares

Notes:


1. Mr. Yamashita's attendance at Board of Directors meetings during the year under review covers only his attendance at Board of Directors meetings held after his appointment on June 19, 2024.
2. *In addition to these Board of Directors meetings, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.
3. To allow the Company's Directors and Audit & Supervisory Board Members fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, the Company has concluded a contract for limitation of liability with Mr. Shigeru Yamashita, which limits his liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reelection as Director is approved in this Annual General Meeting of Shareholders, it intends to continue with the contract for limitation of liability concluded between him and the Company.
4. The Company designates Mr. Shigeru Yamashita as Independent Director as set forth by the Tokyo Stock Exchange. If his reelection is approved in this Annual General Meeting of Shareholders, the Company will continue the designation. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.

Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Yoichi Kato will expire at the conclusion of this Ordinary General Meeting of Shareholders. It is hereby proposed that one (1) Audit & Supervisory Board Member be elected.

Candidates for Audit & Supervisory Board Members are nominated taking into account their experience, competency, knowledge, and high ethics that value fairness required for the position. To ensure fairness and transparency in decisions on executive appointments, the Executive Nomination Meeting, in accordance with inquiries from Board of Directors, submits to the Board of Directors proposals on the nomination of candidates for Audit & Supervisory Board Members sufficiently deliberated on and approved by its members, a majority of which is accounted for by independent outside directors. These personnel matters are decided by resolution of the Board of Directors. The proposal has been approved by the Audit & Supervisory Board. The candidate for Audit & Supervisory Board Member is as follows.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of Birth)	Biography, Posts in the Company, Significant Positions Concurrently Held, and Reasons for Nominating the Candidates for Audit & Supervisory Board Members	Number of the Company's Shares Held
 <p>Jinya Shoji (December 31, 1963)</p> <p>New candidate</p> <p>Male</p>	<p>Apr. 1988 Joined the Company</p> <p>Apr. 2009 General Manager, Human Resources Department</p> <p>Jun. 2011 Seconded to SOA Sales and Marketing Vice President, SOA</p> <p>Apr. 2016 Senior General Manager, Subaru Global Marketing Division, the Company</p> <p>Apr. 2017 Executive Officer Chief General Manager, Global Marketing Division, the Company</p> <p>Apr. 2017 Executive Officer Senior General Manager, Overseas Sales & Marketing Division 1, the Company Executive Vice President, SOA</p> <p>Apr. 2020 Managing Executive Officer Senior General Manager, Overseas Sales & Marketing Division 1, the Company Executive Vice President, SOA</p> <p>Apr. 2021 Managing Executive Officer Chief General Manager, Overseas Sales & Marketing Division 2, the Company</p> <p>Apr. 2022 Managing Executive Officer Chief General Manager, Overseas Sales & Marketing Division 2 Chief General Manager, Parts & Accessories Division</p> <p>Apr. 2025 Managing Executive Officer (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Not applicable</p> <p><u>(Reasons for nominating the candidate for Audit & Supervisory Board Member)</u> Mr. Jinya Shoji has abundant experience and knowledge in wide-ranging fields acquired through extensive service at the Company and the Group companies mainly in human resources, marketing, and overseas business. In addition, as a managing executive officer, he was long engaged in overall overseas sales and marketing including North America, the Group's mainstay market. Based on his background and the wide range of experience described above, we expect him to appropriately perform his duties as an Audit & Supervisory Board Member, and therefore nominate Mr. Shoji as a candidate for Audit & Supervisory Board Member.</p> <p>Attendance at the Audit & Supervisory Board meetings -</p>	19,542 shares

[Translation for Reference and Convenience Purposes Only]

Notes:

1. To allow the Company's Audit & Supervisory Board Members fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Audit & Supervisory Board Members to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, if Mr. Jinya Shoji is appointed as an Audit & Supervisory Board Member in this Annual General Meeting of Shareholders, the Company will conclude a contract for limitation of liability with him which limits his liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
2. Mr. Jinya Shoji is currently an executive officer of the Company, and the Company has entered into a directors and officers liability insurance contract with an insurance company, under which he is included in the list of insured persons. The insurance policy covers compensation for damages and legal expenses to be borne by the insured in cases when they receive a claim for damages as a result of their wrongful acts conducted in their capacity as directors and officers. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed knowing that it is a violation of law. The insurance premiums are fully borne by the Company, and the insured persons are not required to pay the premiums in real terms. If Mr. Jinya Shoji is appointed as an Audit & Supervisory Board Member, he will continue to be included in the list of insured under the insurance contract. The insurance contract will expire in the middle of his term of office, and the Company intends to renew the contract with similar terms and conditions.

Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

At the commencement of the 94th Ordinary General Meeting of Shareholders, the resolution on the election of the Substitute Audit & Supervisory Board Member, made at the 93rd Ordinary General Meeting of Shareholders held on June 19, 2024, expires. Accordingly, the election of one (1) Substitute Audit & Supervisory Board Member is proposed in preparation for the event that the number of Audit & Supervisory Board Members will be insufficient as required by law.

The candidate for the position of Substitute Outside Audit & Supervisory Board Members is as follows:

The validity of the resolution to be adopted at this Ordinary General Meeting of Shareholders regarding the election of Mr. Hirohisa Ryu shall expire at the opening of the first Ordinary General Meeting of Shareholders to be held after the said resolution is made, and can be nullified by resolution of the Board of Directors, with the consent of the Audit & Supervisory Board Meeting, only before he assumes office.

The proposal has been approved by the Audit & Supervisory Board Meeting.

Name (Date of Birth)	Biography, Significant Positions Concurrent Held, and Reasons for Nominating the Candidate for Substitute Audit & Supervisory Board Member	Number of the Company's Shares Held
Hirohisa Ryu (August 4, 1964) Outside Independent Male	Apr. 1994 Certified as an attorney and joined Tokyo Hatchobori Law Office. Apr. 2001 Assistant Chief of Financial Crisis Response Office, Planning and Management Division, Supervision Bureau of Finance Services Agency (under fixed-term contract). Apr. 2003 Returned to Tokyo Hatchobori Law Office. Apr. 2004 Partner at Tokyo Hatchobori Law Office (to the present) Jun. 2013 Outside Corporate Auditor, eGuarantee, Inc. (to the present) May 2017 Outside Auditor, Renown Incorporated Nov. 2020 Retired from Outside Auditor, Renown Incorporated <u><i>(Reasons for nominating the candidate for Outside Substitute Audit & Supervisory Board Member)</i></u> With his long career as an attorney, and having worked as an outside corporate auditor and a fixed-term official of FSA, Mr. Hirohisa Ryu has both scholarly knowledge and practical experience regarding corporate legal affairs. Although he has no experience dealing directly with corporate management other than as an outside auditor, he has expert knowledge of corporate management acquired through his extensive hands-on experience in corporate legal, accounting and financial affairs. Based on the above, the Company concluded that he is capable as an Outside Audit & Supervisory Board Member and should be able to fulfill the relevant duties appropriately if he takes office.	0 shares

Notes:

- To allow the Company's Audit & Supervisory Board Members fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Audit & Supervisory Board Members to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, if Mr. Hirohisa Ryu assumes office as the Audit & Supervisory Board Member, the Company will conclude a contract for limitation of liability with him which limits his liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
- The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance contract provides coverage for liability of an insured when a compensation claim is filed against the insured as a result of an improper act he/she committed utilizing his/her position, as well as other damages including litigation costs. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed knowing that it is a violation of law. The insurance premiums are fully borne by the Company, and the insured persons are not required to pay the premiums in real terms. If Mr. Hirohisa Ryu is appointed as an Audit & Supervisory Board Member, he will be included in the list of insured under the insurance contract. If the insurance contract will expire in the middle of his term of office, the Company intends to renew the contract with similar terms and conditions.
- After Mr. Ryu assumes office, the Company will register him as the Independent Auditor set forth by Tokyo Stock Exchange. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.

[Translation for Reference and Convenience Purposes Only]

(Reference) Structure of the Board of Directors and Audit & Supervisory Board after approval of Proposals No. 2 and 3

If Proposals No. 2 and 3 are approved without amendment, the structure of the Board of Directors and Audit & Supervisory Board will be as follows at the Board of Directors meeting as well as Audit & Supervisory Board meeting following this Ordinary General Meeting of Shareholders. The total eight Directors will include three independent Outside Directors (37.5%), and the total five members of the Executive Nomination Meeting and the Executive Compensation Meeting will include three independent Outside Directors (60.0%). The total 12 Directors and Audit & Supervisory Board Members will include three females (25.0%).

- Notes: 1. ◎ and ○ indicate attendance of the chairman and other members, respectively.
2. The list below does not cover the entire scope of knowledge held by the Directors and Audit & Supervisory Board Members.

	Name	Title at the Company	Gender	Total years of service	Board of Directors	Audit & Supervisory Board	Governance and Executive Nomination Meeting	Executive Compensation Meeting	Reasons for selection	Definition of experience
									Experience, insight, and leadership required for making important strategic decisions	Experience of serving as top management of a listed company
Director	Atsushi Osaki	Representative Director, President (CEO)	Male	4 years	○		○	○	Required skills	Business management (executive experience)
	Fumiaki Hayata	Representative Director, Executive Vice President (CRMO)	Male	4 years	○					
	Tomomi Nakamura	Director, Chairman	Male	7 years	◎		◎	◎		
	Tetsuo Fujinuki	Director, Senior Managing Executive Officer (CTO)	Male	2 years	○					
	Shinsuke Toda	Director, Managing Executive Officer (CFO)	Male	New candidate	○					
	Miwako Doi	Independent Outside Directors	Female	5 years	○		○	○		
	Fuminao Hachiuma	Independent Outside Directors	Male	2 years	○		○	○		
	Shigeru Yamashita	Independent Outside Directors	Male	1 year	○		○	○		
Audit & Supervisory Board Members	Hiromi Tsutsumi	Standing Audit & Supervisory Board Member	Female	5 years	○	○				
	Jinya Shoji	Standing Audit & Supervisory Board Member	Male	New candidate	○	○				
	Yuri Furusawa	Independent Outside Audit & Supervisory Board Member	Female	3 years	○	○				
	Yasumasa Masuda	Independent Outside Audit & Supervisory Board Member	Male	2 years	○	○				

[Translation for Reference and Convenience Purposes Only]

Promotion of business strategies for accelerating responses to major transformation					Strengthening of management infrastructure that supports the Company's sustainable growth		
Experience and track record as an officer in charge of each business division					Knowledge, experience, and competency as an officer in charge of a field or employee with experience in highly specialized operations		
Promotion of business strategies					Strengthening of management infrastructure		
Technology/ development	Manufacturing/ purchase	Sale/marketing	Global	IT/digital	Business administration/ financial/ accounting	Legal affairs/ compliance/ risk management	Human capital/ labor
●	●				●	●	●
	●	●	●		●		
		●	●		●		●
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[Translation for Reference and Convenience Purposes Only]

(Reference) Data on Corporate Governance Code

Matters concerning responsibilities of the Board of Directors, etc.

(Page for reference)

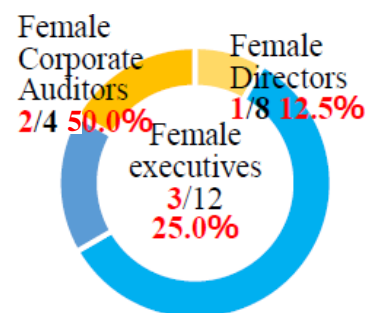
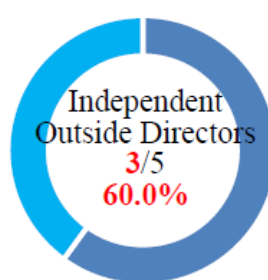
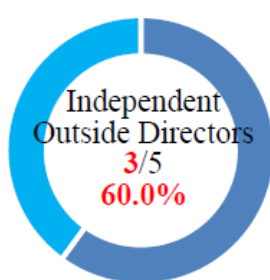
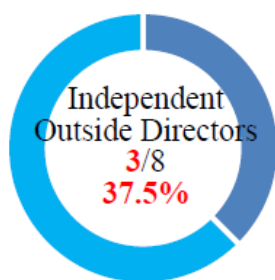
Principle 4-2 [1]	Sound incentivization of director compensation	Proportion of performance compensation	0.9 to 1 of basic compensation	52
		Proportion of restricted stock units	0.6 to 0.7 of basic compensation	
Principle 4-8	Effective use of independent Outside Directors	Proportion of independent Outside Directors	3/8 (37.5%)* ¹	18
Principle 4-10 [1]	Establishment of an independent Executive Nomination Meeting	Proportion of independent Outside Directors	3/5 (60.0%)* ¹	
	Establishment of an independent Executive Compensation Meeting	Proportion of independent Outside Directors	3/5 (60.0%)* ¹	
Principle 4-11	Prerequisites for ensuring the effectiveness of the Board of Directors and Audit & Supervisory Board	Proportion of female Directors	1/8 (12.5%)* ¹	
		Proportion of female Audit & Supervisory Board Members	2/4 (50.0%)* ¹	
		Evaluation of the Effectiveness of the Board of Directors	Implemented every year since FYE2016	55

Board of Directors
(Independence)

Executive Nomination Meeting
(Independence)

Executive Compensation
Meeting
(Independence)

Board of Directors and Audit &
Supervisory Board
(Gender Diversity)



The criteria for determining the independence of Outside Officers are posted on the Company's website on the Internet. Please refer to the attachment at the end of the "Corporate Governance Guidelines."

https://www.subaru.co.jp/en/outline/pdf/governance_guideline_e.pdf

Other matters

(Page for reference)

Principle 1-4	Cross-shareholdings	Details of cross- shareholdings	3 issues, 5,032 million yen* ²	42
Principle 2-4 [1]	Ensure diversity in the appointment of core personnel, etc.	Number of female managers	42* ²	35
		Number of non-Japanese managers	4* ²	36
		Number of managers employed in mid- career	240* ²	
Principle 2-5	Whistle blowing	Number of cases reported to the whistle blowing system	250 cases* ²	61

*1. After approval of Proposal No. 2 and Proposal No. 3

*2. As of March 31, 2025

Report on non-consolidated financial statements for the 94th fiscal period (April 1, 2024 to March 31, 2025)

1 Matters concerning the status of SUBARU GROUP

(1) Progress and Results

In fiscal 2024, the outlook for the global economy continued to be uncertain given the heightened geopolitical risks and inflation in major countries among other factors. In Japan, the economy recovered modestly amid ongoing price increases. The U.S. economy also remained steady on the back of firm employment situation, but uncertainties over its outlook grew following the change of government.

Under such circumstances, we, at the Subaru Group, powerfully drove forward initiatives for becoming the world's leading company in Monozukuri and Value Creation to embody its unchanging value statement of Enjoyment and Peace of Mind, while being mindful of the concepts of flexibility and expandability, by overcoming this once-in-a-century period of transformation in the automotive industry.

In the current consolidated fiscal year, revenue declined by 17.2 billion yen (0.4%) to 4,685.8 billion yen primarily owing to an increase in sales incentives and a decrease in unit sales, despite contributions from the price aspect by new model Forester as well as Crosstrek installed with strong hybrid system and the revenue contribution from foreign exchange fluctuation.

Operating profit also declined by 62.9 billion yen (13.4%) to 405.3 billion yen, profit before tax fell by 84.1 billion yen (15.8%) to 448.5 billion yen, and profit for the year attributable to owners of parent decreased by 47.0 billion yen (12.2%) to 338.1 billion yen on a year-on-year basis owing to a growth in research and development expenses and provisions in the Aerospace Division in addition to the above reasons.

	Amount of money (Millions of Yen)	Change (%)
Revenue	4,685,763	(0.4)
Operating profit	405,308	(13.4)
Profit before tax	448,507	(15.8)
Profit for the year attributable to owners of parent	338,062	(12.2)



LAYBACK Black Selection



FORESTER SPORT EX

(Automobile Division)

Overall automobile demand in the United States, our mainstay market, increased from the previous fiscal year by about 3% to approximately 16.20 million units. Total automobile demand in Japan increased by around 1% to approximately 4.58 million units.

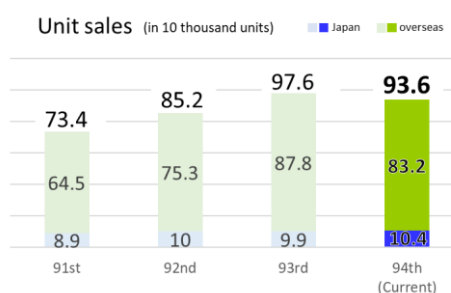
Under such business environment, production in Japan totaled 602,000 units, a similar level to the fiscal year ended March 2024.

Production overseas declined 23,000 units (6.3%) to 345,000 units on a year-on-year basis as we pursued production taking into consideration the sales situation and inventories in the overseas markets. This resulted in a decrease in combined domestic and overseas production of 23,000 units (2.4%) year on year to 946,000 units.

In Japan, sales of passenger cars led by Forester were strong and unit sales increased 5,000 units (5.4%) year on year to 104,000 units. Overseas unit sales, which are equivalent to wholesale, declined 45,000 units (5.2%) to 832,000 units on a year-on-year basis, as we carried out production corresponding to the sales situation as described above. Combined domestic and overseas unit sales declined by 40,000 units (4.1%) year on year to 936,000 units. Nonetheless, retail sales to customers in the United States, our mainstay market, continue to be firm, posting 32 consecutive months of year-on-year increase.

Revenue declined by 24.6 billion yen (0.5%) year on year to 4,569.0 billion yen primarily owing to an increase in sales incentives and a decrease in unit sales, despite contributions from the price aspect by the new model Forester as well as Crosstrek installed with strong hybrid system and revenue contribution from foreign exchange fluctuation. Segment profit decreased year on year by 41.1 billion yen (8.9%) to 420.4 billion yen.

	Unit sales (in 10 thousand units)	Change (in 10 thousand units)	Change (%)
Total in Japan	10.4	0.5	5.4
Passenger cars	9.1	0.5	5.2
Minicars	1.3	0.1	6.6
Total Overseas	83.2	(4.5)	(5.2)
North America	73.2	(3.2)	(4.1)
Europe	2.3	(0.4)	(16.5)
Australia	4.4	(0.4)	(7.8)
China	0.3	(0.3)	(52.9)
Other regions	3.1	(0.2)	(6.6)
Total	93.6	(4.0)	(4.1)



WRX S4 STI Sport R-Black Limited



CROSSTREK Premium S:HEV EX

(Aerospace Division)

Revenue rose by 7.3 billion yen (7.0%) year on year to 111.6 billion yen as production increased in the defense business and the number of units delivered increased in the helicopter business. On the other hand, segment loss amounted to 19.6 billion yen, reflecting a decline in profit of 22.3 billion yen year on year, as a provision for loss on construction contracts was recorded and the number of units delivered decreased in the commercial business.



T-5 Japan Maritime Self-Defense Force Primary Trainer Aircraft

(Other Businesses)

Revenue increased by 0.2 billion yen (3.1%) to 5.1 billion yen on a year-on-year basis. Segment profit increased by 0.1 billion yen (1.5%) to 3.7 billion yen from the previous fiscal year.

■ By Business Segment

(In Japanese yen in million except for percentage change from the previous year)

	Revenue				Segment Profit			
	93rd FYE2024	94th FYE2025 (Current)	Change	Percentage Change	93rd FYE2024	94th FYE2025 (Current)	Change	Percentage Change
Automobile	4,593,639	4,569,035	(24,604)	(0.5)	461,524	420,410	(41,114)	(8.9)
Aerospace	104,317	111,584	7,267	7.0	2,667	(19,642)	(22,309)	—
Other	4,991	5,144	153	3.1	3,633	3,687	54	1.5
Adjustments	—	—	—	—	374	853	479	128.1
Total	4,702,947	4,685,763	(17,184)	(0.4)	468,198	405,308	(62,890)	(13.4)

- Notes: 1. Revenue is the revenue from external customers.
2. Adjustment to segment profit refers to the elimination of intersegment transactions.
3. Other segment includes real estate leasing business, etc.

[Translation for Reference and Convenience Purposes Only]

(2) Status of Assets and Profit/Loss

Category		91st FYE2022	92nd FYE2023	93rd FYE2024	94th (current) FYE2025
Revenue	(Millions of yen)	2,744,520	3,774,468	4,702,947	4,685,763
Operating profit	(Millions of yen)	90,452	267,483	468,198	405,308
Profit for the period attributable to owners of parent	(Millions of yen)	70,007	200,431	385,084	338,062
Ratio of operating profit to revenue	(%)	3.3	7.1	10.0	8.6
Profit for the year attributable to owners of parent for the period per share, basic	(Yen)	91.28	261.33	509.20	458.03
Total assets	(Millions of yen)	3,543,753	3,944,150	4,814,149	5,088,246
Total equity	(Millions of yen)	1,901,019	2,109,947	2,565,394	2,715,708
Ratio of equity attributable to owners of parent to total assets	(%)	53.4	53.3	53.2	53.3
Equity attributable to owners of parent per share	(Yen)	2,465.41	2,739.27	3,409.45	3,713.26
Ratio of profit to equity attributable to owners of parent (ROE)	(%)	3.8	10.0	16.5	12.8
Price earnings ratio (PER)	(Times)	21.34	8.09	6.77	5.77
Price book-value ratio (PBR)	(Times)	0.8	0.8	1.0	0.7
Operating activities	(Millions of yen)	195,651	503,759	767,665	492,136
Investing activities	(Millions of yen)	(179,723)	(336,813)	(703,699)	(404,077)
Financing activities	(Millions of yen)	(98,502)	(122,307)	(66,469)	(187,320)
Cash and cash equivalents	(Millions of yen)	883,074	979,529	1,048,000	941,460

Notes: Profit for the year attributable to owners of parent for the period per share, basic is calculated based on the average number of shares during the period, and basic share attributable to owners of parent is calculated based on the number of shares issued at the end of the period, excluding treasury stock.

(3) Issues That Must Be Addressed

<Vision, value statement, corporate statement>

The Subaru Group, under its corporate statement of “We aim to be a compelling company with a strong market presence built upon our customer-first principle,” will evolve the value it offers, which is Enjoyment and Peace of Mind, towards achieving our vision of becoming a “company delivering happiness to all.” At the same time, along with growing the Automobile Division and Aerospace Division as an attractive global brand, we will strive for the sustainable growth of the Subaru Group and the realization of an enjoyable and sustainable society by seeking empathy from its customers, retailers, local communities and all other stakeholders with respect to our business activities.



To survive this once-in-a-century transformation period faced by the automobile industry, we will strongly promote Monozukuri Innovation and Value Creation and continue to pursue Enjoyment and Peace of Mind. Further, we will adapt to these intermittent changes that have been occurring recently at faster-than-ever speeds in a more timely manner, mindful of the concepts of flexibility and expandability.

<Initiatives for securing profits under a changing business environment>

For the SUBARU Group, by no means a large automaker, to maintain earning power and sustainably grow in the highly competitive environment, it is of utmost importance that our customers recognize the values unique to SUBARU and also for us to have thorough differentiation and added-value strategies. The Group till now has been enhancing its competitive edge by increasing added value through promotion of selection and concentration, in which we narrow down fields and markets where the Group can demonstrate its strength and invest limited management resources.

The Group has positioned the United States as the most important market, and has been focusing management resources in the SUV segment, which is convenient for daily use as well as for active lifestyle and also has a high affinity with customers, primarily in the U.S. market. As for development, we have focused resources on the field of pursuing “Enjoyment and Peace of Mind,” where we can leverage the strengths of our technologies. The Group has been promoting a community support project Love Promise in the United States together with retailers, its important partners, for realizing a better society. Our retailers, customers, and local communities have expressed support for these business model and initiatives, and together we have refined the SUBARU brand and achieved growth. As a result, retail sales exceeded the previous year’s level for 12 consecutive years from 2008 through 2019 prior to the COVID-19 pandemic and unit sales grew rapidly by about 3.7 folds. We maintained the strength in the U.S. market even after the pandemic, and became the only automobile brand selling in the U.S. that posted 32 consecutive months of year-on-year increase in March 2025.

For the fiscal year under review, the Group’s U.S. unit sales accounted for 662,000 units of the 936,000 units sold worldwide. Of the U.S. unit sales, more than 50% are produced locally and almost half are produced in Japan and exported to the U.S. In addition to finished vehicles imported from Japan, parts imported from other countries for vehicles produced locally in the U.S. also will be affected by the U.S. tariff policy.

Nevertheless, we believe that continuing to position the U.S. as the most important market is the best option for the SUBARU Group considering the strength of the SUBARU brand we have nurtured till now and the depth of our relationship with the customers. Going forward, we plan to shift the production base of Forester, our best-selling model in the U.S. market, to the U.S. and produce next-generation hybrid vehicles, whose demand is growing in that market. We will strive to ensure profits by creating various profit opportunities including increasing unit sales, improving sales mix, curbing sales incentives, and reducing costs.

<Surviving in the period of major transformation>

[1] Promote Monozukuri Innovation and Value Creation under the concept of flexibility and expandability

While BEV*¹ is a potent option for realizing carbon neutrality, the Company believes that demand for ICE*² vehicles will continue for a certain period of time as it is unclear how quickly the transition would occur. To respond flexibly to the changes in the age of uncertainty, it is necessary to change existing concepts and methods innovatively, and the Company declared that it would push forward with a major transformation in the form of BEV in the SUBARU New Management Policy announced on August 2, 2023.

At the same time, it is the customers who ultimately decide which power unit product they want. Therefore, flexibility would mean offering a wide range of choices including ICE vehicles as well as BEVs. And, there has been no change, since it was first announced, to the policy of becoming a world leading company in Monozukuri and Value Creation to realize that flexibility. As one of the ways to do that, we will for now steer in the direction of BEV, where we can start from scratch to build a production structure and choose development methods and processes to realize Monozukuri Innovation and Value Creation, and apply them also in ICE vehicles. In this way, we will instill in ourselves the flexibility to respond to the changes in the market.



*1. Battery Electric Vehicle

*2. Internal Combustion Engine

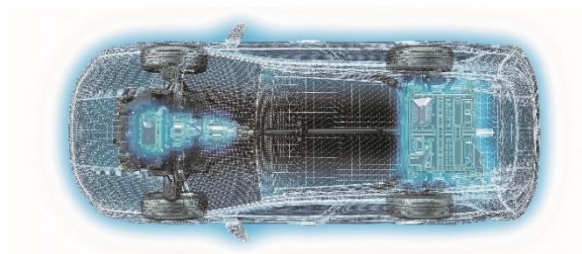
(Product lineup)

As for the launch of BEVs in the market, we are planning to introduce four SUV models by the end of 2026 and an additional four models by the end of 2028 for a line-up of eight models in total. Of the four new models to be launched by end of 2026, Solterra, introduced in the market in 2022, was jointly developed with Toyota Motor Corporation (hereinafter referred to as “Toyota”), bringing together the strengths of both companies, and an improved model was released in April 2025. At the same time, we also revealed Trailseeker, the second of the BEV lineup. We plan to introduce the new model Trailseeker in the United States in or after 2026. The model will be produced at our Yajima Plant and will also be supplied to Toyota.

In FYE2025, we developed and revealed next-generation e-BOXER transmission, SUBARU’s unique next-generation hybrid system based on Toyota Hybrid System and combining a horizontally opposed engine and mechanical AWD. We announced the installation of e-BOXER in Crosstrek for Japan and the new model Forester for Japan and the United States, and have already received many orders for them. We will plan to increase the e-BOXER-installed models taking future market trends into account.

Moreover, we will launch an all-new Outback, which has a long history as the flagship cross-over SUV of SUBARU. The power unit options are an improved 2.5L horizontally opposed direct-injection NA engine and a 2.4L direct-injection turbo engine, and we plan to launch them in or after 2026 in the U.S. market. In this way, we will enhance respective lineups of BEVs, HEVs*³, and ICE vehicles reflecting market needs and secure flexibility of products in the electrification transition period.

*3. Hybrid Electric Vehicle



next-generation hybrid system



New Trailseeker (U.S. market model)

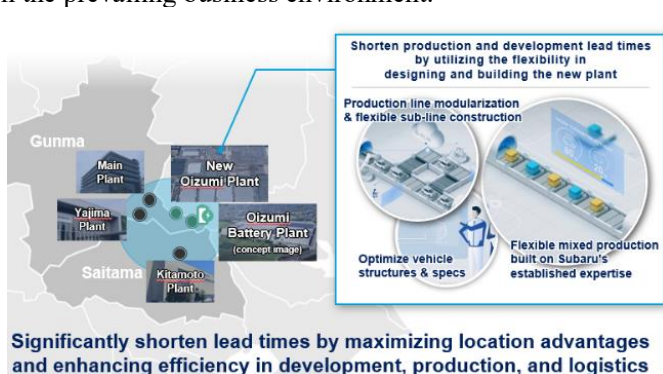
(Production system reorganization plan)

The Company has been updating its reorganization plan for production of EVs in stages since May 2022.

In Japan, we began production of transaxles, the core unit of the next-generation hybrid system, at Kitamoto Plant in fall 2024 as initially planned. We are also planning to start mixed production of the new Trailseeker and a new model BEV as well as gasoline-powered vehicles to be supplied to Toyota at our Yajima Plant and the preparation will start in full gear in FYE2026. Of the two lines at Yajima Plant, we need to suspend the operations of one line for about half a year for construction work. Therefore, we are expecting a certain decline in unit production, but we will strive to limit the impact to the minimum.

At the new Oizumi Plant, we are preparing for a phased start of operations by taking into consideration the trends in environmental restrictions, customer acceptance, and other factors. Further, we are planning to construct a battery production plant together with Panasonic Energy Co., Ltd. in the land adjacent to the new Oizumi Plant. We will further improve the efficiency of the supply chain, including suppliers and parts logistics, by taking advantage of the plants' locations within short distance of each other in Ota-shi, Gunma.

While there is no change to our policy to aim for realization of efficient production through phased start and by leveraging the location advantage, we will judge the timing of investment more precisely and more flexibly by taking into consideration the prevailing business environment.



(Monozukuri Innovation)

Through Monozukuri Innovation, we will promote high-density manufacturing by integrating our supply chain, including product development to production and the supply chain to create “one SUBARU,” something that can only be achieved through nimbleness granted by our scale. Based on this approach, we will strive to achieve world-leading manufacturing by halving the development process and lead time, halving the number of configurations and parts, and halving the production process and lead time.

Monozukuri including development till now covered a wide range of areas due to diversifying customer needs and sophistication of vehicles, which led to rapid advancement in specializations in individual fields and division of work including suppliers. This in turn resulted in the establishment of Monozukuri in a relay format, in which we wait for the previous process to get done. We believe that this style came about as companies responded as efficiently and effectively as possible to the restrictions arising during the process of growing while adapting to the changing times.

Meanwhile, we consider the planning and development of BEV, a brand new product entirely different from existing ones, from scratch and starting its production by constructing a new plant in an empty plot, as an opportunity to significantly change the approach to Monozukuri and its processes. We will promote efficient and high density Monozukuri with this as a starting point and thoroughly master it. In large room activities, where we gather together with business partners to discuss development, production, and various other matters, we are pushing forward to create “one SUBARU” and considering agile Monozukuri that combines supply chain, which is the flow of goods, with engineering chain, the flow of development. Together with the highly efficient package of high-density plant location and supply chain networks and the establishment of logistics system based on them, we will halve the development process and lead time, halve the configurations and number of parts, and halve the production process and lead time.

With respect to new plants, we will further evolve the highly efficient mixed production method based on the concepts of modularization of production line, building flexible sublines, and variable-mix, variable-volume, and short-run production, which the Company has been pursuing over a long period of time. By taking full advantage of the freedom of building a plant from scratch on a vacant plot, we aim to improve efficiency with an eye on maximum utilization of the site and the built-up space. Simultaneously, we will significantly reduce the number of parts by simplifying the vehicle structure and specifications from the early stages of development of new products, led by BEVs, that flows down the production line, to ultimately halve the production process. In addition to these

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initiatives, we will greatly reduce the lead time by raising logistics efficiency to the limit by leveraging the location advantage of the plants to the maximum, including Kitamoto Plant in Saitama, which manufactures transaxles, the core unit of the next-generation hybrid system, and deliver products that meet customers' needs faster than ever.



Agile monozukuri (manufacturing) driven by the opportunity to manufacture new cars in a new plant

(Value Creation)

In the U.S., Love Promise, the philosophy and initiatives to which our sales subsidiary Subaru of America (SOA) and its retailers are deeply committed has started bearing fruits. With SUBARU products at its core, the Subaru Love Promise creates a strong bond with retailers, customers, individuals in local communities, and Subaru. We believe this is the source of our value creation for society and the future, and we intend to protect and expand it. This commitment will remain unchanged in the period of profound change and also in the era of the electric car. SUBARU ranked number two overall in Forbes' Best Brands for Social Impact for two consecutive years in 2023 and 2024 among more than 3,000 companies in the U.S. In 2025, it was ranked third. This is a comprehensive evaluation of not only SUBARU'S products but also its philosophy and initiatives, and we believe that at the core of it is the technology we kept pursuing for embodying the unchanging value of "Enjoyment and Peace of Mind" that we offer.

For example, we have been refining the value of Peace of Mind in the process of developing the driver assist system EyeSight over a period of more than 30 years. In pursuing ultimate safety, we will continue to speed up the evolution of technology in the fields where SUBARU's strengths lie so that customers feel absolute peace of mind in all kinds of driving situations. With our products and technologies at core, we believe that our customers can enjoy the unfading emotional value that comes from spending time with their SUBARU, such as "peace of mind," "stimulated desire for self-challenge," and their vehicles being "always up-to-date."

As the shift to electrification progresses, SUBARU aims to become even closer to our customers' lives through these efforts.

There are two points regarding our initiatives aimed at technology evolution. The first point is deepening of collaboration. Especially in BEV, we need Value Creation in a new field and it is important how we can deepen the form of collaboration beyond the existing relationship with business partners. The second point is incorporating intelligence. In addition to enhancement of "Enjoyment and Peace of Mind" unique to SUBARU, we will add new values such as seamless and stress-free that are unique to BEV and apply them to ICE vehicles as well.



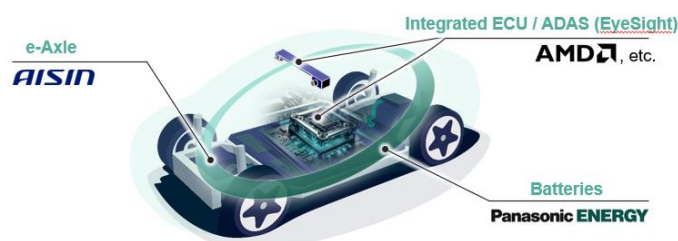
◆ Deepening of collaboration

At its development base Innovation Hub, which started functioning in January 2024 in Ota City, Gunma Prefecture, the Company's employees gather together with business partners, without any barriers, in large room activities to discuss development, production and other such matters.

We are developing e-Axle for light and compact next-generation electric vehicles jointly with Aisin Corporation. It goes beyond the simple framework of joint development and we are moving forward together to build a competitive e-Axle that leverages the respective strengths of each company by going even into the areas of procurement and production.

With Panasonic Energy Co., Ltd., which also has a history exceeding 100 years like the Company, we are collaborating on battery supply for the greater good of realizing the world's most advanced performance and cost by combining our technologies and knowledge in order to build up the next 100 years. The two companies are implementing initiatives to raise competitiveness such as leveraging the various insights possessed by each company and also considering the location advantage of the battery plant to be constructed and the cost perspective.

Deepen collaborations to create BEVs with the Subaru difference



Aiming for world-leading Enjoyment and Peace of Mind

With AMD, a global semiconductor manufacturer, we are collaborating on integration of EyeSight and AI inference towards realizing the goal of zero fatal road accidents in 2030. The optimized SoC*⁴ to be realized in this collaboration will be an important component of not only ADAS*⁵ but also integrated ECU, which controls the vehicle's operation, etc.

Through deepening of collaborations like these, we will pursue the world's most advanced "Enjoyment and Peace of Mind."

*4. System on a Chip

*5. Advanced Driver-Assistance Systems

◆ Incorporating intelligence

Integrated ECU, as the brain of the vehicle, will incorporate high-level intelligence quintessential to SUBARU, while maintaining cost competitiveness, achieved by in-house development focused on the areas of safety and driving, which are SUBARU's strengths. We will accumulate knowhow related to control utilizing integrated ECU and the knowledge gained in the process of developing BEV. At the same time, we will further increase the speed of insourcing, the Company's strong point, and deepen discussions aimed at utilization and installation in ICE vehicles.

Amid this once-in-a-century transformation period, the SUBARU Group will push forward Monozukuri Innovation and Value Creation. We will also thoroughly examine the efficiency and productivity of business activities as a whole, without limiting it to the processes of development and production, refine product competitiveness, and offer affordable products unique to SUBARU so as to maximize the value felt by our customers. The SUBARU Group will survive and prosper by realizing these with an eye on 2030 and onwards and maintaining our industry-leading profitability.



[2] Initiatives for realizing a carbon-free society

In order to contribute to a decarbonized society, Subaru has set long-term goals (long-term vision) for 2050 and medium-term goals (milestones), regarding the product (Scope 3) and production phases (Scope 1 and 2). The Company reviews these targets as necessary in response to intermittent, rapid changes in the business environment. In 2023, it raised plant/office-related medium-term target to reducing the emissions by 60% in FYE2036 compared with FYE2017. CO₂ emissions from the use of products we sell account for most of the CO₂ emissions from the Company's overall value chain, so it is important that we steadily implement initiatives for realizing electrification of vehicles as we have described earlier. We believe that proactive efforts by the Company to reduce direct CO₂ emissions (Scope 1 and 2) of the SUBARU Group will enhance the emission reduction activities across the entire value chain, and towards that end we are using renewable energy and upgrading to highly efficient machinery and equipment.

Meeting bodies aimed at reducing CO₂ emissions in various fields manage initiatives towards creation of a carbon-free society throughout the value chain consisting of merchandise, plants, and offices as well as materials and components, transportation, and disposal and ultimately they are supervised as a whole by the Environment Committee.

<Human resource development>

The Company believes that the world-leading Monozukuri and Value Creation it aims to achieve is realized by truly competitive people and organization, which it is currently strengthening. In its view, truly competitive people and organization are where human resources are demonstrating varying abilities to the maximum extent, are focusing on essential operations and producing results swiftly, and have awareness of optimization and can take actions going beyond organizational boundaries easily, and the organization has a culture that encourages and supports them to take on challenges. The Company has been implementing various measures to realize this.

In promotion of human resource development for growth of the individual, we have in place the basic mechanism where the workplace and superiors support employees' autonomous career plan development, and further, as measures to encourage them to take on challenges, offer open-call job rotation as well as a system where they find learning opportunities on their own with the Company providing all-out support. In addition, we have developed diverse training programs for all employees to choose from depending on their levels and goals as part of efforts to realize career development tailored to each individual. Development of autonomous human resources has been steadily bearing fruits through establishment of the mechanism to support the growth of the individuals and the continuation of various measures.

For the growth of the organization, the manufacturing departments are promoting activities to strengthen workplace skills by giving authority to the frontline with the participation of all employees, while administrative departments are trying to improve productivity through promotion of DX based on business efficiency improvement and mechanization. In the field of IT and AI utilization, we have established the IT Academy for all SUBARU employees in addition to the Software Human Resource Development Project built by the engineering departments.

From the perspective of aiming for further growth, we will position strengthening of the connections as the item with the utmost priority and focus on it. We will lead the individual challenges into even greater successes by deepening the connection between the management's vision and the initiatives of individual employees, strengthening the collaboration and cooperation between departments, developing a mechanism for supporting and encouraging employees to take on challenges, and increasing contacts between employees. At the same time, we will raise the speed at which we develop human resources who take on challenges. As one of measures for strengthening connections, we are implementing a large-scale training program for all of our about 4,000 employees with titles to learn how to go beyond the organizational boundaries and strengthen the organizational ability.

We will strongly promote initiatives for realizing truly competitive people and organization so that we, "one SUBARU," can sustainably produce the maximum results by leveraging the passion and individuality of each of our autonomous human resources.

<Management conscious of cost of capital and stock price>

The Company believes that it is essential to implement management that is conscious of cost of capital and stock price for its sustainable growth. The Company's most recent cost of capital (WACC* on a CAPM basis) is in the mid-7% level, while ROE is at 12.8%, maintaining a level higher than cost of capital. In this period of major transformation in the automobile industry, we will steadily implement our world-leading Monozukuri and Value Creation and introduce competitive products with the Subaru difference to pursue industry-leading profitability and an ROE of 10% or higher as long-term targets with an eye to 2030.

In the fiscal year under review, the Company switched to a shareholder return policy that incorporates the concept of DOE (ratio of equity attributable to owners of parent to total assets) by taking into account the current cash status and the level of its stock price with the aim of achieving stable and progressive dividend payment to reward the shareholders. Our PER is currently at around six times, which appears to be low in comparison with the average PER of companies listed on the TSE Prime Market, while its PBR is below 1. This is attributable to the current situation where it is difficult to raise expectations given the uncertainties in the automobile industry caused by factors such as the U.S. tariffs. We will further strengthen IR activities and disclose the progress being made in steady implementation of Monozukuri Innovation and Value Creation to raise expectations for the Company.

[Translation for Reference and Convenience Purposes Only]

(Reference) Sustainability of Subaru Group

Toward realizing its vision of becoming a company “delivering happiness to all,” the Subaru Group has been promoting initiatives based on the SUBARU Global Sustainability Policy by incorporating an approach based on the Six Priority Areas for Sustainability. It endeavors to realize both sustainable growth of the SUBARU Group and an enjoyable and sustainable society by making each and every employee into the driving force and further evolving the value statement of “Enjoyment and Peace of Mind” to deepen the relationship with customers and other stakeholders.

<Evolution from CSR to Six Priority Areas for Sustainability>

As the automobile industry undergoes a once-in-a-century transformation, the Subaru Group announced “SUBARU New Management Policy” in August 2023 and has been driving forward initiatives to become a world leading company in Monozukuri Innovation and Value Creation. Since 2023, the Group has repeatedly discussed its sustainability by taking into account the changes in the environment surrounding sustainability in recent years in order to deliver the values demanded of each era to customers and other stakeholders and realize the Group’s sustainable growth through this. The Group developed the existing Six Priority Areas for CSR into Six Priority Areas for Sustainability with the hope of realizing both a sustainable society, leveraging the values and strengths of Subaru, and sustainable growth of Subaru Group. We will review and further deepen the following two priority areas in response to the changing social environment and shifting mindsets toward sustainability.

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

While the Company’s original focus was on the Automobile Division, we now aim to become a company whose presence and appeal differentiate it from its competitors with the diversity of products and services of SUBARU Group, including the aerospace business, and at the same time providing a means of transportation that inherits SUBARU’s DNA for the changing times.

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

The SUBARU Group has been promoting diversity-related initiatives such as respecting the diverse values of all its employees and developing a comfortable workplace environment. In addition to this, we will offer an environment of equity where all employees can access fair opportunities and work together, maximizing their diverse individuality, which will lead to innovation and ultimately to creation of SUBARU’s unique sustainable value.

We decided not to set a time frame for achievement of the Vision so as to present the unchanging direction aimed for by SUBARU. Instead, we set forth topics on which we will work on in a focused manner by leveraging the strengths of SUBARU Group to clarify individual definitions and to further strengthen management of each initiative under the Six Priority Areas for Sustainability.

Going forward, in addition to the conventional CSR perspective, we aim to create social and economic values through business activities from a more long-term perspective.

◆ **Six Priority Areas for Sustainability**

Six Priority Areas	Vision	Priority Themes
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"
Resonance and Coexistence	Broaden the circle of person-to-person communication and become a company that widely resonates and coexists with society	<ul style="list-style-type: none"> - Offering mobility service 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
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
Environment	Cherish and protect the global environment – the earth, the sky and nature– through Group- wide activities	<ul style="list-style-type: none"> - Mitigating climate change (Carbon neutrality along the entire life cycle) - Realizing a circular economy (Zero environmental impact from mining/disposal of resources) - Coexistence with nature (Net zero impact on the natural environment)
Compliance	Act in good faith and become a company that is trusted by and resonates with society	Permeating "Thinking Compliance"

[Translation for Reference and Convenience Purposes Only]

(4) Employees (as of March 31, 2025)

[1] SUBARU Group

By Business Segment	Number of employees (persons)		Change from end of previous fiscal year (persons)	
Automobile Division	34,835	(7,706)	374	(211)
Aerospace Division	2,745	(803)	74	(344)
Other Businesses	286	(426)	-275	(16)
Total	37,866	(8,935)	173	(571)

Note: Number of employees refers to number of workers. Average annual number of contingent workers (seasonal staffs, casual workers, part-time workers, secondees from external parties, support staffs, guest engineers) is shown in brackets.

[2] Company

	Number of employees (persons)	Change from end of previous fiscal year (persons)	Average age	Average years of service
Male	16,479	442	40.0	16.0
Female	1,406	96	37.4	14.7
Total	17,885	538	39.8	15.9

By Business Segment	Number of employees (persons)		Change from end of previous fiscal year (persons)	
Automobile Division	15,774	(5,637)	495	(306)
Aerospace Division	2,111	(648)	43	(313)
Total	17,885	(6,285)	538	(619)

Note: Number of employees refers to number of workers. Average annual number of contingent workers (seasonal staffs, casual workers, part-time workers, secondees from external parties, support staffs, guest engineers) is shown in brackets.

(Reference) Concepts and initiatives regarding securing diversity of the core human resources

The Group believes that innovation is created through the full utilization of the abilities that all Group employees have developed based on their various personalities, values, experiences, and backgrounds as well as by bringing these diverse individuals together, thereby resulting in SUBARU's unique and sustainable value creation. The Group values all genders, nationalities, cultures, and lifestyles of employees, strives to create a comfortable workplace environment in order to encourage employees who possess different personalities to demonstrate their individual abilities to the full extent, and promotes offering of fair opportunities. Our subsidiaries and affiliates in Japan and abroad also are working on reflecting their respective business contents and characteristics of their regions.

<Promoting active roles for female employees>

At Subaru, we believe the empowerment of women is especially important among initiatives for promoting active participation of diverse human resources. We are implementing initiatives based on the four pillars of hiring, system, support for career development, and fostering of culture, while also developing an environment that supports female employees to continue with their careers through various life events and play active roles at the Company. The basic premise is that each and every female employee plays an active role in her own way. At the same time, the Company has set forth the number of female employees in managerial posts as one of the indicators upon driving forward female empowerment and has been promoting various initiatives.

- Women's Empowerment Promotion Meeting

In 2024, the Company launched the Women's Empowerment Promotion Meeting participated by all officers including the top management. As an important issue for realizing an organization that leverages diverse individual abilities to the maximum extent, the meeting aims to further utilize the potential of female employees and nurture human resources that have positive impact on management. It engages in discussions of issues and measures related to company-wide human resource development, based on which concrete initiatives at division levels are implemented.

- Women's Leadership Program

The program targets female employee aspiring to become managers and continuously offers guidance and education tailored to each individual. The target female employees, their superiors, and the human resource department work together and clarify the key development points for each employee. The program encourages motivated female employees by guiding them to take part in specific initiatives such as training programs.

In addition to the above efforts, the Company also conducts life-career training and female employees social meetups for raising awareness regarding the impact of life events on their careers and their unconscious biases. We are offering diverse programs to encourage female managers and employees to draw up lifestyle and career unique to each of them through interaction. From the aspect of workstyle also, the Company has traditionally positioned assistance for balancing work and childcare as an important initiative, and has been operating at a level higher than that required by laws with respect to various systems such as childcare leave and short working hours.

As a result of these continuous initiatives, the Company achieved the target of more than doubling the number of female employees in managerial positions (to 48 or more) by 2025 compared with the level in 2021: there were 42 (3.7%) females among 1,122 employees in managerial posts as of the end of March 2025 and 52 (4.5%) out of 1,168 as of April 2025 following new appointments. The Company will continue to position women's empowerment as an important theme for sustainable corporate growth. It has set forth a new target for the number of female employees in managerial posts at 100 or more by 2030 and will promote initiatives in a company-wide effort.

<Foreign national employees>

The Group has been hiring, regardless of their nationalities, human resources appropriate for each base with respect to their policy and business. There were 129 foreign national employees in the Company as of the end of March 2025. There are four foreign national employees in managerial posts at manufacturing and engineering departments.

<Mid-career hires>

We have been actively going ahead with mid-career recruitment in recent years to respond to environmental changes and achieve sustainable growth. Of the full-time employees as of the end of March 2025, 4,747 were mid-career hires and 240 of them were in managerial positions. The number of mid-career hires reached 906 in total in the seven years starting April 2018.

In December 2020, the Company established SUBARU Lab, an AI development base, in Shibuya, which has a cluster of IT companies. In February 2025, it opened a second base of the lab in the same area and has been expanding its function to cover development of software in general. We have been enhancing initiatives for increasing hiring of wide-ranging human resources in software development in the CASE field in addition to human resources required for AI development. We will continue to promote mid-career hires and bring in new wisdom and values so as to improve the corporate value.

As described above, we are striving to develop an employee-friendly workplace environment, human resource distribution enabling the right person in the right place, and human resource development so as to facilitate active participation by all human resources including female employees, foreign employees, and mid-career hires and working on their promotion to managerial positions. To promote the development of an environment where all human resources can work enthusiastically, the Company has been continuously and regularly holding online training by external lecturers on themes such as L.G.B.T.Q.+ and employment of people with disabilities. In 2021, it also established an external consultation service regarding L.G.B.T.Q.+.

[Translation for Reference and Convenience Purposes Only]

(5) Main Businesses (as of March 31, 2025)

By Business Segment	Main Products
Automobile Division	Legacy, Levorg, Layback, WRX, Forester, Solterra, ASCENT, Impreza, Crosstrek, SUBARU BRZ, REX, Justy, Chiffon, Pleo Plus, Sambar
Aerospace Division	Airplane, aerospace related machinery and components
Other Businesses	Real estate leasing

(6) Major Places of Business, Etc. (as of March 31, 2025)

[1] Company

Name	Address
Head Office	Shibuya-ku, Tokyo
Tokyo Office	Mitaka-shi, Tokyo
Gunma Plant	Ota-shi, Gunma; Oizumi-machi, Oura-gun, Gunma; Kitamoto-shi, Saitama
Utsunomiya Plant	Utsunomiya-shi, Tochigi; Handa-shi, Aichi
SUBARU Test & Development Center	Sano-shi, Tochigi; Bifuka-cho, Nakagawa-gun, Hokkaido

[2] Domestic Subsidiaries/Overseas Subsidiaries

Please refer to “(8) Status of Principal Subsidiaries, Etc.”

(7) Main Lenders (as of March 31, 2025)

Lender	Amount of Borrowings (Million yen)
Mizuho Bank, Ltd.	70,500
Sumitomo Mitsui Banking Corporation	29,500
Shinkin Central Bank	20,000
Sumitomo Mitsui Trust Bank, Limited	18,000
The Gunma Bank, Ltd.	15,000
MUFG Bank, Ltd.	14,000

(8) Status of Principal Subsidiaries, Etc. (as of March 31, 2025)

[1] Status of principal subsidiaries

Name	Address	Capital Stock	Holding Ratio of Voting Rights	Main Businesses
Fuji Machinery Co., Ltd.	Gunma	480 million yen	100.0%	Manufacture and sales of automotive parts
Ichitan Co., Ltd.	Gunma	480 million yen	100.0%	Manufacture and sales of automotive parts
KIRYU INDUSTRY Co., Ltd.	Gunma	400 million yen	100.0%	Manufacturing of repair parts for Subaru cars, Subaru vehicle rust prevention works, manufacture of Subaru custom- build cars, etc.
Subaru Logistics Co., Ltd.	Gunma	96 million yen	100.0%	Shipping, land freight and warehousing of Subaru vehicles, etc.
H. B. C. Co., Ltd.	Kanagawa	490 million yen	68.0%	Storing and shipping of Subaru vehicles
Hokkaido Subaru Inc.	Hokkaido	98 million yen	100.0%	Sales of Subaru vehicles and components
Miyagi Subaru Inc.	Miyagi	80 million yen	100.0%	Sales of Subaru vehicles and components
Niigata Subaru Inc.	Niigata	100 million yen	100.0%	Sales of Subaru vehicles and components
Kanagawa Subaru Inc.	Kanagawa	100 million yen	100.0%	Sales of Subaru vehicles and components
Chiba Subaru Inc.	Chiba	100 million yen	100.0%	Sales of Subaru vehicles and components
Tokyo Subaru Inc.	Tokyo	100 million yen	100.0%	Sales of Subaru vehicles and components
Nagoya Subaru Inc.	Aichi	100 million yen	100.0%	Sales of Subaru vehicles and components
Osaka Subaru Inc.	Osaka	100 million yen	100.0%	Sales of Subaru vehicles and components
Hiroshima Subaru Inc.	Hiroshima	92 million yen	100.0%	Sales of Subaru vehicles and components
Fukuoka Subaru Inc.	Fukuoka	50 million yen	100.0%	Sales of Subaru vehicles and components
Subaru Finance Co., Ltd.	Tokyo	2,000 million yen	100.0%	Leasing and rental of Subaru vehicles; credit and financing related to Subaru vehicles
Subaru USA Holdings Inc.	US	USD 869,757,000	100.0%	Provision of corporate services to US subsidiaries
Subaru of Indiana Automotive, Inc. (SIA)	US	USD 794,045,000	100.0%	Purchasing of production parts for Subaru vehicles, sales of completed vehicles to Subaru of America Inc. (SOA) and others
Subaru of America, Inc. (SOA)	US	USD 241,000	100.0%	Sales of Subaru manufactured vehicles, Subaru of Indiana Automotive, Inc. (SIA) manufactured vehicles and parts
North America Subaru Inc. (NASI)	US	USD 5,000	100.0%	Technical investigation for Subaru manufactured vehicles, Subaru of Indiana Automotive, Inc. (SIA) manufactured vehicles in North America market, automobile related regulatory compliance in the US

[Translation for Reference and Convenience Purposes Only]

Name	Address	Capital Stock	Holding Ratio of Voting Rights	Main Businesses
Subaru Canada, Inc. (SCI)	Canada	CND 30,000,000	100.0%	Sales of Subaru manufactured vehicles, Subaru of Indiana Automotive, Inc. (SIA) manufactured vehicles and parts
Subaru Europe N. V./S. A. (SE)	Belgium	EUR 87,504,000	100.0%	Sales of Subaru vehicles and components
Subaru of China Ltd. (SOC)	China	CNY 187,354,000	100.0%	Sales of Subaru vehicles and components
Yusoki Kogyo K. K.	Aichi	100 million yen	100.0%	Manufacture and sales of aircraft parts to Subaru
Fuji Aircraft Maintenance Co., Ltd.	Tokyo	30 million yen	100.0%	Inspection, service and maintenance of aircrafts
Subaru Kohsan Co., Ltd.	Tokyo	675 million yen	100.0%	Rental and management of real estate

Notes:

1. As of end of March 2025, there are 71 consolidated subsidiaries including the above 26 companies, and six equity method affiliates.
2. The Company absorbed SUBARU IT CREATIONS CORPORATIONS on April 1, 2024, to enable swift response to changes in the business environment caused by rapid development and spread of digital technologies.

[2] Other

In 2005, the Company agreed to sign a business alliance agreement with Toyota Motor Corporation and has been strengthening the alliance in stages. As of the end of March 2025, Toyota held 153,600,000 shares (21.00% of the common stock issued [excluding treasury shares] by the Company) in the Company. Similarly, the Company owned 44,868,000 shares in Toyota.

Since 2012, we have been manufacturing the sports cars “SUBARU BRZ” and “Toyota 86 (current GR86)” jointly developed with Toyota at our Gunma Plant. In addition, the Company receives OEM vehicle supplies from Daihatsu Motor Co, Ltd., a subsidiary of Toyota, which contributes to focusing our limited resources on development of models with higher profitability.

Moreover, under the shared slogan of creating “ever-better cars,” the two companies together developed BEVs “SOLTERRA” and “bZ4X,” electric vehicles that combine Toyota’s electrification technologies and the Company’s AWD technology through the enhancement of the business and capital tie-up in 2019, and we introduced the models to the market in 2022.

In order to survive this once-in-a-century profound transformation period faced by the automobile industry, the two companies will bring together their respective strengths by, for instance, expanding the use of the Toyota Hybrid System in Subaru models and cooperating in the domain of connected vehicles, and effectively leverage the business and capital alliance.



Forester Premium S: HEV EX



Jointly developed BEV; model name used by Subaru: SOLTERRA (improved model)

[Translation for Reference and Convenience Purposes Only]

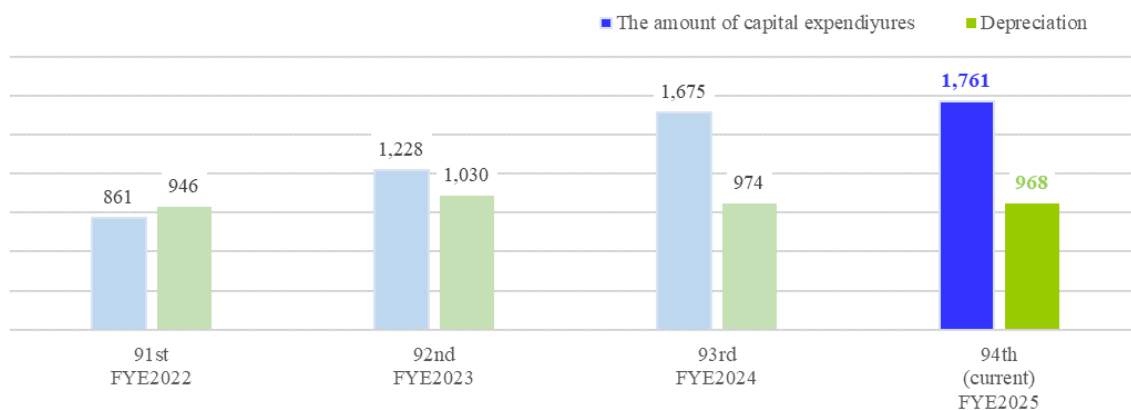
(9) Capital Expenditures

The amount of capital expenditures incurred by the Group during the current fiscal year was 176.1 billion yen. The main purposes of use include production, R&D or marketing in the Automotive Business Unit. Capital expenditures by business segment are stated below.

By Business Segment	Amount of Expenditures (in million yen)	Descriptions of Facilities	Funding Method
Automobile Division	166,435	Automobile production, R&D, and selling facilities	Own funds and borrowing
Aerospace Division	9,177	Aircraft production facilities	Same as above
Other Businesses	532	Welfare facilities, etc.	Same as above
Total	176,144	-	-

Notes:

1. The above amounts do not include consumption tax, etc.
2. There was no retirement or sale of important facilities, except for the retirement or sale of ordinary facilities for replacement purposes.
3. In addition to the above, the Automobile Division invested 69.1 billion yen to acquire business assets such as vehicles for lease.
4. Capital expenditures by business segment.
The Automobile Division incurred capital expenditures of 118.6 billion yen, most of which was invested in production facilities for new products, R&D facilities, and improvement of quality and work environment of the Company. Furthermore, in Subaru of Indiana Automotive Inc. (SIA), the division incurred capital expenditures of 28.6 billion yen, a major part of which was invested in the production facilities for new products and improvement of quality and work environment.
The Aerospace Division incurred capital expenditures of 9.1 billion yen, which was mainly invested to strengthen the production foundation and improvement of workplace environment at Subaru Corporation.



(10) Status of Fund Procurement

- [1] The Company took out long-term loans totaling 59.0 billion yen in the fiscal year under review, and issued a 10th-round of unsecured bonds worth 10.0 billion yen in September 2024.
- [2] The Company has entered into a commitment line agreement totaling 201.0 billion yen.

2 Information on Shares Issued by the Company (as of March 31, 2025)

(1) **Common Stock Authorized:** 1,500,000,000 shares

(2) **Common Stock Issued:** 733,057,473 shares ^{*1}
(including 1,623,478 treasury shares)

(3) **Number of Shareholders:** 127,221 persons (up 5,256, or 4.3%)



(4) **Major Shareholders (top 10)**

Name of shareholder	Number of shares held (in thousands) ^{*2}	Percentage of total shares held (%) ^{*3}
Toyota Motor Corporation	153,600	21.00
The Master Trust Bank of Japan, Ltd. (trust account)	108,052	14.77
Custody Bank of Japan, Ltd. (trust account)	35,009	4.79
STATE STREET BANK AND TRUST COMPANY 505001	18,014	2.46
STATE STREET BANK WEST CLIENT - TREATY 505234	12,685	1.73
NSL DTT CLIENT ACCOUNT 1	11,418	1.56
Mizuho Bank, Ltd.	10,078	1.38
GOVERNMENT OF NORWAY	8,784	1.20
JP MORGAN CHASE BANK 385781	8,230	1.13
BNYM AS AGT/CLTS 10 PERCENT	7,724	1.06

(5) **Status of the Company's Shares Granted to Directors as Consideration for the Execution of Duties in the Fiscal Period Under Review**

The Company grants restricted stock units to Directors (excluding Outside Directors; hereinafter the same shall apply) for the purpose of providing them an incentive for sustained improvement of the Company's corporate value and further value sharing with the shareholders, and provides monetary compensation for that (hereinafter, "Restricted Stock Compensation Plan"). Based on the resolution of the Board of Directors, Directors shall wholly contribute the monetary compensation claim paid as above in the form of properties contributed in kind, and shall, in return, receive shares of the Company's common stock through issuance or disposal. In addition, for the issuance or disposal of shares of the Company's common stock, the Company and eligible Directors shall enter into a restricted stock allotment agreement that includes provisions such as the one to restrict the transfer of the shares for the period starting from the date of allotment through the date the Director retires from the position (however, if the Director is consecutively appointed the Company's corporate vice president after retiring from the Director's position, the period through the date of retirement as corporate vice president).

Details of stock units that the Company has granted under the Restricted Stock Compensation Plan are as follows.

Category	Number of shares	Grantees
Directors (excluding Outside Directors)	34,594	5
Outside Director	-	-
Audit & Supervisory Board Members	-	-

Notes:

1. The common stock issued decreased by 20,844,100 shares (2.8%) compared to the end of the previous fiscal year due to the cancellation of treasury stock on October 11, 2024.
2. Number of shares held is rounded off to the nearest thousand shares.
3. The percentage of total shares held is calculated based on the number of shares excluding treasury stock of 1,623,478 shares.

3 Information on Shares Held by the Company (as of March 31, 2025)

(1) Basic Policy Regarding Cross-shareholdings

The Company holds discussions with the companies whose shares it holds as cross-shareholdings and the Board of Directors every year measures the benefits of holding them quantitatively using dividend payout ratio and capital cost using WACC and compares and verifies them. Based on the result, it continues with the cross-shareholdings only when it judges that they would qualitatively contribute to the medium- to long-term management and business strategies.

Based on the above policy, the Company has steadily reduced the number of listed stocks held as cross-shareholding. As a result, 60 issues held at the end of March 2015 decreased to 2 issues at the end of March 2021. During the fiscal year under review, the number of issues the Company holds as cross-shareholding increased by one to three issues, as a company that was unlisted listed its shares on the Growth Market of Tokyo Stock Exchange on March 27, 2025. At this point, the Company judges that retaining cross-shareholdings in the three issues for the reason described in (2) below, and it will continue to hold discussions with these companies at least once a year and the Board of Directors will evaluate and examine the cross-shareholdings every year and judge whether or not to retain them.

(2) All Stocks Held Primarily for Strategic Purposes

2) All Stocks Held Primarily for Strategic Purposes				
Issues	93rd	94th (Current)	Purpose of holding, impact of holding and reason for increase in number of shares	Does it own Subaru shares?
	Number of shares			
	Amount reported on the balance sheet (Millions of yen)			
The Gunma Bank, Ltd.	2,850,468	2,850,468	The Gunma Bank, a local bank of the area where the Company's main factory resides, is supporting not only the Company but also local supplier sites in Japan and abroad through its financial services. As the bank has been the Company's important partner, the Company will continue to hold the bank's shares to promote fair and smooth financial transactions.	Yes
	2,503	3,510		
Mizuho Financial Group, Inc.	372,097	372,097	The Mizuho Financial Group firms have been supporting the Company with financial transactions and other services. In particular, the Mizuho Bank has long been the Company's most important financial partner, providing support in a broad area of management. The Company will continue to hold the group's shares to promote fair and smooth transactions.	Yes
	1,133	1,507		
Dynamic Map Platform Co., Ltd.	-	10,000	The Company carries out research and pioneering development of autonomous driving and advanced driver assistance using high-precision 3D maps for automated driving offered by Dynamic Map Platform Co., Ltd. The Company will continue to hold the company's shares to promote smooth transactions. Dynamic Map Platform Co., Ltd. listed its shares on a stock exchange and therefore is subject to disclosure starting the fiscal year under review.	No
	-	15		

Notes:

1. Mizuho Bank, Ltd., a subsidiary of Mizuho Financial Group, Inc., holds shares in the Company.
2. The Company does not have investment shareholdings purely for investment purposes.

4 Directors and Audit & Supervisory Board Members

(1) Basic Approach to Corporate Governance

The Company aims to become a company “Delivering happiness to all,” its vision, and is striving to strengthen corporate governance as one of the most important challenges for management in order to obtain the satisfaction and trust of all stakeholders through achievement of sustainable growth and improvement of medium- and long-term corporate value.

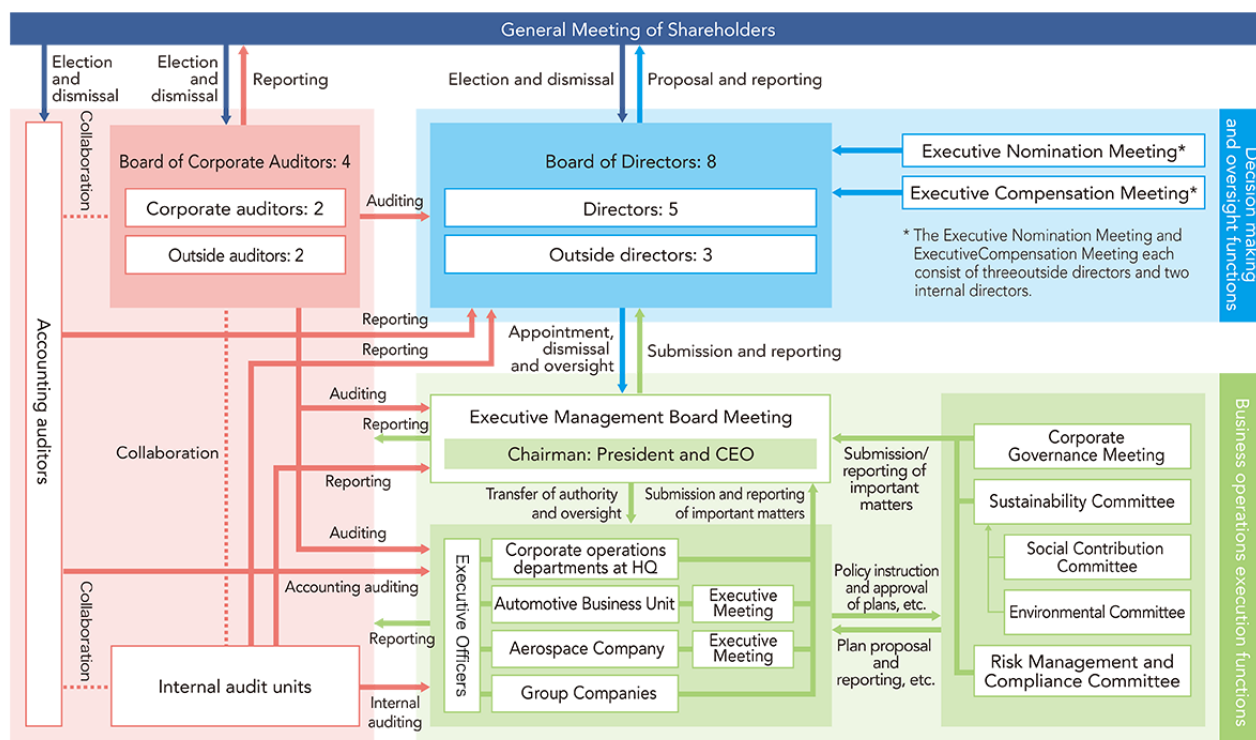
We aim to achieve efficient management by clearly separating management decision-making and oversight from business execution and increasing the speed of decision-making. Furthermore, through monitoring of business operations and advice provided by outside officers, we ensure appropriate management decision-making, oversight and business execution, and work to improve the systems for managing risks and ensuring compliance. To increase management transparency, we provide timely and appropriate disclosure of information.

(2) Summary of Company Organizational Bodies and Key Meetings

We have adopted an Audit & Supervisory Board system as a corporate governance system, in which Board of Directors performs decision making and oversight of execution of important business operations while paying attention to separation of supervision and execution, and at the Audit & Supervisory Board, Audit & Supervisory Board Members discuss and make decisions regarding key matters pertaining to audit. The Board of Directors was comprised of eight members at the end of March 2025, of whom three were highly independent outside directors. The Audit & Supervisory Board is composed of four members, two of whom are highly independent outside Audit & Supervisory Board members. This system is designed to ensure soundness and efficiency of operations by enhancing effectiveness of monitoring of business operation through the involvement of highly independent outside directors and outside Audit & Supervisory Board members.

Regarding the system for the execution of business operations, we employ an executive officer system to delegate the business execution authorities of directors to corporate vice presidents so as to clearly separate management decision-making and oversight from business execution thus increase the speed of decision-making.

(Reference) Corporate Governance Structure Diagram



(3) Policy and Procedures on Nomination of Candidates for Directors and Audit & Supervisory Board Members

The Company believes that the composition and scale of the Board of Directors should strike a right balance of knowledge, experience, and ability as a whole necessary for the Company's sustainable growth and improvement of medium- to long-term corporate values. We also believe that the composition of the Board of Directors should ensure substantial diversity by taking into consideration gender and internationalization.

The Company has voluntarily set up an Executive Nomination Meeting in order to enhance the effective governance structure based on the existing organizational design. To ensure fairness and transparency in decisions on executive appointments, the Executive Nomination Meeting, in accordance with inquiries from Board of Directors, submits to the Board of Directors proposals on the nomination of candidates for directors and Audit & Supervisory Board members sufficiently deliberated on and approved by its members, more than half of them are independent outside directors. These personnel matters are decided by a resolution of the Board of Directors.

As for the nomination policy for candidates of directors, internal director candidates are nominated based on comprehensive evaluation and judgment of experience, knowledge, and expertise in light of requirements for officers derived from the Company's corporate philosophy and management strategy. Multiple candidates for outside directors are nominated from business executives and experts taking into account their experience, knowledge, and expertise. The number of directors is no more than 15 persons for internal and outside directors combined, as set forth by the Articles of Incorporation.

The meeting appoints candidates for Audit & Supervisory Board Members by considering experience, competency, knowledge, and high ethical standards that value fairness required of Audit & Supervisory Board Members. Executive Nomination Meeting obtains consent by the Audit & Supervisory Board for nomination of candidates for corporate auditors.

When nominating candidates for directors and Audit & Supervisory Board members, the meeting briefs the Board of Directors on biography, posts and main fields of responsibilities in the Company, significant positions concurrently held, and reasons for nominating the candidates for each nomination.

(4) Name of Directors and Audit & Supervisory Board Members (as of March 31, 2025)

Title	Name	Main fields of responsibilities in the Company	Significant Positions Concurrently Held
Director, Chairman [Chairman of the Board] [Chairman of the Executive Nomination Meeting] [Chairman of the Executive Compensation Meeting]	Tomomi Nakamura	-	Representative Director and Chairman, Japan Aircraft Development Corporation (retired in June 2024) Chairman, Society of Japanese Aerospace Companies (appointed in May 2024)
Representative Director, President [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Atsushi Osaki	CEO (Chief Executive Officer)	Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA)
Representative Director, Executive Vice President	Fumiaki Hayata	Secretarial Office, Human Resources Dept. Sales, marketing, manufacturing, purchase	Director, Subaru of America, Inc. (SOA) (retired in March 2025)
Director, Senior Managing Executive Officer	Katsuyuki Mizuma	CFO (Chief Financial Officer) CRMO (Chief Risk Management Officer) Finance & Accounting Dept.	Director, Subaru USA Holdings Inc. (retired in March 2025) Director, Subaru of Indiana Automotive, Inc. (SIA) (retired in March 2025) Director, Subaru of America, Inc. (SOA) (retired in March 2025)

[Translation for Reference and Convenience Purposes Only]

Title	Name	Main fields of responsibilities in the Company	Significant Positions Concurrently Held
Director, Senior Managing Executive Officer	Tetsuo Fujinuki	CTO (Chief Technology Officer) CTO Strategy Office, Engineering Division, Technical Research Center	Director, Subaru Tecnica International Inc.
Outside Directors (independent) [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Miwako Doi	-	Auditor, National Institute of Information and Communications Technology (part-time) Outside Director, NGK Spark Plug Co., Ltd. Executive Vice President (part- time), Tohoku University (retired in March 2025) Executive Director (part-time), Nara Institute of Science and Technology (retired in March 2025) External Director, Isetan Mitsukoshi Holdings Ltd. (retired in June 2024)
Outside Directors (independent) [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Fuminao Hachiuma	-	Outside Director, Seven & i Holdings Co., Ltd. Outside Audit & Supervisory Board Member, YKK AP Inc.
Outside Directors (independent) [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Shigeru Yamashita	-	-
Standing Audit & Supervisory Board Member [Chairman of the Audit & Supervisory Board]	Yoichi Kato	-	-
Standing Audit & Supervisory Board Member	Hiromi Tsutsumi	-	Corporate Auditor, Osaka Subaru Inc.
Independent Outside Audit & Supervisory Board Member	Yuri Furusawa	-	Outside Audit & Supervisory Board Member, Kubota Corporation (retired in March 2025) Outside Director, Kubota Corporation (appointed in March 2025)
Independent Outside Audit & Supervisory Board Member	Yasumasa Masuda	-	Outside Director, Chairman of the Audit Committee, Olympus Corporation (retired in June 2024)

Notes:

- Director Shigeru Yamashita was elected and appointed at the 93rd Ordinary General Meeting of Shareholders held on June 19, 2024.
- Directors Miwako Doi, Fuminao Hachiuma, and Shigeru Yamashita are outside directors as prescribed in Article 2, Item 15 of the Companies Act. The Company has no significant transaction with National Institute of Information and Communications Technology, for which Ms. Miwako Doi concurrently serves as auditor, Tohoku University, for which she used to concurrently serve as executive vice president, Nara Institute of Science and Technology, for which she used to concurrently serve as executive director, and Isetan Mitsukoshi Holdings Ltd., for which she used to concurrently serve as outside director, and NGK Spark Plug Co., Ltd., for which she concurrently serves as outside director. The Company has no significant transaction with Seven & i Holdings Co., Ltd., for which Mr. Fuminao Hachiuma concurrently serves as outside director, as well as YKK AP Inc., for which he concurrently serves as outside Audit & Supervisory Board member.
- Audit & Supervisory Board Members Yuri Furusawa and Yasumasa Masuda are outside statutory auditors as prescribed in Article 2, Item 16 of the Companies Act. The Company has no significant transaction with Kubota Corporation, for which Ms. Yuri Furusawa concurrently served as outside audit and supervisory board member and concurrently serves as outside director. The Company has no significant transaction with Olympus Corporation, for which Mr. Yasumasa Masuda concurrently served as an outside director.

[Translation for Reference and Convenience Purposes Only]

4. Audit & Supervisory Board Member Yuri Furusawa has held key positions in the Ministry of Land, Infrastructure, Transport and Tourism, and has been involved in the promotion of workstyle reform, active participation by women and diversity in the Cabinet Secretariat, and has significant knowledge in these areas.
5. Audit & Supervisory Board Member Yasumasa Masuda served as Senior Corporate Executive and CFO of Astellas Pharma Inc. and Independent Non-Executive of Deloitte Tohmatsu LLC, and has significant knowledge in finance and accounting.
6. The Company has reported Directors Miwako Doi, Fuminao Hachiuma, and Shigeru Yamashita as well as Audit & Supervisory Board Members Yuri Furusawa and Yasumasa Masuda as independent officers to the Tokyo Stock Exchange. The candidates meet the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.
7. Changes in key responsibilities of the directors as of April 1, 2025 are shown below.

Title	Name	Main fields of responsibilities in the Company	
		Before change	After change
Representative Director, Executive Vice President	Fumiaki Hayata	Secretarial Office, human resources, sales, marketing, cost, procurement	CRMO (Chief Risk Management Officer) Secretarial Office, Human Resources Dept., cost, procurement
Director, Senior Managing Executive Officer	Katsuyuki Mizuma	CFO (Chief Financial Officer) CRMO (Chief Risk Management Officer) Finance & Accounting Dept.	-
Director, Senior Managing Executive Officer	Tetsuo Fujinuki	CTO (Chief Technology Officer) CTO Strategy Office, Engineering Division, Technical Research Center	CTO (Chief Technology Officer) CTO Strategy Office, Engineering Division, Technical Research Center, Product and Business Management Division

(5) Activities of the Board of Directors and Accompanying Meeting Bodies as Well as Audit & Supervisory Board, Etc.

◆ Board of Directors

The Board of Directors is comprised of eight members including three highly independent outside directors. Chaired by Director and Chairman Tomomi Nakamura, it met 13 times* during the fiscal year under review.

* In addition to these Board of Directors meetings, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

<Main themes of deliberations during the fiscal year under review>

- Determination of candidates for directors and Audit & Supervisory Board members, as well as the CEO and other members of the management team
- Matters pertaining to repurchase and cancellation of own shares
- Revision of the executive compensation system and the policy for determining details of the compensation for individual directors, and determination of delegating matters regarding the determination of compensation for individual directors and executive officers based on the executive compensation system to the Executive Compensation Meeting
- Discussions on reports related to medium- and long-term management issues, including the EV strategy, IR/SR activities, the Sustainability Committee, and the Risk Management and Compliance Committee
- Revision of the rules of the Board of Directors in order to strengthen the monitoring function of the Board of Directors

◆ Initiatives for improving effectiveness of the Board of Directors

The Company provides information and knowledge regarding its business activities that is necessary to oversee the corporate management on an ongoing basis to corporate officers. To constantly provide its outside officers with information related to its corporate statement, corporate culture, business environment, and other matters, the Company offers opportunities such as operations briefings by business divisions and key business site tours in Japan and abroad for deepening their understanding of the business. It also strives to enhance information sharing and opinion exchange among the officers.

● Management Roundtable Discussions

The directors and Audit & Supervisory Board members (12 in total) participate in discussions and share information and exchange opinions regarding important management themes. They met three times during the fiscal year under review.

<Main themes of discussions during the fiscal year under review>

- | | |
|--|---|
| - The approach to human resources strategy for realizing business strategies | - Progress in discussions on electrification strategy |
| - The concept of the Company's Board of Directors and governance | - Quality improvement initiatives |
| - Result of the evaluation of effectiveness of the Board of Directors | |

◆ Executive Nomination Meeting

The Executive Nomination Meeting is comprised of three highly independent outside directors (Miwako Doi, Fuminao Hachiuma, and Shigeru Yamashita) and two internal directors (Tomomi Nakamura and Atsushi Osaki). Chaired by Director and Chairman Tomomi Nakamura, it met six times during the fiscal year under review.

<Main themes of deliberations during the fiscal year under review>

- Development of CEO and other executive human resources through discussions of the succession plans for the CEO and others, implementation of 360-degree evaluation of executives, the skills matrix for executives, and other means
- Improvement of transparency of the officer evaluation process by sharing their performance results
- Deliberations regarding the Company's officer structure, personnel matters, the division of duties as well as on executive appointment proposals for major subsidiaries, and others

* At the Board of Directors Meeting held on May 20, 2025, the Company changed the name of the Executive Nomination Meeting to the Governance and Executive Nomination Meeting to strengthen discussions regarding governance overall. At the same time, the Board of Directors resolved to add an Outside Audit & Supervisory Board Member as an observer to raise subjectivity and transparency of the meeting body.

[Translation for Reference and Convenience Purposes Only]

◆ Executive Compensation Meeting

The Executive Compensation Meeting is comprised of three highly independent outside directors (Miwako Doi, Fuminao Hachiuma, and Shigeru Yamashita) and two internal directors (Tomomi Nakamura and Atsushi Osaki). Chaired by Director and Chairman Tomomi Nakamura, it met five times during the fiscal year under review.

<Main themes of deliberations during the fiscal year under review>

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

* At the Board of Directors Meeting held on May 20, 2025, the Company resolved to add an Outside Audit & Supervisory Board Member as an observer to raise subjectivity and transparency of the meeting body.

◆ Audit & Supervisory Board

The Audit & Supervisory Board is comprised of four Audit & Supervisory Board members including two highly independent outside Audit & Supervisory Board members. Chaired by Standing Audit & Supervisory Board Member Yoichi Kato, the board met 12 times during the fiscal year under review.

<Main resolutions and discussions in the fiscal year under review>

(Main matters for resolution)

- Audit policy, audit plan, and division of audit duties for the fiscal year under review
- Consent to agenda items for the General Meeting of Shareholders (appointment of Audit & Supervisory Board members)
- Preparation of the audit report
- Evaluation and selection / dismissal of the accounting auditor
- 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 regarding important matters of the Company's Executive Management Board Meeting, Executive Meeting, etc. by Standing Audit & Supervisory Board Member with outside Audit & Supervisory Board Members
- Reports from the responsible departments on risk management issues internally and in the industry that require special care from a preventive audit perspective

Opinions of individual Audit & Supervisory Board Members expressed at the meeting of Audit & Supervisory Board are presented to involved officers, etc. as needed to assist them in forming appropriate executive decisions.

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(6) Outside Directors and Audit & Supervisory Board Members

Title	Name	Key activities and summary of duties performed in their expected roles
Outside Director	Miwako Doi	Attended all of 13 Board of Directors meetings (attendance rate: 100%). Fulfilled her role as a sound advisor on the Company's management, providing comments based on her high expertise and knowledge, given her abundant experience and outstanding track record mainly as a researcher and supervisor in the area of information technology. During the fiscal year under review, Ms. Doi provided constructive opinions especially regarding technology development and IT risks. She also served as a member of the Executive Nomination and Executive Compensation Meetings.
Outside Director	Fuminao Hachiuma	Attended all of 13 Board of Directors meetings (attendance rate: 100%). Fulfilled his role as sound adviser on the Company's management, providing comments based on extensive experience and knowledge in business management as well as abundant experience and insight he gained through his tenure as a president and representative director of a manufacturing and sales company in the food industry where he was involved in corporate management in both a supervisory and executorial capacity and engaged in strengthening of corporate governance and promotion of management reform. During the fiscal year under review, Mr. Hachiuma provided constructive comments especially regarding global governance. He also served as a member of the Executive Nomination and Executive Compensation Meetings.
Outside Director	Shigeru Yamashita	Attended all of 10 Board of Directors meetings (attendance rate: 100%) since his appointment on June 19, 2024. Fulfilled his role as sound adviser on the Company's management, providing comments based on extensive experience and knowledge in business management as well as abundant experience and insight he gained through his tenure as a president and representative director of a manufacturing and sales company in the childcare and nursing care product industry where he was involved in corporate management in both a supervisory and executorial capacity and engaged in strengthening of corporate governance and promotion of management reform. He provided comments regarding safety and corporate culture during the fiscal year under review. He also served as a member of the Executive Nomination and Executive Compensation Meetings.
Outside Audit & Supervisory Board Member	Yuri Furusawa	Attended all of 13 Board of Directors meetings (attendance rate: 100%) and all of 12 Audit & Supervisory Board meetings (attendance rate: 100%). Provided comments as needed based on broad perspective and a high level of insight she gained through holding key positions in the Ministry of Land, Infrastructure, Transport and Tourism, and having been involved in the promotion of workstyle reform, active participation by women and diversity in the Cabinet Secretariat, as well as in the overseas business development in the private sector. Attended the four Risk Management and Compliance Committee meetings as an observer and monitored business execution from an objective and neutral standpoint.
Outside Audit & Supervisory Board Member	Yasumasa Masuda	Attended all of 13 Board of Directors meetings (attendance rate: 100%) and all of 12 Audit & Supervisory Board meetings (attendance rate: 100%). Provided comments regarding financial and accounting in corporate activities as needed based on the extensive experience and broad insight as a corporate manager that he gained through holding key positions such as CFO at listed companies. Attended the four Risk Management and Compliance Committee meetings as an observer and monitored business execution from an objective and neutral standpoint.

Note: In addition to the number of Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Company's Articles of Incorporation.

(7) Summary of Contract for Limitation of Liability

The Company has executed a contract for limitation of damages under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the act with its directors (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) and Audit & Supervisory Board members. The maximum liability for damages pursuant to such contract shall be the amount prescribed in Article 425, Paragraph 1 of the Act.

(8) Summary of Directors and Officers Liability Insurance

The Company has executed a directors and officers liability insurance policy under which directors, corporate auditors, executive officers, officers dispatched to other companies, and major employees under the Companies Act of the Company and its specified subsidiaries are the insured parties with an insurance company, as set forth in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers compensation for damages and legal expenses to be borne by the insured in cases when they receive a claim for damages as a result of their wrongful acts conducted in their capacity as directors and officers. However, to ensure appropriate execution of duties by directors and officers, there are certain liabilities that are not covered under the policy, such as those arising from actions performed in knowing violation of law. The premiums are fully paid by the Company and Hokuriku Subaru Inc. and there are no premiums actually paid by the insured.

(9) Policy and Procedure for Determination of Compensation for Directors

[1] Matters Concerning the Policy for Determining Details of Compensation for Individual Directors

The Company deliberated and decided on the proposal of the policy for determining details of compensation for individual directors approved by the Executive Compensation Meeting at the Board of Directors meeting held on May 15, 2024. The Board of Directors has judged that the content of the compensations for individual directors for the fiscal year under review adhere to the decision policy, as the Executive Compensation Meeting has been delegated by the Board of Directors to decide the details of the compensations, and they have been decided after sufficient deliberations by the meeting members including outside directors.

Below is the summary of the decision policy regarding the content of compensation, etc. for individual directors.

1. Basic policy

As a basic policy, compensation for directors of the Company is determined in view of the following items:

- (1) Compensation is at a level commensurate with the roles and responsibilities of directors and is appropriate, fair, and balanced.
- (2) The compensation structure is determined by giving consideration to providing motivation for sustained improvement in corporate performance and corporate value and securing excellent human resources.
Specifically, compensation for Directors, excluding Outside Directors, will consist of base compensation, annual performance-linked bonus, and compensation in restricted stock (for non-residents, phantom stock, instead of restricted stock). For outside directors, the Company pays only basic compensation in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position. The total amount of compensation for individual directors and the levels of each compensation item are set for every position depending on difference in responsibility by utilizing the research data compiled by outside specialized agencies.

2. Policy for determining the amount of monetary compensation excluding performance-linked compensation (hereinafter, the “Fixed Monetary Compensation”), performance-linked compensation, and non-monetary compensation (including the policy for determining the timing or conditions for granting such compensation)

- (1) Policy for the Fixed Monetary Compensation
Directors receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual directors is determined based on their positions, taking into consideration elements such as the business environment.
- (2) Policy for Performance-linked Compensation
Directors, excluding Outside Directors, shall receive annual performance-linked bonus by cash at a certain time of the year. The specific amount is determined according to a compensation table by position prepared based on the consolidated profit before tax for the current fiscal year as a key performance indicator (KPI).
In addition, in order to facilitate the achievement of the Group’s medium- and long-term strategy targets, a portion of the restricted stock compensation to be granted as non-monetary compensation (see (3) below) will be set as Performance Share Units (hereafter, “PSUs”), in which the number of shares granted is linked to the degree to which target business results are achieved. To set KPIs for PSUs, the Company will adopt consolidated return on equity (ROE), a key financial indicator in the mid-term strategy, and total shareholder return (relative TSR, compared to the TOPIX growth rate including dividends), which contributes to improvement in corporate value in the medium to long term, as financial indicators as well as employee engagement as a non-financial indicator.
The Board of Directors at its meeting deliberate and decide annual performance-linked bonus and KPIs for PSUs and composition ratio of each KPI in response to changes in the environment based on the proposal approved by the Executive Compensation Meeting.
- (3) Policy for Non-monetary Compensation
The Company grants restricted stock units to Directors (excluding Outside Directors) for the purpose of strengthening the incentive for sustained improvement of the Company’s corporate value and further value sharing with the shareholders.

A portion of the restricted stock compensation shall be granted as fixed compensation and the remainder as variable compensation, both of which shall be prohibited from being transferred during the term of office and the restriction on transfer shall be lifted upon retirement.

Restricted stock compensation in the form of fixed compensation (RS) shall be granted as shares of the Company’s common stock that are equivalent to a standard amount determined by taking into consideration the Company’s business performance, the scope of each Director’s responsibilities, and various other circumstances at a certain time of the year.

At a certain time of the year, the Company shall grant restricted stock compensation in the form of fixed compensation (PSU) in a number of units (1 unit = 1 share) that are equivalent to a standard amount determined by taking into consideration the Company’s performance, the scope of each Director’s responsibilities, and various other circumstances. After the evaluation period (the single fiscal year that includes the date on which units are granted), shares of the Company’s common stock shall be granted in a number calculated by multiplying the number of units by a payment ratio that is determined in conjunction with the degree to which the target business performance indicators have been achieved.

The total number of shares of the Company’s common stock to be allocated to Directors as restricted stock compensation as part of RS and PSUs shall be limited to 150,000 shares per year. In addition, the Company and Directors shall enter into a restricted stock allotment agreement that includes an overview and provisions that state (1) Directors shall not, for a set period of time period during his/her term of office as an officer of the Company, transfer,

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create a security interest on, or otherwise dispose of the shares of the Company's common stock that have been allotted to them, and (2) the Company may acquire the said shares of its common stock without compensation if certain events occur. In the event of a Director engaging in certain acts of misconduct and 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 he/she return all or part of the said shares in common stock or pay the equivalent fair value of the said shares (clawback).

Compensation for a Director who is a non-resident at the time of granting shares will be paid in the form of a phantom stock equivalent to the said stock compensation instead of restricted stock compensation, thereby being treated in accordance with the restricted stock allotment agreement.

3. Policy for determining the proportion of the Fixed Monetary Compensation, performance-linked compensation, and non-monetary compensation to the total amount of compensation, etc. for individual directors

The Company shall appropriately determine the proportion of compensation by type of 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 level and social situations. The following proportions are generally used as rough standards (for performance-linked compensation, the proportions are those of the base amount).

	Breakdown				Rate	
	Basic compensation	Annual performance-linked bonuses	Restricted stock compensation		President	Average of Directors other than the President
			RS	PSU		
Fixed Monetary Compensation	●				1	1
Performance-linked Compensation		●		●	1* ¹	0.9* ²
Non-monetary Compensation			●	●	0.7* ¹	0.6* ²

The Company shall appropriately review the compensation level and compensation mix in consideration of the Company's business environment, as well as the situation of companies of a similar scale to the Company or industry peers, and other circumstances based on the contents of the proposal approved by the Executive Compensation Meeting.

4. Matters concerning the determination of details of compensation, etc. for individual directors

To ensure fairness and transparency of the executive compensation determination process, the Board of Directors shall establish the Executive Compensation Meeting, a voluntary committee which is structured so that the majority of its members are independent outside directors. The chairman of the Executive Compensation Meeting shall be appointed by a resolution of the Board of Directors.

The Executive Compensation Meeting, by a resolution by the General Meeting of Shareholders and that by the Board of Directors, is delegated by the Board of Directors to determine specific amounts of basic compensation, annual performance-linked bonus, 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 decision taking into consideration the content of proposal approved by the Executive Compensation Meeting.

*1: Performance-linked compensation and non-monetary compensation each include 0.5 of restricted stock compensation(PSU).

*2: Performance-linked compensation and non-monetary compensation each include 0.3 of restricted stock compensation(PSU).

[2] Matters concerning the resolutions of the General Meetings of Shareholders on compensation, etc. for directors and Audit & Supervisory Board members

By a resolution passed at the 85th Ordinary General Meeting of Shareholders, held on June 28, 2016, the maximum total amount of annual compensation, etc., for directors is 1.2 billion yen (including 200 million yen for outside directors). The number of directors was eight (including two outside directors) at the end of the meeting. By a resolution passed at the 93rd Ordinary General Meeting of Shareholders on June 19, 2024, the total amount of monetary compensation related to restricted stock units is required to be within the above maximum total and up to 200 million yen annually. The number of directors (excluding outside directors and non-resident directors) pertaining to the provisions of the said resolution was five.

By a resolution passed at the 93th Ordinary General Meeting of Shareholders, held on June 19, 2024, the maximum total amount of annual compensation, etc., for Audit & Supervisory Board members is 200 million yen. The number of Audit & Supervisory Board members was four at the end of the meeting.

[3] Status of the activities of Executive Compensation Meeting

The Company has set up an Executive Compensation Meeting, a voluntary committee, in order to enhance the effective governance structure based on the existing organizational design (the details of its authority are described in the above [1] 4). To ensure fairness and transparency of the executive compensation determination process, the Executive Compensation Meeting shall, by a resolution of the Board of Directors, be structured so that the majority of its members are outside directors, and its chairman shall be appointed by a resolution of the Board of Directors.

Please refer to “(5) Activities of the Board of Directors and Accompanying Meeting Bodies as Well as Audit & Supervisory Board, Etc.” for the status of activities of the Executive Compensation Meeting during the fiscal year under review.

[4] Total Compensation for Directors and Audit & Supervisory Board Members for the Fiscal Period

Category		Total compensation (millions of yen)				
		Basic compensation (paid in fixed monthly installments)	Annual performance- linked bonuses	Restricted stock compensation		
				PSU	RS	
Directors (9)	Inside directors (5)	230	260	61	61	612
	Outside directors (4)	39	-	-	-	39
Audit & Supervisory Board members (4)	Inside Audit & Supervisory Board members (2)	71	-	-	-	71
	Outside Audit & Supervisory Board members (2)	26	-	-	-	26
Total (13)		366	260	61	61	748

Notes:

- Figures in the above table include one outside director who resigned before the last day of the fiscal period under review. At the end of the period, there were eight directors, including three outside directors, and four Audit & Supervisory Board members, including two outside Audit & Supervisory Board members.
- The total amount of the above indicates the amount recorded as an expense at the end of the period and includes undetermined compensation (phantom stock granted to non-residents, PSU, etc.).
- The amounts of phantom stock and PSU were calculated using the closing price of the shares in the Company's common stock on Prime Market of the Tokyo Stock Exchange on March 31, 2025. When they are granted in reality, the Company will apply the share price as of the issuance.

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[5] Matters regarding performance-linked remuneration

The table below shows the results of key performance indicators (KPIs) used to calculate the annual performance-linked bonus amounts and the number of PSUs granted corresponding to the financial results for the fiscal year under review (the calculation method is described in the above [1] 2 (2)).

The Company decides the annual performance-linked bonuses for individual directors based on the consolidated profit before tax by setting a compensation table in which the higher his/her position is, the more closely his/her compensation is linked to annual performance.

In addition, in order to facilitate the achievement of the Group's medium- and long-term strategy targets, the Company has adopted the Performance Share Units (PSU), in which the number of shares granted is linked to the degree of achievement of the targets for key financial indicator (ROE and relative TSR [compared to the TOPIX growth rate including dividends]) and non-financial indicator (employee engagement), for a portion of the restricted stock compensation to be granted as non-monetary compensation. Annual performance-linked bonuses and restricted stock compensation are not granted to outside directors in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position.

Performance indicators(KPI)	Results
Consolidated profit before tax	448.5 billion yen
ROE	12.8%
Relative TSR (compared to the TOPIX growth rate including dividends)	86.4%
Employee engagement indicator improvement points	Up 2 points

[6] Details of non-monetary compensation

Details of Restricted Stock Compensation Plan and the grant status of the restricted stock units are provided in “(5) Status of the Company's shares granted to directors as consideration for the execution of duties in the fiscal period under review,” “2. Information on Shares Issued by the Company,” and the above [1] 2 (3).

(10) Evaluation Results of the Effectiveness of the Board of Directors

The Board of Directors every year conducts analysis and evaluation on the effectiveness of the Board of Directors (“BoD”) in accordance with Article 23 of the Corporate Governance Guideline, and reviews and implements improvement measures for the issues identified.

In the fiscal year ended March 31, 2025, aiming to apply the results of the evaluations toward enhancing the BoD’s functions, the BoD confirmed efforts to address issues recognized by the previous fiscal year, reorganized the evaluation items on the survey and implemented interviews with certain directors, and assessed and analyzed the reasons and underlying factors behind differences in the recognition of issues. The results of this process are reported below.

[1] Methods of evaluation and analysis

1. Timing: December 2024 — February 2025
2. Methods: Self-evaluation questionnaire survey prepared by a third-party body and interviews
 - Survey respondents: Eight directors and four Audit & Supervisory Board members for a total of 12 respondents
 - Interviewees: Chair of the BoD, representative director and president, representative director and deputy president, and three outside directors for a total of 6 interviewees
3. Process
 - Third-party body conducts anonymous self-evaluation questionnaire survey of directors and Audit & Supervisory Board members
 - Third-party body conducts interviews with the chair of the BoD, representative director and president, representative director and deputy president, and outside directors
 - Third-party body aggregates and analyzes survey responses and interviews
 - BoD and Management Roundtable Discussions verify and discuss reports received from the third-party body
4. Evaluation items on the survey

(a) BoD roles and functions	(f) BoD risk management and internal control
(b) BoD composition	(g) Executive Nomination Meeting and Executive Compensation Meeting operation
(c) BoD operation	(h) Shareholder dialogue
(d) BoD support system	(i) Continued BoD improvements
(e) BoD culture and communication	

Respondents evaluated themselves on a four-point scale in response to questions relating to the evaluation items. They were also free to add their own thoughts on the characteristics of the BoD and points that they felt would be necessary in enhancing the effectiveness thereof. Upon completing their responses, they then submitted their surveys directly to the third-party body.

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[2] Evaluation results

Based on the third-party body's report detailing its aggregation and analysis, the BoD discussed and confirmed the following points.

1. General evaluation

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

2. Characteristics of the Company's BoD

Item	Summary
BoD conducive to free and open discussion	It has a culture in which the members, irrespective of internal or outside, respect each other and engage in constructive and transparent discussions in an environment with a high degree of psychological safety.
BoD with high awareness of shareholder dialogue	Contents of dialogue with shareholders and investors are fed back to the BoD on a regular basis and it constantly engages in discussions for further enhancing the dialogue.

3. Status of responses to the issues pointed out in the previous fiscal year

Item	Summary
Further bolstering the support system for outside directors (improvement made)	The Company offered opportunities for outside directors to visit important business bases and other sites to deepen their understanding of the business and grasp market trends. It also worked to enhance opportunities for them to have dialogue with top executives and Audit & Supervisory Board members.
Sharing awareness regarding key agenda items related to medium- to long-term strategies and the approach to monitoring (improvements still in progress)	There were enhanced discussions as a result of flexible utilization of the Management Roundtable Discussions, which further deepened deliberations regarding the essence of governance. We will further improve agenda setting corresponding to the progress in management strategies among other measures.
Further strengthening of the functions of Executive Nomination Meeting (improvements still in progress)	The BoD engaged in discussions for further evolving the nurturing and selection process of CEO and other officers. It also began discussing detailed evaluation specifying individuals, indicating steady evolution of the process. The topic for future discussions is the visualization of the full picture of the nurturing plan for CEO as well as other top management and next-generation management layer.

4. Overview of the Management Roundtable Discussions for further enhancement of the effectiveness of the BoD

The Management Roundtable Discussions were centered on the following points based on the results of the third-party evaluation and the issues pointed out in the evaluation.

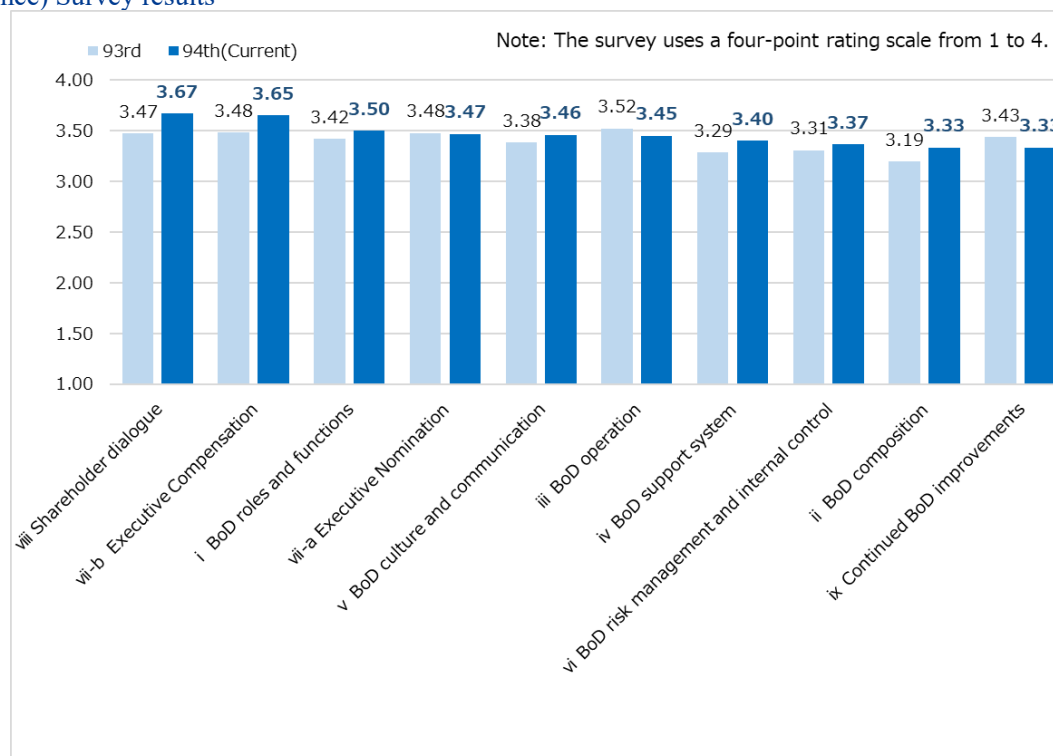
Item	Summary
Roles required of the BoD in an uncertain business environment	The Company is driving forward the management and business strategies under the banner of "Aiming to become the world's leading company in Monozukuri and Value Creation" to continue to thrive in a competitive landscape in the future by overcoming the once-in-a-century transformation of the automobile industry. The BoD is sought to appropriately monitor the implementation of strategies by the execution side and make appropriate judgment regarding risks. To this end, it needs to increase the time spent on discussions and other such measures to improve the operations of the meeting.
Clarification of roles of various meeting bodies and enhancement of discussions	To enhance the discussion time by utilizing the limited opportunities, we need to redefine the roles of the BoD, Executive Nomination Meeting, Executive Compensation Meeting, and off-site meetings including Management Roundtable Discussions and change the meeting operations to meet that objective and further strengthen sharing of management information, which is the base of discussions, especially for outside officers.
Further strengthening of monitoring framework throughout the Group	Aim to enhance opportunities to discuss strengthening of management structure and monitoring framework that oversee the entire Group.

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(Reference) Survey question items

Evaluation item					
i.	BoD roles and functions	Recognition of the roles and functions of the BoD	v.	BoD culture and communication	Diverse values
		Delegation of authority to execution			Stakeholder perspectives
		Reporting system			Directors and business divisions
		Supervision of corporate management			Inside and outside directors
ii.	BoD composition	Size of the Board of Directors	vi.	BoD risk management and internal control	Directors and Audit & Supervisory Board members
		BoD composition (proportion of inside and outside directors)			Risk management
iii.	BoD operation	Composition of the BoD (diversity and expertise)	vii.	Executive Nomination Meeting operation Executive Compensation Meeting operation	Group governance
		Frequency, length, and time allocation of meetings			Internal control and compliance
		Relevance of agenda items			
		Timing of proposals and discussions	viii.	Shareholder dialogue	Supervision of proper disclosure of information to shareholders and investors
		Quality and quantity of documents			Sharing the views of shareholders and investors
		Timing of document distribution			Enhancing dialogue with shareholders and investors
		Prior explanation			
		Content of explanations and reports			
		Discussions by the BoD			
		Leadership by the Chair			
iv.	BoD support system	Environment and systems for the provision of information	ix.	Continued BoD improvements	Status of improvements based on the previous fiscal year's effectiveness evaluation
		Provision of information to outside officers			
		Training of outside officers			
		Training of inside officers			

(Reference) Survey results



*Please refer to the Company's website for its Corporate Governance Guidelines.

https://www.subaru.co.jp/en/outline/pdf/governance_guideline_e.pdf

5 Company Framework and Policies

Framework for ensuring conformity of performance of duties by the directors to the laws and articles of incorporation, and other frameworks for ensuring appropriateness of a joint-stock company's business as well as appropriateness of business of the corporate group comprising of the Company and its subsidiaries (as of March 31, 2025)

1. Framework to ensure that the performance of duties by the directors comply with the laws and articles of incorporation

- (1) Directors shall establish a framework for effective supervision of performance of duties by other directors and effective audits by the corporate auditors, through activities such as attendance of various meetings, review of approval forms, and receiving business reports from corporate vice presidents and employees by the directors and corporate auditors.
- (2) Establish rules regarding compliance and a framework for ensuring that Directors comply with laws, articles of incorporation, and internal and other rules.
- (3) Establish whistle blowing system (Compliance Hotline) as internal reporting framework where violation of laws/articles of Incorporation by directors in performing their duties have been identified by executive officers/employees.
- (4) Conduct compliance related trainings by external experts for directors as necessary.
- (5) A director who identifies violation of laws/articles of incorporation by another director shall immediately report such violation to the Board of Corporate Auditors and Board of Directors, and implement corrective measures.

2. Establishment of other systems prescribed by the applicable Ordinance of the Ministry of Justice as systems necessary to ensure the properness of operations of a Stock Company and the business of the corporate group comprising of the stock company and its subsidiaries

(1) Structure concerning storage and management of information related to performance of duties of directors

- i. Establish internal rules on storage and management of minutes of the Board of Directors, approval forms, other documents related to performance of duties by directors, and other information, and appropriately store and manage such information in accordance with such rules and laws.

(2) Rules and other frameworks on management of risk of loss

- i. The Company shall work out rules regarding risk management and establish rules, manuals and guidelines corresponding to the business of each division to prevent risks from materializing or increasing.
- ii. Business-related risks shall be scrutinized by the directors and corporate vice presidents in accordance with certain approval rules, along with management by each division/company and company-wide management by involved divisions led by the Corporate Planning Department.
- iii. Establish a company-wide emergency communication network to ensure prompt response to emergencies and prevent spreading of losses.
- iv. To promote risk management, establish a risk management and compliance committee to deliberate/discuss, decide, exchange/communicate information on significant matters pertaining to compliance.

(3) Framework to ensure efficient performance of duties by Directors

- i. An executive officer system shall be implemented to delegate the business execution authorities of directors to corporate vice presidents. Chief Operating Officer (COO), or CEO if there is no COO, shall supervise the business execution. Chief Executive Officer (CEO) shall supervise the overall management.
- ii. Directors shall supervise the business execution of corporate vice presidents and employees by attending meetings and receiving regular business reports.
- iii. Discuss projects to be deliberated at the Board of Directors meeting in advance at Management Meetings (a preliminary consultation body for the Board of Directors to deliberate on company-wide business projects) and Executive Meetings (decision making body for each executive unit) to clarify issues for efficient deliberation at the Board of Directors meeting.
- iv. Board of Directors shall establish the medium- to long-term management goals, promote sharing of such goals, and periodically review the progress.

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- v. Board of Directors shall periodically conduct self-evaluation and analysis, to ensure effective performance of roles and obligations of the directors both in terms of decision making and supervision over business execution.

(4) System to ensure conformity of execution of operations of executive officers and employees with laws and articles of incorporation

- i. Establish rules on compliance and a framework to ensure that executive directors and employees comply with laws, articles of incorporation and internal rules.
- ii. To promote compliance, establish a risk management and compliance committee to deliberate/discuss, decide, exchange/communicate information on significant compliance matters.
- iii. Structured education shall be conducted for executive directors and employees such as compliance lectures, to promote compliance awareness.
- iv. Establish a whistle blowing system (Compliance Hotline) as an internal reporting framework in case executive officer or employees identify wrongdoing, etc. for early detection and correction of wrongdoing, etc.
- v. Establish an independent audit department as an internal audit entity.

(5) Framework for securing appropriateness of business in corporate group

In order to enhance the Group's brand value and its overall potential through sound operation of group subsidiaries, establish rules on subsidiary management, and manage/support subsidiaries mainly through the Company's department in charge of management of business or management of each subsidiary pursuant to such rules.

- i. Framework for reporting matters regarding execution of duty by a director of a subsidiary to the said company
The Company shall receive regular reports from its subsidiaries on business performance, financial status, and other significant matters and as needed on required matters pursuant to the rules on subsidiary management.
- ii. Framework regarding rules for risk management of loss incurred by subsidiaries and other matters
The Company shall encourage its subsidiaries to establish rules on risk management, other internal rules, manuals, guidelines, etc. corresponding to the nature, scale, etc. of each subsidiary's business and build risk management systems to prevent risks from materializing or increasing.
- iii. Framework to ensure efficient performance of duties by directors of subsidiaries
The Company shall ensure efficiency of performance of duties by directors of subsidiaries by receiving business reports from subsidiaries pursuant to the rules on subsidiary management, and conducting preliminary discussions on business for significant matters, etc.
- iv. Framework to ensure conformity of execution of operations of directors and employees of subsidiaries with laws and articles of incorporation
 - The Company shall seek subsidiaries to carry out periodic inspection regarding the establishment and status of the framework for compliance with laws, articles of incorporation, and internal rules as well as reports on the results of such inspections, and shall verify the results at the Company's risk management and compliance committee.
 - The Company shall establish a whistle blowing system (Compliance Hotline) as an internal reporting framework for itself or subsidiaries in case executive officers or employees identify illegal business acts, etc. and make efforts for early detection and correction of wrongdoing, etc.
- v. Other frameworks for securing appropriateness of business in corporate group
 - The Company shall establish Audit Department as an organization that performs internal audits, and perform periodic business audits for subsidiaries and affiliated companies, and extraordinary audits for necessary matters as required.
 - The Company shall periodically convene corporate auditors of domestic subsidiaries and affiliated companies and exchange opinions with the Company's corporate auditors to enhance their audit functions.
 - The Company shall concurrently appoint executive officers and employees as Corporate Auditors of some of the domestic subsidiaries and affiliated companies to enhance the audit function.
 - Overseas subsidiaries are to comply with the local laws, and follow a framework pursuant to this policy to the extent possible depending on the prevailing situations and conditions of the respective countries.

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- (6) Matters concerning an employee where Corporate Auditors request for an employee to support his/her duties
 - i. In response to request by Corporate Auditors, one or more staffs shall be allocated from the Company's employees to support the duties of the Corporate Auditors.
- (7) Matters related to securing independence of the employee from directors and effectiveness of instruction to the employee from Corporate Auditors
 - i. In case such supporting staff is to be concurrently appointed to a position involving business execution, directors and executive units shall not intervene with the staff's performance of tasks supporting the Corporate Auditors; ensure the staff's independence from directors; and notify the Company's officers and employees that such supporting staff is to follow the instructions and orders of the Corporate Auditors.
 - ii. Appointment of such supporting staff shall require consent by the Board of Corporate Auditors.
- (8) Framework for reporting by directors, executive officers, and employees of the Company and its subsidiaries to the Company's Corporate Auditors; frameworks for other reports to the Company's Corporate Auditors; and the framework for securing effective audit by the Company's Corporate Auditors
 - i. A system shall be established to ensure that the Company's Corporate Auditors can receive periodic reports on performance of duties from the directors, executive officers and employees of the Company or its subsidiaries.
 - ii. A system shall be established to ensure that the Company's Corporate Auditors can collect information on the status of performance of obligations relating to each business division, etc. by the directors, executive officers and employees of the Company and its subsidiaries.
 - iii. Directors of the Company or its subsidiaries shall report to the Company's Corporate Auditors where matters that may cause significant damages to the Company, material violation of laws/articles of incorporation, or other material compliance matters occur.
 - iv. Corporate Auditors of the Company may attend the Compliance Committee, which is an organizational body that deliberates/discusses, determines, exchange/communicate information on, important matters regarding risk management and compliance.
 - v. The Company and its subsidiary's Representative Directors, Directors, or Accounting Auditors shall attend meetings to exchange opinions held by the Company's Corporate Auditor at the request of such Corporate Auditor.
 - vi. A framework shall be established to ensure that the person reporting to the Company's Corporate Auditors shall not receive disadvantageous treatment for the reason of making the report in the preceding Item.
 - vii. A framework shall be established with respect to procedures for advance payment or repayment of expenses arising from performance of duties of Corporate Auditors and processing or repayment of other expenses arising from performance of such duties, to enable smooth processing in accordance with the invoice, etc. from the Corporate Auditors.

At the Company, Chief Risk Management Officer (CRMO) is leading the corporate group-wide efforts to enhance risk management, working closely with Corporate Planning Department, which performs division-encompassing functions, and different divisions and companies, with professional support from company-wide shared corporate operations departments such as Risk Management & Compliance Office and Legal Department. Audit Department audits execution of tasks by each division and subsidiary in a planned manner.

Summary of operation of framework for securing appropriateness of business

1. Situation of efforts to enhance compliance

To ensure all executives and employees of the Group comply with laws and regulations, the articles of incorporation, and internal rules, and act in accord with social ethics and norms, the Company is working to maintain and enhance the group-wide compliance system by establishing the Corporate Code of Conduct, Conduct Guidelines, and other rules, while setting up and operating various committees.

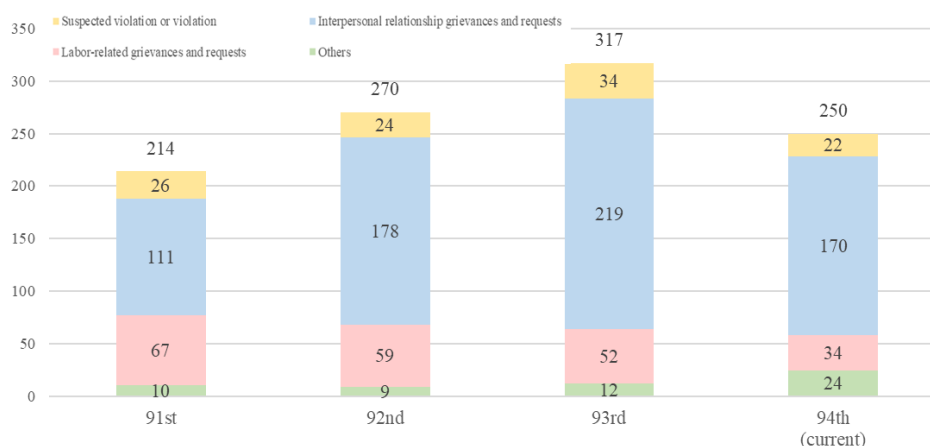
As a concrete framework for promoting compliance, the Risk Management and Compliance Committee, headed by the CRMO appointed by the Board of Directors, deliberates, discusses, decides, and exchanges/communicates information on significant compliance matters such as formulation of various policies, status of company-wide compliance activities, and operation status of the whistle blowing system. The Company and its subsidiaries appropriately and proactively operate their respective whistle blowing systems to detect and solve problems that cannot be grasped with reporting lines of regular operations and keep in check the occurrence of problems with the purpose of improving self-cleaning and effectiveness of compliance.

The Risk Management & Compliance Office manages these company-wide activities and works to promote compliance awareness throughout the Group including officers, by creating and providing Compliance Manual and other tools and conducting trainings in cooperation with relevant departments.

<Key efforts to enhance the compliance management system>

- Clarifying laws and regulations with which all SUBARU divisions and Japanese Group companies comply: We clarify laws and regulations which each division and company should comply with, thereby improving transparency.
- Reinforcement of implementation of PDCA cycle of global compliance system: We autonomously evaluate the compliance system throughout the Group and carry out initiatives for implementing effective PDCA cycle.
- Improvement of literacy: With the increase in social awareness regarding harassment, we have been implementing continued video-based and discussion-based trainings to develop a sense of ownership towards the issue.
- Multiple language service for the whistle blowing system and improvement in trustworthiness. We have developed an environment where employees feel at ease utilizing the whistle blowing system by making the service available also in English, Chinese, Portuguese, and Spanish. This is also contributing to prevention and early detection of wrongdoings.

Breakdown of Compliance Hotline Consultations and Trends Over Time



2. Risk management

The Company stipulates rules regarding risk management to appropriately manage the risks of the entire Group. As for business risks, the directors and executive officers verify the contents in accordance with the rules for the Board of Directors and various meetings, and for approvals. The Company has appointed risk management officers (job grade of General Managers) for each department for normal times, and sets up an emergency taskforce suitable for the situation during emergencies. It has also established the Risk Management & Compliance Committee, headed by the CRMO appointed by the Board of Directors, to formulate the risk management policy and the risk map for the entire group, based on which it promotes risk control activities. The Company also has developed the Safety Confirmation System and other means based on the Emergency Response Basic Manual as the company-wide emergency contact system in preparation for information sharing in the event of a disaster.

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<Key efforts regarding enhancement of risk management system>

- The Company is implementing company-wide risk management activities using the risk map as a compass. The risk map was updated with the priority issues based on the SUBARU New Management Policy announced in August 2023 and updated in May and November 2024.
- Toward reduction of key risks faced by the SUBARU Group, the risk owners are taking initiatives in carrying out cyber incident training, thorough promotion of proper transactions by affiliated companies, and enhancement of the BCP measures for natural disasters. The Risk Management Compliance Committee is following them up on a regular basis.
- The Company is conducting trainings to improve risk management methods and risk management literacy of employees in charge of promoting risk management activities at various departments.
- It is promoting risk management activities with enhanced collaboration with key subsidiaries overseas.

3. Securing efficient performance of duties

The Company decides the fields of responsibilities of directors, the scope of responsibility of business execution of executive officers (scope of delegation of authority to execution), and CxOs including CEO at the Board of Directors meetings. We position the president and other executive roles as executive officers, rather than as directors, to further clarify the roles and responsibilities assigned to directors and executive officers.

Directors supervise the status of the businesses and accelerate their business execution by attending various meetings and receiving business reports from executive officers on a regular basis. Significant matters that need to be submitted to the Board of Directors are discussed in depth at the Management Meeting and Executive Meeting to sort out discussion points and direction so as to clarify the points that should be discussed intensively at the Board of Directors meeting. Deeper and efficient discussions at the Board of Directors meeting are being promoted by, for example, early distribution of meeting materials and providing preliminary explanations when necessary.

The Company carries out the Evaluation of the Effectiveness of the Board of Directors targeting directors and Audit & Supervisory Board members using a questionnaire prepared by a third party once a year and discloses the result. Based on the result of the effectiveness evaluation, the Board of Directors incorporates items identified as future issues in the agenda of the Board of Directors for the next fiscal year and the board members discuss them and work on solving them.

Documents regarding performance of duties by the directors and other information is being stored and managed appropriately in accordance with the internal rules.

4. Securing appropriateness of business by the corporate group comprising of the Company and its subsidiaries

The Company appoints executive directors and employees of the Company to concurrently work as directors or Audit & Supervisory Board members of subsidiaries to enhance the audit and supervisory functions. The Company receives periodic and ad hoc reporting from subsidiaries and has discussions where necessary. Issues that have significant impact on the Company are reported to the Management Meeting.

In accordance with the Company-wide Subsidiary Management Rules, the subsidiaries' projects are divided into those requiring preliminary discussions with the Company and those to be determined at the discretion of subsidiaries, and the Company confirms the information communication routes from subsidiaries to the Company. Further, the Company constantly confirms the status of establishment of rules at subsidiaries.

To further reinforce these operations, departments responsible for business management, which support business operation and establishment of management foundation at subsidiaries, voluntarily carry out administration of company organization of the subsidiaries.

Furthermore, the Company's internal audit division performs business audits for the Company and its subsidiaries in accordance with the Company-wide Internal Audit Rules. Their results are reported at the Board of Directors meeting semi-annually and at the Joint Meeting consisting of executive officers quarterly, and corrective measures are implemented where necessary.

5. Securing effectiveness of Audit & Supervisory Board Members' Audit

The Company has formulated rules to ensure the effectiveness of Audit & Supervisory Board Members' audit (e.g., Standards for Audit & Supervisory Board Members' Audit), developed a whistle blowing system, and established a framework where the Audit & Supervisory Board Members can gather information from directors and employees in a timely and appropriate manner in case of matters that may cause significant damages to the Company, significant violation of laws/articles of incorporation, or other significant compliance matters. In addition, the framework ensures smooth performance of Audit & Supervisory Board Members' duties by assigning employees independent from directors to support duties of Audit & Supervisory Board Members and making them known to all employees. Also, we have added one assisting employee from the fiscal period under review to further enhance execution of duties by Audit & Supervisory Board Members and increase support.

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The Company's Audit & Supervisory Board Members attend important meetings including the Board of Directors, Management Meeting, and Risk Management & Compliance Committee meetings, and state their opinions as necessary. In addition, periodic interviews with directors and executive officers as well as on-site audits of key offices and subsidiaries are performed to confirm the status of establishment and operation of the internal control system.

Moreover, the Audit & Supervisory Board Members receive regular reports including the operational status of the whistle blowing system from Internal Audit Division, Legal Division, and Risk Management & Compliance Office, and reports on subsidiaries are received as necessary from departments in charge of managing the subsidiaries.

The Company also promotes close mutual collaboration under the three-pillar audit system by holding discussion meetings with corporate auditors of core subsidiaries and having information and opinion exchange with Accounting Auditors on a regular basis and whenever appropriate and with internal audit divisions as necessary.

The Company has also established a framework that can smoothly process invoices from the Audit & Supervisory Board Members for expenses arising from performance of their duties.

6 Accounting Auditors

(1) Accounting Auditors: KPMG AZSA LLC

(2) Accounting Auditor Compensation

Category	Audit fees (million yen)	Non-audit fees (million yen)
Company	263	2
The Company's subsidiaries	18	0
Total	281	2

Notes:

1. As the Audit Agreement between the Company and accounting auditors makes no distinction between the amounts of fees for audits under the Companies Act and audits under the Financial Instruments and Exchange Act, audit fees under the Financial Instruments and Exchange Act are included in the amount of Audit fees of the Company in the above table.
2. Of the Company's important subsidiaries, the foreign subsidiaries receive audits by a certified accounting or auditing company other than the Company's accounting auditors (including those who possess equivalent certifications overseas).

(3) Reason for Agreement on Accounting Auditors Compensation by Audit & Supervisory Board

The Audit & Supervisory Board scrutinized the Accounting Auditors' explanation of the contents of the audit including the planned number of days required for the accounting audit for the current fiscal period; review and assessment of the audit for the previous fiscal period; reasonableness of progress in audit by the Accounting Auditors, and the grounds for calculation of quotes underlying the compensation, and agreed to the amount of compensation for the Accounting Auditors.

(4) Non-Audit Services

Non-audit services provided by the Accounting Auditors to the Company during the current fiscal period were for preparation of comfort letters for issuance of corporate bonds. Non-audit services for the consolidated subsidiaries are agreed upon procedures.

(5) Policy on Dismissal or Refusal of Reappointment of Accounting Auditors

The Audit & Supervisory Board shall dismiss accounting auditors in case any of the events prescribed in the Items in Article 340, Paragraph 1 occur, and determine the agenda concerning dismissal or refusal of reappointment of accounting auditors, and the Board of Directors will propose such agenda to the meeting of shareholders pursuant to such decision.

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Consolidated financial statements

Consolidated statement of financial position

(Unit: Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	1,048,000	941,460
Trade and other receivables	376,248	411,723
Inventories	588,503	667,391
Income taxes receivable	12,240	17,633
Other financial assets	874,651	1,019,469
Other current assets	118,791	133,372
Subtotal	3,018,433	3,191,048
Assets held for sale	740	172
Total current assets	3,019,173	3,191,220
Non-current assets		
Property, plant and equipment	969,096	1,061,846
Intangible assets and goodwill	291,463	316,535
Investment property	21,766	21,742
Investments accounted for using equity method	8,165	5,410
Other financial assets	206,263	145,386
Other non-current assets	225,597	243,444
Deferred tax assets	72,626	102,663
Total non-current assets	1,794,976	1,897,026
Total assets	4,814,149	5,088,246

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	(Unit: Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	384,510	425,778
Financing liabilities	69,000	47,000
Other financial liabilities	68,125	56,747
Income taxes payable	93,085	51,829
Provisions	178,850	194,287
Other current liabilities	437,372	486,822
Total current liabilities	1,230,942	1,262,463
Non-current liabilities		
Financing liabilities	330,500	352,500
Other financial liabilities	95,820	105,263
Employee benefits	62,498	66,661
Provisions	158,305	184,038
Other non-current liabilities	370,512	401,473
Deferred tax liabilities	178	140
Total non-current liabilities	1,017,813	1,110,075
Total Liabilities	2,248,755	2,372,538
Equity		
Equity attributable to owners of parent		
Capital stock	153,795	153,795
Capital surplus	160,031	160,430
Treasury stock	(4,616)	(4,649)
Retained earnings	1,906,933	2,106,478
Other components of equity	347,061	298,463
Total equity attributable to owners of parent	2,563,204	2,714,517
Non-controlling interests	2,190	1,191
Total equity	2,565,394	2,715,708
Total liabilities and equity	4,814,149	5,088,246

Consolidated statement of income

(Unit: Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Revenue	4,702,947	4,685,763
Cost of sales	(3,710,521)	(3,705,419)
Gross profit	992,426	980,344
Selling, general and administrative expenses	(396,864)	(420,738)
Research and development expenses	(113,508)	(142,448)
Other income	4,835	4,526
Other expenses	(17,792)	(16,386)
Share of profit (loss) of investments accounted for using equity method	(899)	10
Operating profit	468,198	405,308
Finance income	80,406	89,969
Finance costs	(16,030)	(46,770)
Profit before tax	532,574	448,507
Income tax expense	(148,004)	(110,355)
Profit for the year	384,570	338,152
Profit for the year attributable to		
Owners of parent	385,084	338,062
Non-controlling interests	(514)	90
Profit for the year	384,570	338,152
Profit for the year per share attributable to owners of parent		
Basic (yen)	509.20	458.03
Diluted (yen)	509.18	458.00

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Consolidated Financial Statements

Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Unit: millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total capital
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Other components of equity	Total		
Balance at the beginning of the year	153,795	160,031	(4,616)	1,906,933	347,061	2,563,204	2,190	2,565,394
Comprehensive income								
Profit for the year	—	—	—	338,062	—	338,062	90	338,152
Other comprehensive income (after deduction of tax)	—	—	—	—	(48,705)	(48,705)	—	(48,705)
Comprehensive income total	—	—	—	338,062	(48,705)	289,357	90	289,447
Transfer to retained earnings	—	—	—	(107)	107	—	—	—
Transactions with owners								
Dividends paid	—	—	—	(78,736)	—	(78,736)	—	(78,736)
Purchase of treasury stock	—	—	(60,003)	—	—	(60,003)	—	(60,003)
Disposal of treasury stock	—	21	275	—	—	296	—	296
Cancellation of treasury stock	—	(59,695)	59,695	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	59,674	—	(59,674)	—	—	—	—
Changes in ownership interest in subsidiaries	—	399	—	—	—	399	(1,089)	(690)
Total transactions with owners	—	399	(33)	(138,410)	—	(138,044)	(1,089)	(139,133)
Balance at the end of the year	153,795	160,430	(4,649)	2,106,478	298,463	2,714,517	1,191	2,715,708

(Basis of Preparing Consolidated Financial Statements)

1. Accounting standards of consolidated financial statements

The Group prepares its consolidated financial statements in conformity with International Financial Reporting Standards (“IFRS”) in accordance with Article 120-1 of the Ordinance of Companies Accounting. The Group omits some disclosure items and notes required by IFRS in accordance with the second sentence of Article 120-1 of the Ordinance of Companies Accounting.

2. The scope of consolidation and application of the equity method

(1) Consolidated subsidiaries: 71

Domestic 49 Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Tokyo Subaru Inc., and 46 others

Overseas 22 Subaru USA Holdings Inc., Subaru of Indiana Automotive, Inc., Subaru of America, Inc., and 19 others

(2) Companies accounted for using the equity method: 6

Domestic 4 Nishino Machine Industries Ltd., and 3 others

Overseas 2 Subaru of Taiwan, Ltd., and 1 company

3. Changes in the scope of consolidation and application of equity method

(1) Consolidated subsidiaries

Added —

Excluded Subaru IT Creations Corporation, Subaru Research & Development, Inc.

(2) Companies accounted for using the equity method

Added —

Excluded Kyushu Ichitan Co., Ltd., Fuji Machinery Techno Co., Ltd.

4. Accounting policies

(1) Financial instruments

1. Valuation standards and methods for financial assets

(i) Initial recognition and measurement

The Group classifies financial assets as financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, or financial assets subsequently measured at amortized cost.

The Group initially recognizes trade receivables on the date when they are originated. All other financial instruments are initially recognized when the Group becomes a party to the contractual provision of the financial instrument.

If financial assets are classified as financial assets measured at fair value through profit or loss, they are initially measured at their fair value, unless they are initially measured at their fair value plus transaction costs that are directly attributable to the transaction of the financial asset. Trade receivables that do not contain a significant financing component are initially measured at the transaction price.

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- A financial asset is held within a business model whose objective is to hold the asset in order to collect the contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments are classified as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

When any of the above-mentioned conditions is not met for financial assets except for equity instruments, the financial assets are classified as financial assets measured at fair value through profit or loss.

Equity instruments may be designated as financial assets measured at fair value through other comprehensive income on an individual basis, except for equity instruments held for trading purposes. The designation has been applied continuously. Equity instruments that are not designated as such are classified as financial assets measured at fair value through profit or loss.

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(ii) Subsequent measurement

Financial assets are subsequently measured based on the classification of the asset as follows. Financial assets measured at amortized cost are using the effective interest method.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognized in profit or loss.

Changes in the fair value of debt instruments measured at fair value through other comprehensive income are recognized in other comprehensive income, except for interest income, exchange gain and loss, and impairment loss recognized in profit and loss. Gains or losses on derecognition are recognized in profit or loss.

Meanwhile, changes in the fair value of equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income. The dividend from relevant financial assets is recognized in profit or loss as part of the financial income for the period. The cumulative amount recognized in other comprehensive income is not reclassified to profit or loss but to retained earnings when the financial asset is derecognized, or the fair value of the asset declines significantly.

(iii) Impairment of financial assets

For impairment of financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, lease receivables, and contract assets, expected credit losses are recognized as a loss allowance.

The Group determines, at the end of each reporting period, whether the credit risk on the asset has increased significantly since initial recognition. When the credit risk has not increased significantly since initial recognition, an amount equal to 12-month expected credit losses is measured as the loss allowance. When the credit risk has increased significantly since initial recognition, an amount equal to lifetime expected credit losses is recognized as the loss allowance.

However, for trade receivables, lease receivables and contract assets, the loss allowance is always measured at an amount equal to the lifetime expected credit losses.

Expected credit losses of financial instruments are estimated using the following methods:

- An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information about past events, current conditions and forecasts of future economic conditions that is available without undue cost or effort at the reporting date.

The amounts of these measurements are recognized in profit or loss.

If the amount measured as expected credit losses decreases after recognition of impairment loss, the decreased amount is reversed and recognized in profit or loss.

(iv) Derecognition of financial assets

The Group derecognizes its financial assets only if the contractual rights to receive the cash flows from the financial assets expire, or if the entity transfers substantially all the risks and rewards of ownership of the financial assets.

2. Financial liabilities

(i) Initial recognition and measurement

The Group classifies financial liabilities as either financial liabilities measured at fair value through profit or loss, or financial liabilities measured at amortized costs. The Group determines the classification at initial recognition. The Group recognizes financial liabilities when the Group

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becomes a party to the contractual provisions of the instruments. All the financial liabilities are initially measured at fair value. However, financial liabilities measured at amortized cost are measured at their fair value less transaction costs that are directly attributable to the transaction.

(ii) Subsequent measurement

Financial liabilities are subsequently measured according to the classification as follows.

Financial liabilities held for trading and derivatives are included in financial liabilities measured at fair value through profit or loss. They are subsequently measured at fair value, and changes in the fair value are recognized in profit or loss for the period.

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method.

Amortization using the effective interest method and gains and losses on derecognition are recognized in profit or loss as part of financial income for the period.

(iii) Derecognition of financial liabilities

The Group derecognizes financial liabilities when they are extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

3. Derivatives and hedge accounting

The Group enters forward exchange contracts to fix cash flows related to the recognized financial assets and liabilities and future transaction. Interest rate swaps are used to fix cash flows of interest payable related to the borrowings. There are no derivatives stated above to which hedge accounting is applied.

(2) Valuation standards and methods for inventories

Inventories are measured at the lower of acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated selling expenses. The acquisition cost is generally calculated using the cost method based on the moving average method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(3) Valuation standards, valuation methods and depreciation methods for property, plant and equipment

Property, plant, and equipment is measured based on the cost model and stated at acquisition cost less accumulated depreciation and impairment losses. The acquisition cost includes costs directly attributable to the acquisition of the asset, costs related to disassembly, retirement and site restoration, as well as borrowing costs to be capitalized.

Depreciation of assets other than land and construction in progress is mainly calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives of major assets are as follows;

- Buildings and structures: 2 to 60 years
- Machinery and vehicles: 2 to 20 years
- Tools, furniture and fixtures: 2 to 20 years

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each fiscal year, and if there are any changes made, those changes are applied prospectively as changes in an accounting estimate.

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(4) Valuation standards, valuation methods and amortization methods for intangible assets and goodwill

1. Goodwill

The Group measures goodwill as the fair value of consideration transferred including the recognized amount of any non-controlling interests in the acquiree at the acquisition date, less the net recognized amount (usually fair value) of the identifiable assets acquired and liabilities assumed at the acquisition date.

Goodwill is not amortized. Instead, it is evaluated for impairment annually and if any indication of potential impairment exists.

Any impairment loss for goodwill is recognized in profit or loss and is not reversed in subsequent periods.

Goodwill is recorded at acquisition cost less any accumulated impairment losses.

2. Capitalized development cost

Expenditures related to research activities in order to gain new scientific and technical knowledge are recognized as expenses as incurred. Development expenditure is capitalized as intangible assets only when the cost can be measured reliably, there is a technical and commercial feasibility of completing the development, it is probable that the outcome will generate a future economic benefit, and the Group has intention, ability and sufficient resources to use or sell the outcome of the development and to complete the development.

The estimated useful lives of capitalized development cost that is amortized using the straight-line method are as follows.

- Capitalized development cost: 2 to 5 years

3. Other intangible assets

The Group applies the cost method in measuring separately acquired intangible assets, which are recorded at acquisition cost at initial recognition.

After initial recognition, intangible assets excluding goodwill are amortized using the straight-line method over their estimated useful lives and are recorded at acquisition cost less accumulated amortization and impairment losses. Estimated useful lives of major intangible assets are as follows. The Group has no intangible assets with indefinite useful lives.

- Software: 2 to 10 years

The estimated useful lives, residual values, and amortization methods are reviewed at the end of each fiscal year, and if there are any changes made, those changes are applied prospectively as changes in accounting estimates.

(5) Valuation standards, valuation methods and depreciation methods for lease assets

At the inception of the lease contract, the Group assesses whether an arrangement is a lease or contains a lease.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group makes an assessment applying the criteria of IFRS 16.

Lease as a lessee

The Group recognizes a right-of-use asset and a lease liability at the inception of the lease.

A right-of-use asset is measured at acquisition cost at the inception of the lease. After the commencement date, a right-of-use asset is measured by using the cost model at acquisition cost less

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accumulated depreciation and impairment losses. A right-of-use asset is amortized from the date of inception to the end of estimated useful life of the underlying leased asset if the ownership of the underlying assets is transferred to lessee until the end of the lease term or if acquisition cost of right-of-use asset reflects the exercise of a purchase option. Otherwise, a right-of-use asset is amortized from the date of inception to the earlier of the end of the estimated useful life of the right-of-use asset or the end of the lease term.

A lease liability is measured at the present value of the lease payments that are not paid at the date of inception. After the commencement date, the carrying amount of the lease liability is increased to reflect interest on the lease liability and decreased the lease payments made. Lease liabilities are re-measured and carrying amounts of right-of-use assets are revised or the change is recognized in profit or loss if the Group reviews lease liabilities or if the modification is not accounted for as a separate lease.

As for short-term leases or leases for which the underlying asset is of low value, the Group applies IFRS 16.5, 6, and recognizes lease payments as an expense using the straight-line method over the lease term.

Lease as a lessor

Lease transactions are classified as finance leases if all the risks and rewards incidental to ownership of underlying assets are substantially transferred, and all other leases are classified as operating leases.

A receivable from customer held under a finance lease is initially recognized at the amount of the gross investment in the lease discounted at the interest rate implicit in the lease and included in Trade and other receivables in the consolidated statements of financial position.

An underlying asset subject to an operating lease is recognized in the consolidated statements of financial position, and lease payments from operating leases are recognized as revenue over the lease term.

(6) Investment property

Investment property is held to earn rentals or for benefit from increase in value of the property or both. Investment property is measured by using the cost model and is recorded at acquisition cost less accumulated depreciation and impairment losses. Depreciation of an investment property other than land and construction in progress is recognized on a straight-line basis over the estimated useful lives of the asset. The estimated useful lives of major assets are as follows;

- Buildings and structures: 2 to 50 years

(7) Impairment

At the end of each fiscal year, the Group assesses the carrying amounts of non-financial assets other than inventory and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. Recoverable amounts of goodwill and intangible assets that are not yet ready for use are estimated at the same time every year.

The recoverable amount of an individual asset or cash-generating units is the higher of value in use or fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset. Assets not assessed individually in test of impairment are integrated into the smallest cash-generating unit that generates cash inflows which are largely independent of cash inflows from other assets or a group of assets. Cash generating units of goodwill are determined based on the units managed for the purpose of internal reporting and are within the scope of business segments before aggregation. The goodwill acquired in a business combination is allocated to each of the cash generating units that is expected to benefit from the synergies of the combination.

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Corporate assets in the Group do not generate cash inflows independently. If there is any indication that corporate assets may be impaired, the Group performs an impairment test based on the recoverable amount of the cash generating unit to which corporate asset belongs. When the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, an impairment loss is recognized in profit or loss. An impairment loss for a cash-generating unit is recognized by first reducing the carrying amount of any goodwill allocated to the cash-generating unit, and then reducing proportionally the carrying amount of other assets in the unit.

An impairment loss for goodwill is not reversed. The Group assesses whether there is any indication that an impairment loss recognized in prior years for an asset other than goodwill may no longer exist or may have decreased at the end of each fiscal year. An impairment loss is reversed when there has been a change in the estimates used to determine an asset's recoverable amount. Impairment losses are reversed up to the amount not exceeding the carrying amount (net of depreciation) that would have been determined if no impairment losses had been recognized in prior years.

(8) Employee benefits

1. Short-term employee benefits

For short-term employee benefits including salaries, bonuses and paid annual leave, when the employees render related services, the amounts expected to be paid in exchange for those services are recognized as expenses.

2. Retirement benefit plans

The Group sponsors a defined benefit plan and a defined contribution plan as retirement benefit plans for employees.

(a) Defined contribution plans

For defined contribution plans, when the employees render related services, the contribution payables to the defined contribution plan are recognized as expenses.

(b) Defined benefit plans

The Group has adopted lump-sum payment on retirement and defined benefit pension plans as defined benefit plans. The present value of defined benefit obligations related current service costs and past service costs are determined using the projected unit credit method.

The discount rates are determined by reference to market yields at the end of the reporting period on high quality corporate bonds which have maturities corresponding to the future settlements of benefits in each year.

The net defined benefit liability (asset) is determined as the present value of the defined benefit obligation less the fair value of the plan assets. Net interest on the net defined benefit liability (asset) is recognized in profit or loss as financial expenses. The Group recognizes the difference arising from remeasurement of present value of the defined benefit obligation and the fair value of the plan asset in other comprehensive income when it is incurred and reclassifies it immediately to retained earnings from other components of equity.

The Group recognizes any past service cost as an expense at the earlier of the following dates.

- (i) when the plan amendment or curtailment occurs; and
- (ii) when related restructuring costs are recognized

(9) Revenue

1. Revenue from contracts with customer

The Group identifies a performance obligation in a contract with a customer and recognizes as revenue the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer. If variable consideration is included in the consideration promised in a contract with a customer, some or all of an amount of variable

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consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is recognized at a point in time or over time in accordance with satisfaction of a performance obligation in a contract with a customer.

With regard to revenue from the sale of cars, performance obligations are principally considered to be fulfilled at the time of delivery of the cars, at which point customers obtain control of the cars and revenue is recognized.

In automobile business, fare-paying extended warranty service is provided for the products as an option in addition to normal warranty. The revenue from the extended warranty service is recognized over time in accordance with the progress of the performance obligation.

2. Revenue from financial lease

When the Group is the manufacturer or dealer lessor, sales revenue, cost of sales and selling profit or loss for a portion identified as sale of products are recognized in profit or loss at the inception of the leases. Finance income from financial leases is recognized based on a pattern reflecting a constant rate of return on the net investment in the lease of the Group.

3. Revenue from operating leases

Revenue from operating leases is recognized on a straight-line basis over the lease term.

4. Interest income

Interest income is recognized using the effective interest method

5. Dividend income

Dividend income is recognized when the right to receive the payment is established.

(10) Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations. Where the effect of the time value of money is material, the amount of a provision is measured at the discounted present value of the estimated future cash flow using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount due to the passage of time is recognized as finance costs.

1. Asset retirement obligation

A provision for asset retirement obligation is recognized mainly for the estimated cost of restoring the leased site at the end of the lease term.

2. Provision for product warranties

The Group provides product warranties based on the terms and conditions of warranties granted at the time of product sales, as well as free repair services on an individual basis in accordance with the notification to the competent authority.

The coverage of product warranties based on the terms and conditions of warranties is determined by the duration, mileage, cause of defects, and other factors in accordance with the terms and conditions of warranties in each country.

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The Group recognize estimated warranty costs for the product warranties when products are sold to customers based on the terms and conditions of warranties. The estimated warranty costs are recorded based on the best estimates of future occurrences, which are based on the past repair experience and past sales volume for the total cost of repairing or replacing parts due to defects occurring within the warranty period.

The estimated expenses related to the warranty items in accordance with notifications to the competent authority are recognized as provision for product warranties when it is probable that outflows of resources embodying economic benefits will be required, and reliable estimates can be made of the amount of the obligations. The estimated expenses are recorded based on the best estimate of the repair cost per unit, which is calculated based on past experience with product defects, and the number of units subject to repair, which is calculated based on past experience with product defects.

3. Provision for losses on construction contracts

The provision for losses on uncompleted construction contracts in the Aerospace segment is recorded when substantial losses on the contracts are anticipated at the fiscal year end and such losses can be reasonably estimated.

4. Provision for environmental measures

The provision for environmental measures is recorded for the estimated expenses for complying with environmental regulations at the end of the fiscal year.

(11) Other principle matters for preparation of the consolidated financial statements

1. Unit of amount

Unit of amount is displayed by rounded off.

2. Application of Group Tax Sharing system

Group Tax Sharing system is applied.

(Revenue recognition)

(1) Disaggregation of revenue

The Group has adopted “IFRS 15 Revenue from Contracts with Customers” and recognizes revenue based on the following five step approach.

Step 1: Identify the contracts with a customer

Step 2: Identify the performance obligations in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to performance obligations

Step 5: Recognize revenue when performance obligations are satisfied

The automotive segment is mainly engaged in manufacturing and sales of automobiles as well as providing services such as maintenance.

For sale of vehicles, revenue is recognized primarily at the time of delivery of the product as we consider that upon delivery the customer obtains control of the product and the performance obligation is satisfied. Maintenance and other service revenue are recognized over time. Payment for the sale of a product is generally made within 30 days of the transfer of control of the product to the customer.

The contract with the customer for the sale of the product includes a clause that guarantees that the product complies with the agreed specifications and the Group recognizes the provision for product warranty for

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the costs related to that warranty. For details of the provision for product warranty, please refer to “(Basis of Preparing Consolidated Financial Statements) 4. Accounting policies (10) Provisions 2. Provision for product warranties”.

The aerospace segment has contracts with customers. Revenue from contract construction is recognized based on the progress of performance obligations. The progress is measured by an input method based on the costs incurred. Payments for contracts are generally made in stages based on the contracts with customers.

The Group’s business segment is classified into three categories: automotive, aerospace, and others. Revenue is broken down by region based on the location of the customer. The relationship between these disaggregated revenues and the revenue of each reportable segment is as follows:

For the fiscal year ended March 31, 2025

	(Unit: Millions of yen)			
	Automotive	Aerospace	Others *3	Total
Revenue from contracts with customers				
Japan	579,354	61,869	1,657	642,880
North America	3,655,693	49,714	53	3,705,460
Europe	98,230	1	—	98,231
Asia	36,692	—	9	36,701
Others	188,593	—	15	188,608
Total	4,558,562	111,584	1,734	4,671,880
Revenue arising from other sources *2	10,473	—	3,410	13,883
Total	4,569,035	111,584	5,144	4,685,763

(Note)

- 1) The amounts mentioned above reflect elimination of internal transactions.
- 2) Revenue recognized from other sources includes lease revenue of products that are accounted for in accordance with "IFRS 16 Leases", etc.
- 3) Other segment includes real estate leasing business, etc.

(2) Contract balances

The balances of receivables, contract assets and contract liabilities arising from contracts with customers as of March 31, 2025 is as follows:

	(Unit: Millions of yen)
	As of March 31, 2025
Receivables included in Trade and other receivables	133,489
Contract assets included in Trade and other receivables	26,844
Contract liabilities included in other current liabilities	191,629
Contract liabilities included in other non-current liabilities	346,996

The contract assets mainly relate to the Group's right to the consideration for the work of contracts for aircraft production and periodic repairs in the aerospace business that have been recognized based on measurement of progress. Contract assets are transferred to receivables when all deliveries of such construction are completed.

The contract liability mainly relates to advance consideration for extended warranty services and other items in the Automotive business, and to contracts with defense industries in the aerospace business for which revenue is

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recognized upon completion of aircraft production and periodic repairs.

Of the revenues recognized in the consolidated fiscal year ended March 31, 2025, the amount included in the contract liability balance at the beginning of the consolidated fiscal year was 135,938 million yen.

The amount of revenue recognized from performance obligations satisfied (or partially satisfied) in past periods is immaterial.

(3) Transaction price allocated to the remaining performance obligations

Breakdown of the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) and revenue expected to be recognized for each period are as follows:

There are no significant amounts that are not included in the transaction price among the consideration arising from contracts with customers. In addition, as a practical expedient, transactions whose expected contract periods are equal to or less than one year on an individual basis are not included in the following breakdown calculation.

		(Unit: Millions of yen)
		As of March 31, 2025
Within 1 year		305,261
Over 1 year		827,459
Total		1,132,720

(4) Assets recognized from the costs to obtain or fulfil a contract with a customer

The Group has no material incremental costs incurred to obtain or fulfil a contract with a customer that should be recognized as assets.

(Accounting estimates)

Items for which the amount was recorded in the consolidated financial statements for the current fiscal year based on accounting estimates, and which may have a significant impact on the consolidated financial statements for the following fiscal year, are as follows.

Deferred tax assets	102,663 million yen
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Deferred tax assets are recognized to the extent that it is probable that taxable income will be earned against which the future deductible temporary differences can be utilized. Deferred tax liabilities are recognized in principle for all taxable temporary differences.

The calculation of deferred tax assets may be affected by changes in uncertain economic conditions and other factors, and the timing and amount of actual taxable income may differ from the estimates. This could cause a significant impact on the amount of deferred tax assets in the consolidated financial statements for the following fiscal year.

Provision for product warranties	239,503 million yen
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The method of calculating the provision for product warranties and the major assumptions used in the calculation are described in (Basis of Preparing Consolidated Financial Statements), 4. Accounting policies, (10) Provisions, 2. Provision for product warranties.

We believe that we have made sufficient provisions for the warranty costs that we expect to be incurred based on currently available information. However, since the calculation of the provision for product warranties involves the estimate of the warranty costs that would be incurred over multiple years in the future, the actual warranty costs may deviate from the estimates. This could cause the necessity of recording additional provisions for product warranties, and a significant impact on the consolidated financial statements.

(Consolidated Statements of Financial Position)

1. The allowances for assets are as follows:

The allowance for doubtful trade receivables and other receivables	351 million yen
The allowance for doubtful other financial assets (non-current)	401 million yen

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2. Accumulated depreciation and accumulated impairment losses of property, plant and equipment 1,529,700 million yen
3. 6,897 million yen from national subsidies, etc. has been directly deducted from the amount of property, plant and equipment reported on the consolidated balance sheet.

4. Assets pledged as collateral and collateralized loans

(1) Assets pledged as collateral

Property, plant and equipment:	4,718 million yen
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(2) Collateralized loans

Other non-current liabilities:	1,500 million yen
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5. Contingent Liabilities

(1) Guarantor of third-party indebtedness from financial institutions

Customers of SUBARU Canada Inc.:	27,652 million yen
Employees:	1,714 million yen
Total	29,366 million yen

(2) Other Contingencies

Based on the modified agreement between the U.S. subsidiary of Takata Co., Ltd. and the National Highway Traffic Safety Administration (NHTSA) of the United States dated May 4, 2016, Notification "Extended schedule of the recalls of airbag inflators manufactured by Takata Co., Ltd." released by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan dated May 27, 2016, and recall policies in other regions including China and Australia in consideration of the request by the U.S. and Japanese authorities, expenses for extension of recall for airbag inflators manufactured by Takata are accrued to the extent that the amount can be reasonably estimated. There is a possibility that additional accrual may be required due to events in the future.

6. The unexecuted balance of overdraft facilities and lending commitments at a consolidated subsidiary (Subaru Finance Co., Ltd.) was as follows:

Total overdraft facilities and lending commitments:	5,300 million yen
Less amounts currently executed:	1,605 million yen
Unexecuted balance	3,695 million yen

7. Inventories and the provision for loss on construction contracts (provision in current liabilities) for which losses are expected are presented in gross amounts without offsetting. Of inventories related to construction contracts for which losses are expected, the amount corresponding to the provision for loss on construction contracts (provision in current liabilities) is 5,438 million yen (all work in process).

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(Consolidated Statement of Changes in Net Assets)

- 1) Matters related to the type and total issued and outstanding stock, and type and number of treasury stock

Type of Stock	Number of shares as at beginning of the consolidated fiscal year (shares)	Number of shares increased during the consolidated fiscal year (shares)	Number of shares reduced during the consolidated fiscal year (shares)	Number of shares as at end of the consolidated fiscal year (shares)
Issued shares				
Common stock *1	753,901,573	—	20,844,100	733,057,473
Treasury stock				
Common stock *2	2,107,449	20,845,711	20,929,682	2,023,478

(Note)

- 1) Decrease of 20,844,100 shares of Common stock was due to cancellation of Treasury Stock.
- 2) Increase of 20,845,711 shares of Treasury stock was mainly due to purchase of Treasury Stock.
Decrease of 20,929,682 shares of Treasury stock was mainly due to cancellation of Treasury stock.

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2) Dividends

(1) Dividend payout

Resolution	Type of stock	Total amount of dividends (yen)	Dividend per share (yen)	Record date	Effective date
'The 93rd Ordinary General Meeting of Shareholders on June 19, 2024	Common stock	43,627	58.0	March 31, 2024	June 20, 2024
'The Board of Directors Meeting on November 1, 2024 *	Common stock	35,109	48.0	September 30, 2024	December 6, 2024

(Note) Cash dividends per share of the 93rd Ordinary General Meeting of Shareholders on June 19, 2024 include a Commemorative dividend of 10.00 yen.

(2) Of dividends whose criteria date belongs to the current consolidated fiscal year, those in which the effective date of the dividend is the following consolidated fiscal year

Resolution	Type of stock	Total amount of dividends (yen)	Source for dividend	Dividend per share (yen)	Record date	Effective date
'The 94th Ordinary General Meeting of Shareholders on June 25, 2025	Common stock	49,006	Retained earnings	67.0	March 31, 2025	June 26, 2025

(Financial instruments)

1. Summary of Financial Instruments Status

(1) Risk Management

The Group's business activities are affected by the business environment and the financial market environment. Financial instruments held or assumed during the course of the business activities are subject to inherent risks. The risks include (1) credit risk, (2) market risk and (3) liquidity risk. The Group establishes an internal management system and implements crisis management to minimize the impact on the Group's financial condition and business performance using financial instruments. Specifically, the Group manages those risks according to the following methods.

(2) Credit Risk

Credit risk is the risk that a party to a financial instrument defaults on its contractual obligations and causes a financial loss for the Group. The Group's trade receivables, lease receivables, contract assets and other receivables are exposed to the credit risk of customers and counterparties. Also, bonds and other securities held to manage surplus funds are exposed to the credit risk of the issuers. In addition, Derivative transactions conducted by the Group for the purpose of hedging foreign exchange and interest rate risks as well as banking transactions are exposed to the credit risk of the financial institutions that are counterparties to the transactions.

(3) Market Risk

The Group hedges foreign currency fluctuation risks of trade receivables and payables denominated in foreign currencies that are identified by currency and by month by using, in principle, forward exchange contracts and currency options.

Depending on the exchange rate situation, forward exchange contracts and other transactions are used against the net position of trade receivables and trade payables denominated in foreign currencies for a maximum of six months.

(4) Liquidity Risk

The Group raises funds by borrowings from financial institutions and corporate bonds. The Group is exposed to a risk that the Group would not be able to repay liabilities on the due date in the event of disruptions of financial system and financial markets or a significant reduction of credit rating by rating agencies.

In order to ensure liquidity and stability, the Group has sufficient cash and cash equivalents as well as maintains liquidity that satisfies the level of cash required by entering into commitment line agreements with major financial institutions.

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2. Fair Value of Financial Instruments

Amount on the consolidated statement of financial position and fair value on March 31, 2025 are as follows.

(Unit: Millions of yen)

	Amount on the consolidated statement of financial position	Fair Value
Trade and other receivables		
Operating loans	182,682	184,358
Lease receivables	11,167	11,969
Account receivables and other receivables *1	217,874	—
Other financial assets		
Debt instruments measured at fair value	284,238	284,238
Equity instruments	175,566	175,566
Derivatives	2,746	2,746
Other *1&*4	702,305	—
Financing liabilities		
Borrowings	296,500	289,687
Bonds	103,000	98,280
Trade and other payables *1	425,778	—
Other financial liabilities		
Derivatives	44	44
Other *1&*3	31,122	—

(Note)

- 1) Disclosure of fair value is omitted because the fair values approximate their carrying amounts.
- 2) The table does not include cash and cash equivalents due to their fair values approximate their respective carrying amounts.
- 3) Lease liabilities (130,844 million yen on the consolidated statement of financial position) are not included in "Other financial liabilities".
- 4) "Other" included in "Other financial assets" mainly consists of time deposits.

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3. Breakdown of fair value of financial instruments by level

(1) Valuation techniques used to calculate fair value

The Group uses a three-level hierarchy system when measuring fair value. The following is a description of the three levels of hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Group has the ability to access as of the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: Unobservable inputs for the assets or liabilities

(2) Method and assumptions of Fair Value Measurement

The fair values of assets and liabilities are determined based on relevant market information using an appropriate valuation method.

The measurement methods and assumptions used in the measurement of assets and liabilities are as follows:

(Cash and cash equivalents, Trade and other receivables, Trade and other payables)

Cash and cash equivalents, Trade and other receivables, and Trade and other payables are measured at amortized cost. Lease receivables are measured in accordance with "IFRS 16 Leases".

The fair value of operating loans and lease receivables is calculated based on the present value of the receivables discounted by the interest rate, taking into account the maturity period and credit risk, for each receivable classified by a certain period. Therefore, fair value measurements are classified as Level 3 because credit risks are not observable.

The fair values of financial assets other than lease receivables and operating loans approximate their carrying amounts of those financial assets due to their short-term maturities.

(Other debt instruments)

Debt instruments (instruments measured at fair value) consist mainly of government bonds, corporate bonds, investment trust and investments in partnerships, etc.

The fair value of government bonds and investment trust with an active market is measured by using quoted market prices. Fair value measurement for government bonds and investment trust is classified as Level 1.

The fair value of corporate bonds is measured based on the proprietary pricing models provided by financial institutions using observable inputs in the market such as credit ratings and discount rates. Fair value of corporate bonds is classified as Level 2.

The fair value of investments in partnerships is measured based on the estimated fair value of the partnership assets and the Company's shares of such fair value. Fair value measurement for investments in partnerships is classified as Level 3 because it uses unobservable inputs.

Other debt instruments are reported as other financial assets (current) and other financial assets (non-current).

(Equity instruments)

Equity instruments consist mainly of stock.

The fair value of equity instruments with an active market is measured by using quoted market prices.

Fair value measurement for equity instruments with an active market is classified as Level 1.

As a general rule, the fair value of equity instruments with no active market is measured mainly by using the comparable company valuation method and other appropriate valuation methods. Fair value measurement for equity instruments with no active market is classified as Level 3.

Equity instruments are reported as other financial assets (current) or other financial assets (non-current).

Such fair value measurements are conducted in accordance with the Group accounting policy approved by the appropriate person of authority and based upon valuation methods determined by an accountant of the Group.

(Financing liabilities)

Financing liabilities are measured at amortized cost.

The fair value of financing liabilities is measured by discounting future cash flows using interest rates currently available for liabilities of similar terms and remaining maturities. Fair value measurement for financing liabilities is mainly classified as Level 2.

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(Derivatives)

Derivatives consist mainly of foreign currency forward exchange contracts, and interest rate swap agreements.

The fair values of derivatives are measured based on observable inputs such as foreign exchange rates and quoted prices obtained from the financial institutions. Fair value measurements for these derivatives are classified as Level 2.

Derivatives are reported as other financial assets (current) or other financial liabilities (current).

(Other financial liabilities)

Other financial liabilities other than derivatives mainly include liabilities related to chargeable subcontracting.

Liabilities related to chargeable subcontracting are measured at amortized cost and lease liabilities are measured in accordance with "IFRS 16 Leases".

The fair value of other financial liabilities approximates their carrying amounts.

(3) Financial assets and liabilities recognized in the consolidated statement of financial position at fair value
Financial assets and liabilities recognized in the consolidated statement of financial position at fair value in the current year are as follows.

	(Unit: Millions of yen)			
	Level 1	Level 2	Level 3	Total
Other financial assets				
Financial assets measured at fair value through profit or loss:				
Derivatives	—	2,746	—	2,746
Debt instruments	45,176	82	3,018	48,276
Total	45,176	2,828	3,018	51,022
Financial assets measured at fair value through other comprehensive income:				
Equity instruments	166,976	—	8,590	175,566
Debt instruments	96,018	139,944	—	235,962
Total	262,994	139,944	8,590	411,528
Total	308,170	142,772	11,608	462,550
Other financial liabilities:				
Financial liabilities measured at fair value through profit or loss:				
Derivatives	—	44	—	44
Total	—	44	—	44

The Group recognizes the transfers between the levels of the fair value hierarchy at the end of the day on which an event or change in conditions that causes the transfer has occurred.

There were no material transfers between the levels.

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(4) Reconciliation of financial instruments classified in Level 3

The following is a reconciliation of the beginning to ending balances for Level 3 assets and liabilities measured at fair value on a recurring basis.

	(Unit: Millions of yen)	
	For the fiscal year ended March 31, 2025	
	Equity instruments	Debt instruments
Beginning balance	7,482	2,190
Total gains or losses:		
Profit or loss	—	47
Other comprehensive income	1,108	—
Purchases	—	781
Sales	—	—
Exchange differences on translating foreign operations	—	—
Ending Balance	8,590	3,018
Unrealized gains or losses included in profit or loss on assets held on March 31, 2025	—	223

(Note)

- 1) Gains or losses included in profit or loss for the consolidated fiscal years ended March 31, 2025 is included in finance income and finance costs in the consolidated statements of income.
- 2) Gains or losses included in other comprehensive income for the consolidated fiscal years ended March 31, 2025 is included in net changes in revaluation of equity instruments designated as measured at fair value through other comprehensive income in the consolidated statements of comprehensive income.
- 3) Unrealized gains and losses on assets held at the end of the current fiscal year included in net gains or losses on debt instruments are included in "Financial income" in the consolidated statement of income.

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(5) Financial Assets and Financial Liabilities that are not measured at fair value

The carrying amounts and fair values of financial assets and financial liabilities that are not measured at fair value as of March 31, 2025 is as follows:

	(Unit: Millions of yen)	
	As of March 31, 2025	
	Carrying amount	Fair value
Trade and other receivables		
Operating loans	182,682	184,358
Lease receivables	11,167	11,969
Account receivables and other receivables*1	217,874	—
Other financial asset*1&2	702,305	—
Financing liabilities		
Borrowings	296,500	289,687
Bonds payables	103,000	98,280
Trade and other payables*1	425,778	—
Other financial liabilities*1&3	31,122	—

(Notes)

- 1) Disclosure of fair value is omitted because the fair values approximate their carrying amounts.
- 2) Items disclosed in “(3) Financial Assets and Financial Liabilities that are measured at fair value” are not included.
- 3) Other financial liabilities do not include derivatives of 44 million yen and lease liabilities of 130,844 million yen.
- 4) The table does not include cash and cash equivalents due to their fair values approximate their respective carrying amounts.

[Translation for Reference and Convenience Purposes Only]

(Investment property)

1. Summary of investment properties

The Company and certain consolidated subsidiaries own rental office buildings and rental commercial facilities in Saitama prefecture and other locations.

2. Fair Value of Investment property

(Unit: Millions of yen)

Carrying Amount	Fair Value
21,742	38,819

(Notes)

- 1) Carrying amount represents acquisition cost less accumulated depreciation and accumulated impairment losses.
- 2) Fair values of certain main investment and rental properties are estimated by third party real-estate appraisers (including those adjusted internally using indicators and other measures). Fair values of remaining properties are estimated by the Group based principally on land assessment value that are used to calculate property taxes.

(Per Share Information)

- | | |
|--|--------------|
| 1. Net assets per share attributable to owners of parent | 3,713.26 yen |
| 2. Income per share attributable to owners of parent | |
| Basic | 458.03 yen |
| Diluted | 458.00 yen |

(Significant Subsequent Event)

Not applicable.

[Translation for Reference and Convenience Purposes Only]

(Reference) Consolidated statement of cash flows

(Unit: Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
Net cash provided by (used in) operating activities		
Profit before tax	532,574	448,507
Depreciation and amortization	217,780	232,541
Share of loss (profit) of investments accounted for using equity method	899	(10)
Finance income	(80,406)	(89,969)
Finance costs	16,030	46,770
Decrease (increase) in trade and other receivables	(7,320)	(31,045)
Decrease (increase) in inventories	51,811	(92,481)
Increase (decrease) in trade and other payables	(8,232)	19,792
Increase (decrease) in provisions and employee benefits	92,533	45,934
Others	14,787	24,117
Subtotal	830,456	604,156
Interest received	45,171	59,296
Dividends received	5,162	6,483
Interest paid	(2,654)	(4,605)
Income taxes paid	(110,470)	(173,194)
Net cash provided by (used in) operating activities	767,665	492,136
Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(366,096)	(124,308)
Purchase of property, plant and equipment	(188,147)	(170,861)
Proceeds from sale of property, plant and equipment	2,845	2,175
Purchase of intangible assets and expenditure on internally generated intangible assets	(111,731)	(94,427)
Purchase of securities	(154,821)	(161,061)
Proceeds from sale of securities	127,817	137,594
Payments of loans receivable	(184,150)	(179,664)
Collection of loans receivable	173,849	189,054
Others	(3,265)	(2,579)
Net cash provided by (used in) investing activities	(703,699)	(404,077)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(201)	—
Repayments of long-term borrowings	(45,402)	(59,000)
Proceeds from long-term borrowings	119,500	59,000
Redemption of bonds	(10,000)	(10,000)
Proceeds from issuance of bonds	23,000	10,000
Repayments of lease liabilities	(42,719)	(47,929)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(5,327)	(690)
Purchase of treasury stock	(40,006)	(60,003)
Dividends paid to owners of parent	(65,203)	(78,642)
Others	(111)	(56)
Net cash provided by (used in) financing activities	(66,469)	(187,320)
Effect of exchange rate changes on cash and cash equivalents	70,974	(7,279)
Net increase (decrease) in cash and cash equivalents	68,471	(106,540)
Cash and cash equivalents at beginning of the year	979,529	1,048,000
Cash and cash equivalents at end of the year	1,048,000	941,460

[Translation for Reference and Convenience Purposes Only]

Non-consolidated financial statements

Non-consolidated balance sheet

(Unit: Millions of yen)

	As of March 31, 2024	As of March 31, 2025
ASSETS		
I Current assets		
Cash and deposits	1,460,213	1,427,544
Accounts receivable-trade	244,138	301,605
Securities	—	19,987
Merchandise and finished goods	56,805	59,896
Work in process	68,146	75,628
Raw materials and supplies	61,492	75,418
Advance payments-trade	43,335	51,974
Prepaid expenses	6,002	8,823
Short-term loans receivable to subsidiaries and affiliates	46,622	55,835
Current portion of long-term loans receivable from subsidiaries and affiliates	14,000	9,000
Deposits paid	24,625	26,506
Accounts receivable-other	45,510	53,639
Other	43,820	55,513
Total current assets	2,114,708	2,221,368
II Non-current assets		
1. Property, plant and equipment		
Buildings, net	150,944	181,334
Structures, net	20,934	22,323
Machinery and equipment, net	106,426	126,208
Vehicles, net	3,484	3,890
Tools, furniture and fixtures, net	12,870	12,220
Land	78,493	83,028
Construction in progress	41,530	61,016
Other, net	7,644	13,017
Total property, plant and equipment	422,325	503,036
2. Intangible assets		
Software	43,806	43,017
Other	70,253	76,943
Total intangible assets	114,059	119,960
3. Investments and other assets		

[Translation for Reference and Convenience Purposes Only]

(Unit: Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investment securities	6,390	8,692
Stocks of subsidiaries and affiliates	320,960	263,951
Investments in capital of subsidiaries and affiliates	9,027	8,723
Long-term loans receivable	2	2
Long-term loans receivable from subsidiaries and affiliates	53,300	49,500
Claims provable in bankruptcy, claims provable in rehabilitation and other	0	0
Prepaid pension costs	4,023	3,192
Deferred tax assets	70,697	101,340
Other	9,457	10,296
Allowance for doubtful accounts	(5)	(5)
Allowance for investment loss	(1,826)	—
Total investments and other assets	472,025	445,691
Total non-current assets	1,008,409	1,068,687
Total assets	3,123,117	3,290,055

[Translation for Reference and Convenience Purposes Only]

(Unit: Millions of yen)

	As of March 31, 2024	As of March 31, 2025
LIABILITIES		
I Current liabilities		
Notes payable-trade	373	316
Accounts payable-trade	208,727	260,430
Electronically recorded obligations-operating	27,759	37,323
Current portion of long-term loans payable	59,000	37,000
Current portion of bonds payable	10,000	10,000
Lease obligations	1,758	3,199
Accounts payable-other	27,429	40,322
Accrued expenses	58,105	77,960
Income taxes payable	80,549	30,201
Advances received	44,159	45,432
Deposits received	565,992	500,907
Provision for bonuses	19,321	22,206
Provision for product warranties	95,028	92,864
Provision for vehicle environmental control	18,671	14,424
Provision for loss on construction contracts	8,588	22,629
Provision for environmental measures	—	17
Other	16,128	11,826
Total current liabilities	1,241,587	1,207,056
II Non-current liabilities		
Bonds payable	93,000	93,000
Long-term loans payable	237,500	259,500
Lease obligations	5,393	9,314
Provision for product warranties	121,634	123,426
Provision for vehicle environmental control	21,811	45,206
Asset retirement obligations	16	16
Other	1,781	1,841
Total non-current liabilities	481,135	532,303
Total liabilities	1,722,722	1,739,359
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus		
Legal capital surplus	160,071	160,071
Total capital surplus	160,071	160,071
Retained earnings		
Legal retained earnings	7,901	7,901
Other retained earnings		
Reserve for reduction entry of land	1,341	1,341
General reserve	35,335	35,335
Retained earnings brought forward	973,862	1,160,467
Total retained earnings	1,018,439	1,205,044
Treasury stock	(4,616)	(4,649)
Total shareholders' equity	1,327,689	1,514,261
II Valuation and translation adjustments		
Valuation difference on available-for-sale securities	72,706	36,435
Total valuation and translation adjustments	72,706	36,435
Total net assets	1,400,395	1,550,696
Total liabilities and net assets	3,123,117	3,290,055

[Translation for Reference and Convenience Purposes Only]

Non-consolidated statement of income

(Unit: Millions of yen)

	For the year ended March 31, 2024	For the year ended March 31, 2025
I Net sales	2,573,824	2,726,000
II Cost of sales	2,059,257	2,125,648
Gross profit	514,567	600,352
III Selling, general and administrative expenses	282,468	321,266
Operating income	232,099	279,086
IV Non-operating income		
Interest income	40,981	51,753
Interest on securities	—	25
Dividends income	86,144	113,603
Foreign exchange income	30,902	—
Real estate rent	2,771	2,616
Gain on valuation of derivatives	—	14,384
Other	4,412	5,133
Total non-operating income	165,210	187,514
V Non-operating expenses		
Interest expenses	23,722	30,744
Depreciation	4,719	4,631
Foreign exchange losses	—	32,706
Loss on valuation of derivatives	10,615	—
Other	7,103	11,811
Total non-operating expenses	46,159	79,892
Ordinary income	351,150	386,708
VI Extraordinary income		
Gain on extinguishment of tie-in shares	—	2,821
Gain on sale of non-current assets	898	97
Gain on sale of investment securities	—	9
Reversal of allowance for doubtful accounts	41	—
Other	172	12
Total extraordinary income	1,111	2,939
VII Extraordinary loss		
Loss on sale and retirement of non-current assets	7,673	6,828
Loss on sale of shares of subsidiaries and associates	—	2,319
Provision of allowance for investment loss	131	—
Other	51	45
Total extraordinary losses	7,855	9,192
Income before income taxes	344,406	380,455
Total income taxes	72,093	55,440
Income tax-current	95,499	70,299
Income taxes-deferred	(23,406)	(14,859)
Net income	272,313	325,015

[Translation for Reference and Convenience Purposes Only]

Non-consolidated statement of changes in net assets
For the year ended March 31, 2024

(Unit: Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the year	(4,616)	1,327,689	72,706	72,706	1,400,395
Changes of items during the year					
Dividends from surplus	—	(78,736)	—	—	(78,736)
Net income	—	325,015	—	—	325,015
Purchase of treasury stock	(60,003)	(60,003)	—	—	(60,003)
Disposal of treasury stock	275	296	—	—	296
Cancellation of treasury stock	59,695	—	—	—	—
Transfer to capital surplus from retained earnings	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	(36,271)	(36,271)	(36,271)
Total changes of items during the year	(33)	186,572	(36,271)	(36,271)	150,301
Balance at the end of the year	(4,649)	1,514,261	36,435	36,435	1,550,696

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Provision of reserve for tax purpose reduction entry of land	General reserve	Retained earnings brought forward	
Balance at the beginning of the year	153,795	160,071	—	160,071	7,901	1,341	35,335	973,862	1,018,439
Changes of items during the year									
Dividends from surplus	—	—	—	—	—	—	—	(78,736)	(78,736)
Net income	—	—	—	—	—	—	—	325,015	325,015
Purchase of treasury stock	—	—	—	—	—	—	—	—	—
Disposal of treasury stock	—	—	21	21	—	—	—	—	—
Cancellation of treasury stock	—	—	(59,695)	(59,695)	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	59,674	59,674	—	—	—	(59,674)	(59,674)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the year	—	—	—	—	—	—	—	186,605	186,605
Balance at the end of the year	153,795	160,071	—	160,071	7,901	1,341	35,335	1,160,467	1,205,044

Notes to Non-consolidated Financial Statements

(Significant accounting policies)

1. Valuation standards and methods for securities

(1) Held-to-maturity debt securities are stated using the amortized cost method. (straight-line method).

(2) Shares of subsidiaries and associates are stated at cost, as determined by the moving-average method.

(3) Available-for-sale securities for which fair values are available:

Fair value method based on the market price etc. at the end of the accounting period

(Unrealized holding gains and losses included as a separate component of net assets until realized; and the cost of sold securities is determined by the moving-average method).

Non-marketable securities: Mainly moving-average cost method.

2. Valuation standards and methods for investments in equity

Moving-average cost method.

In addition, investment in the union is evaluated by taking in the equivalent amount to the ownership in equity based on the latest available financial statements.

3. Valuation standards and methods for derivatives transactions: Fair value method

4. Valuation standards and methods for inventory

(1) Merchandise and finished goods: Mainly with moving-average cost method.

(Book value on the balance sheet is measured based on the lower of cost or market value.)

(2) Work in process, raw materials and supplies: Mainly with FIFO cost method.

(Book value on the balance sheet is measured based on the lower of cost or market value.)

5. Depreciation Method of Fixed Assets

(1) Property, plant and equipment (excluding lease assets): Straight-line method is mainly applied.

Primary period of depreciation are as follows:

Buildings:	8 to 50 years
Structures:	7 to 50 years
Machinery and equipment:	4 to 10 years
Vehicles:	3 to 7 years
Tools, furniture, and fixtures:	2 to 10 years

(2) Intangible assets (excluding leased assets): Straight-line method is applied.

Computer software used internally by the Company is amortized by the straight-line method over the relevant economic useful lives of 3 or 5 years.

(3) Leased assets

For leased assets under finance lease transactions in which the ownership is transferred to the lessee:

... The leased assets are depreciated by the same method as used for other property, plant and equipment owned by the Company.

For leased assets under finance lease transactions in which the ownership is not transferred to the lessee:

... The leased assets are depreciated by the straight-line method over the leased period and the residual value is zero.

[Translation for Reference and Convenience Purposes Only]

6. Standards for provisions

- (1) Allowance for doubtful accounts ... Allowance for doubtful accounts is provided based on the amount calculated from the historical ratio of bad debt for ordinary receivables, and estimated amounts of uncollectible accounts for specific overdue receivables. Specific allowances are provided for the estimated amounts considered to be unrecoverable after reviewing individual recoverability of certain doubtful accounts such as claims provable in bankruptcy.
- (2) Provision of allowance for investment loss ... Allowance for losses on investments in subsidiaries based on the financial position of the investees and the recoverability of the investments in the future.
- (3) Provision for bonuses ... Employees' bonuses are recognized as expenses for the period in which those are incurred.
- (4) Provision for product warranties ... In order to prepare for future repair costs for products sold, the total of the following amounts has been recorded.
 1. According to the terms and conditions of the warranties, estimated cost calculated based on the past experience and the future warranties estimation.
 2. Estimated amount calculated as recall related costs based on notification to the competent authority.
- (5) Provision for vehicle environmental control In provision for expenses to comply with vehicle environmental regulations, the estimated amount to be incurred at the end of the current fiscal year is recorded.
- (6) Provision for loss on construction contracts ... The provision for losses on uncompleted construction of contracts in the Aerospace segment is provided when substantial losses on the contracts are anticipated at the fiscal year end for the next fiscal year and beyond and such losses can be reasonably estimated.
- (7) Provision for environmental measures ... In provision for expenses for the purpose of environmental countermeasure construction, etc, the estimated amount to be incurred at the end of the current fiscal year is recorded.
- (8) Provision for retirement benefits or prepaid pension costs ... Net defined benefit liability (assets) for employees is provided based on the estimated amounts of projected pension and severance obligation and plan assets at the end of the fiscal year.
 1. In determining retirement benefit obligations, the plan's benefit formula is used for attributing expected benefit to periods.
 2. Unrecognized prior service cost is being amortized on the straight-line method over a period (16 years) that is shorter than the average remaining service period of the eligible employees.
 3. Unrecognized net actuarial cost is amortized from the following fiscal year on the straight-line method over a period (16 years) that is shorter than the average remaining service period of the eligible employees.

7. Basis for recognition of revenues and expenses

The Group identifies a performance obligation in a contract with a customer and recognizes as revenue the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to the customer. If variable consideration is included in the consideration promised in a contract with a customer, some or all of an amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is recognized at a point in time or over a certain period in accordance with satisfaction of a performance obligation in a contract with a customer.

In case of the automobile segment, with regard to revenue from the sale of cars, performance obligations are principally considered to be fulfilled at the time of delivery of the cars, at which point customers obtain control of the cars and revenue is recognized.

In case of the aerospace segment, the Company has contracting agreements with a customer. Revenue from construction contracts is recognized based on the progress of performance obligations and the progress is measured by using the input method based on costs incurred and other methods. The payment for contracted work is generally made in stages based on the contract with the customer.

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8. Standard for Japanese yen conversion for significant foreign currency-denominated assets or liabilities

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at each balance sheet date with the resulting gain or loss included in the statement of income of each period.

[Translation for Reference and Convenience Purposes Only]

9. Other principle matters for preparation of the statements

(1) Method for accounting for retirement benefits

Accounting method for unrecognized actuarial differences and unrecognized prior service costs are different from accounting methods used for these items in the consolidated financial statements.

(2) Unit of amount

Unit of amount is displayed by rounded off.

(3) Application of consolidated taxation system

Group Tax Sharing system is applied.

(Revenue Recognition)

Notes have been omitted since the information that provides the basis for understanding revenue from contracts with customers is presented in the "Notes to Consolidated Financial Statements (Revenue Recognition)".

(Accounting estimates)

Items for which the amount was recorded in the non-consolidated financial statements for the current fiscal year based on accounting estimates, and which may have a significant impact on the non-consolidated financial statements for the following fiscal year, are as follows.

Deferred tax assets	101,340 million yen
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Deferred tax assets are recognized based on the estimated timing and amount of taxable income based on future business plans. However, since the calculation of deferred tax assets may be affected by changes in uncertain economic conditions and other factors, and the timing and amount of actual taxable income may differ from the estimates. This could cause a significant impact on the amount of deferred tax assets in the non-consolidated financial statements for the following fiscal year.

Provision for product warranties	216,290 million yen
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The Company provides product warranties based on the terms and conditions of warranties granted at the time of product sales, as well as free repair services on an individual basis in accordance with the notification to the competent authorities.

The coverage of product warranties based on the terms and conditions of warranties is determined by the duration, mileage, cause of defects, and other factors in accordance with the terms and conditions of warranties of each country.

The Company recognize estimated warranty costs for the product warranties when the products are sold to customers, based on the terms and conditions of warranties. The estimated warranty costs are recorded based on the best estimates of future occurrences, which are based on the past repair experience and past sales volume for the total cost of repairing or replacing parts due to defects occurring within the warranty period.

The estimated expenses related to the warranty items in accordance with notifications to the competent authority are recognized as provision for product warranties when it is probable that payment will be required, and reasonable estimates can be made of the amount of the obligations. The estimated expenses are recorded based on the best estimate of the repair cost per unit, which is calculated based on past experience with product defects, and the number of units subject to repair, which is calculated based on past experience with product defects.

We believe that we have made sufficient provisions for the warranty costs that we expect to be incurred based on currently available information. However, since the calculation of the provision for product warranties involves the estimate of the warranty costs that would be incurred over multiple years in the future, the actual warranty costs may deviate from the estimates. This could cause the necessity of recording additional provisions for product warranties, and a significant impact on the non-consolidated financial statements.

[Translation for Reference and Convenience Purposes Only]

(Balance Sheet)

1. Accumulated depreciation of property, plant and equipment 707,797 million yen

2. 6,596 million yen from national subsidies, etc. has been directly deducted from the amount of property, plant and equipment reported on the balance sheet.

3. Assets pledged as collateral and secured obligations
 There were no assets pledged as collateral at the end of the fiscal year.
 In addition, 33 million yen of land has been pledged as collateral for 1,487 million yen of long-term loans payable and received-guarantee deposited, etc. of affiliates.

4. Monetary claims and obligations to affiliates

Short-term monetary claims to affiliates	319,194 million yen
Short-term monetary obligations to affiliates	572,421 million yen
Long-term monetary claims to affiliates	50,405 million yen

5. Contingent liability
 - (1) Guarantee obligation for loans from financial institutions

Subaru of America, Inc.	48,604 million yen
Employees	1,714 million yen
Subaru Kohsan Co., Ltd.	841 million yen
Total	51,159 million yen
 - (2) Other contingent liabilities
 Based on the modified agreement between the U.S. subsidiary of Takata Co., Ltd. and the National Highway Traffic Safety Administration (NHTSA) of the United States dated May 4, 2016, Notification “Extended schedule of the recalls of airbag inflators manufactured by Takata Co., Ltd.” released by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan dated May 27, 2016, and recall policies in other regions including China and Australia in consideration of the request by the U.S. and Japanese authorities, expenses for extension of recall for airbag inflators manufactured by Takata are accrued to the extent that the amount can be reasonably estimated. There is a possibility that additional accrual may be required due to events in the future.

6. Inventory and the provision for loss on construction contracts for which losses are expected are presented in gross amounts without offsetting. Of the inventory related to construction contracts for which losses are expected, the amount corresponding to provision for loss on construction is 5,438 million yen (all work in process).

[Translation for Reference and Convenience Purposes Only]

(Income Statement)

1. Cost of Sales

"Cost of sales" includes 14,041 million yen of provision for loss on construction contracts.

2. Transactions with affiliates

Operating Transactions	Net sales	2,288,117 million yen
	Purchase amount	504,690 million yen
	Other transactions	51,426 million yen
Non-Operating Transactions	Income	117,952 million yen
	Expenses	37,741 million yen

(Statement of Changes in Net Assets)

Type and number of treasury stock at the end of the fiscal year

Common stock 1,623,478 shares

[Translation for Reference and Convenience Purposes Only]

(Accounting for Deferred Tax)

1. Main sources of deferred tax assets and liabilities

As of March 31, 2025

(Unit: Millions of yen)

Deferred tax assets	
Provision for product warranties	67,449
Accrued expenses	25,536
Valuation loss on investment securities	10,233
Amount exceeding the limit for provision for retirement benefits	8,122
Provision for loss on construction contracts	6,902
Provision for bonuses	6,773
Depreciation of fixed assets, etc.	5,145
Business tax payable	2,788
Carry-forward creditable foreign tax	1,799
Inventory	979
Amount exceeding the limit for allowance for doubtful accounts	837
Deferred expenses	244
Other	4,478
Subtotal deferred tax assets	141,285
Valuation allowance	(21,981)
Total deferred tax assets	119,304
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(16,677)
Prepaid pension cost	(660)
Reserve for reduction entry	(588)
Other	(39)
Total deferred tax liabilities	(17,964)
Net deferred tax assets	101,340

2. Breakdown of primary items causing the difference between statutory effective tax rate and rate of income taxes after application of accounting for deferred tax

Statutory effective tax rate	30.5%
(Adjustment)	
Valuation allowance	(0.9) %
Dividends paid not deductible for income tax	(8.3) %
Tax Credit for R&D Expenses	(5.7) %
Impact of the tax rate changes	(0.6) %
Total income of specified foreign subsidiaries	1.3%
Other	(1.7) %
Effective tax rate after applying tax effect accounting	14.6%

3. The accounting treatment of income taxes, local income taxes and tax effect accounting

The company applied the Group Tax Sharing system. And the company accounts for the accounting treatment and disclosure of income taxes and local income taxes and tax effect accounting in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing system” ASBJ PITF No.42, August 12, 2021).

[Translation for Reference and Convenience Purposes Only]

4. Adjustment of deferred tax assets and deferred tax liabilities due to the change in the income tax rate

The “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) was enacted by the Diet on March 31, 2025, and the "Special Defense Corporate Tax" will be imposed starting from the fiscal year beginning on or after April 1, 2026. As a result, the effective statutory tax rate has been changed from 30.5% to 31.4% for the calculation of deferred tax assets and deferred tax liabilities associated with temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2026. Consequently, deferred tax assets increased by 1,131 million yen, while deferred income taxes decreased by 1,609 million yen and valuation difference on available-for-sale securities decreased by 478 million yen.

[Translation for Reference and Convenience Purposes Only]

(Transactions with Related Parties)

(Unit: Millions of yen)

Status	Name of Company, etc.	Ratio of voting rights	Relationship with related party	Contents of transaction		Amount of transaction	Account titles	Balance at the end of the fiscal year
Subsidiary	SUBARU Finance Co., Ltd.	100% direct ownership	Credit and financing related to SUBARU vehicles and leasing and rental of SUBARU vehicles	Loans receivable *1		639,746	Loans receivable	114,335
				Repayment of loans *1		639,334		
Subsidiary	SUBARU of America, Inc.	100% indirect ownership	Sales of SUBARU vehicles and components; Concurrent appointment of corporate officers	Sales of products		1,369,875	Accounts receivable	107,012
				Purchase of products		135,657	Accounts payable	32,126
				Acceptance of surplus fund *2	Acceptance	330,678	Deposit	280,670
					Interest expenses	16,986		
Subsidiary	SUBARU of Indiana Automotive, Inc.	100% indirect ownership	Purchasing of production parts for SUBARU vehicles, sales of completed vehicles to SUBARU of America Inc. (SOA) and others; Concurrent appointment of corporate officers	Guarantees *3		48,604		
				Sales of products		331,063	Accounts receivable	33,732
				Acceptance of surplus fund *2	Acceptance	223,159	Deposit	216,053
					Interest expenses	11,940		

Transaction terms and policies for determination of transaction terms

(Note)

- 1) Loans to SUBARU Finance Co., Ltd. are determined considering the market rate. No collaterals are received.
- 2) Acceptance of surplus funds is a transaction related to the CMS (Cash Management System) operated by the Group. The transaction amount is the average balance during the term. Interest expenses are determined considering market interest rates.
- 3) The Company guarantees loans from financial institutions, etc. of SUBARU of America, Inc.

(Per Share Information)

1. Net assets per share	2,120.08 yen
2. Net income per share	
Basic	440.11 yen
Diluted	440.08 yen

(Significant subsequent Event)

Not applicable.

Independent Auditor's Report

May 15, 2025

To the Board of Directors of SUBARU CORPORATION:

KPMG AZSA LLC
Tokyo Office, Japan

Masakazu Hattori
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takashi Hasumi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuji Yasuzaki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of SUBARU CORPORATION ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as of March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the second sentence of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be

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materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the second sentence of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the second sentence of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the second sentence of Article 120-1 of the Regulation on Corporate Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial

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information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

Independent Auditor's Report

May 15, 2025

To the Board of Directors of SUBARU CORPORATION:

KPMG AZSA LLC
Tokyo Office, Japan

Masakazu Hattori
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Takashi Hasumi
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Shuji Yasuzaki
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules (“the financial statements and the accompanying supplementary schedules”) of SUBARU CORPORATION (“the Company”) as of March 31, 2025 and for the year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying

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supplementary schedules, including the disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

Audit & Supervisory Board's Report

Audit Report

The Audit & Supervisory Board has prepared this Audit Report by analyzing the Audit Report prepared by the Audit & Supervisory Board Members concerning the performance of duties by the directors for the 94th fiscal period between April 1, 2024 and March 31, 2025, and report as follows.

1. The Audit & Supervisory Board Members, and the Methods and Contents of Audit by the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board determined the audit policy and allocation of duties, received reports on the status and results of audits from each Audit & Supervisory Board Member, received reports on the status of performance of duties from directors, etc., and accounting auditors, and requested explanation where necessary.
 - (2) In accordance with the standards for audit by Audit & Supervisory Board Members prescribed by the Audit & Supervisory Board, each Audit & Supervisory Board Member attempted to communicate with the directors, internal control division and other employees, etc., following the audit policy and allocation of duties, etc., strove to gather information and establish audit environment, and performed the audit using the following methods.
 - (i) Participated in board of directors' meetings and other important meetings, received reports from the directors and employees, etc., on the status of performance of their duties, requesting explanations where necessary, inspected important approval documents, etc., and examined the status of the business and assets at the headquarters and major offices. With respect to subsidiaries, the Audit & Supervisory Board Members sought communication and exchange of information with the directors and corporate auditors, etc., of the subsidiaries, and received reports on business from the subsidiaries where necessary.
 - (ii) With respect to the content of the board of directors' resolution concerning the establishment of the system prescribed in Article 100, Paragraphs 1 and 3 of the Enforcement Rule for the Company Act as necessary for securing the system to ensure that the performance of duties by the directors described in the Business report comply with the laws and articles of incorporation and appropriateness of the business of the corporate group comprising of the stock company and its subsidiaries, as well as the status of the system established based on the resolution of the board of directors' meeting (internal control system), the Corporate Auditors received periodic reports on the status of establishment and operation of such system, requested explanation and stated our opinions where necessary.
 - (iii) We monitored and reviewed that the accounting auditors maintained independence and performed appropriate audits and received reports from the accounting auditors on the status of performance of their duties, and requested explanation where necessary. We also received a notice from the Accounting Auditors that the "system to secure appropriate performance of duties" (matters listed in the Items of Article 131 of Company Calculation Rules) were established in accordance with the "Quality Control Standards for Audit" (October 28, 2005 Business Accounting Council), etc. and requested explanation where necessary.

Based on the above methods, we reviewed the Business Report and its supporting documents, Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statements of Comprehensive Income, Non-consolidated Statement of Changes in Net Assets, and Notes to Non-consolidated Financial Statements) and their supporting documents as well as Consolidated Financial Statements (Consolidated Statement of Financial Position, Consolidated Statements of Comprehensive Income, Consolidated Statement of Changes in Equity, and Notes to Consolidated Financial Statements).

2. Audit Results
 - (1) Audit Result for the Business Report, etc.
 - (i) The business report and its supporting documents correctly represent the status of the Company in accordance with the laws and the Articles of Incorporation.
 - (ii) There were no unlawful acts or material facts in violation of laws or the Articles of Incorporation in relation to the performance of duties of the directors.
 - (iii) We acknowledge that the resolutions of the Board of Directors with respect to the internal control system are appropriate. We have found no matters to point out for the description of Business Report and the execution of duties by Directors with respect to the internal control systems.
 - (2) Audit Results for the Non-consolidated Financial Statements and Supporting Documents
The methods and results of the audit by the accounting auditors KPMG AZSA LLC were appropriate.
 - (3) Audit Results for Consolidated Financial Statements
The methods and results of the audit by the accounting auditors KPMG AZSA LLC were appropriate.

May 15, 2025

SUBARU CORPORATION Audit & Supervisory Board

Standing Audit & Supervisory Board Member	Yoichi Kato
Standing Audit & Supervisory Board Member	Hiromi Tsutsumi
Outside Audit & Supervisory Board Member	Yuri Furusawa
Outside Audit & Supervisory Board Member	Yasumasa Masuda