Briefing on the New Management Policy

SUBARU CORPORATION
Atsushi Osaki, Representative Director, President and CEO

August 2, 2023
1. Review of STEP Mid-Term Management Vision Efforts

- Maintain “Enjoyment and Peace of Mind” as the unwavering value that Subaru offers.
- Pursue the Subaru Difference, which provides emotional value as well as functional value.
1. Review of STEP Mid-Term Management Vision Efforts

- Efforts focused on strengthening the mindset of employees and the organizational structure and systems, with quality enhancement as the top priority
- Monozukuri (manufacturing) Innovation underway with Subaru Manufacturing Revamp initiatives.

Through the STEP initiatives, "Quality First" and "The Subaru Difference" to meet the expectations of our customers have been embedded in the Subaru DNA.

* Zero fatal road accidents among occupants of Subaru vehicles and people involved in collisions with Subaru vehicles, including pedestrians and cyclists
1. Review of STEP Mid-Term Management Vision Efforts

Accolades for Products

2022 American Customer Satisfaction Index
Rated #1 in Safety for three years in a row.\(^1\)
Rated #1 in Drive Performance.\(^1\)
Rated #1 in Service Quality.\(^1\)
Rated #1 in Dependability for two years in a row.\(^1\)
Rated #1 in Product Quality for two years in a row.\(^1\)
Rated #1 in Satisfaction.\(^1\)

IIHS TOP SAFETY PICK+
Since 2013, Subaru has received a cumulative total of 69 IIHS TOP SAFETY PICK+ awards\(^2\) as of February 2023, which is more than any other brand\(^3\).

Accolades for Company / Brand

Forbes Best Brands for Social Impact 2023
Subaru is recognized by Forbes as one of America’s best brands for social impact.\(^4\)

Axios Harris Poll 100 Reputation Rankings
Subaru has been ranked in the top 20 of the Axios Harris Poll 100 Reputation Rankings for three consecutive years (2021-2023).

\(^1\): Compared to all other measured mass-market automotive companies in the 2022 American Customer Satisfaction Index (ACSI®) surveys of customers rating their own automotive company’s performance. The #1 rating in Dependability and Satisfaction is shared with one other automotive company. The #1 rating in Product Quality is shared with three other automotive companies. ACSI and its logo are registered trademarks of The American Customer Satisfaction Index, LLC.

\(^2\): Claim applies to U.S.-spec vehicles.

\(^3\): Based on research conducted by Subaru of America, Inc. and Subaru Canada, Inc.

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2. Vision for 2030

- Electrification plan update
- Determination for 2028

**Once-in-a-century transformation**

**Non-Linear Transformation**

**Unprecedented Speed**

**Carbon Neutrality**

**BEVs**

**Growth of emerging manufacturers**
3. Electrification plan update

- Electrification sales target for 2030 raised to "50% of total global sales to be BEVs."

**Subaru’s electrification sales target for 2030 (Ratio, Volume)**

<table>
<thead>
<tr>
<th>Previous</th>
<th>HEVs + BEVs</th>
<th>40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>New</td>
<td>BEVs</td>
<td>50% : 600,000 units</td>
</tr>
<tr>
<td></td>
<td>HEVs</td>
<td>1.2 million-plus units</td>
</tr>
</tbody>
</table>

2030 Total Global Sales
3. Electrification plan update

- Respond to market changes by reorganizing the production structure based on the "flexibility and expandability" policy.
- Start production of BEVs and the next-generation HEVs in the U.S.
Under the new management, Subaru will pursue “Monozukuri* Innovation” and “Value Creation” while restructuring all the way from the production structure to the development process and product planning.

* Monozukuri: Manufacturing
4. Determination for 2028

To become the world’s leading company in “Monozukuri”* and “Value Creation”

Aim to achieve this goal at an early stage by shifting our focus and resources to BEVs.

* Monozukuri: Manufacturing
4. Determination for 2028 – “Monozukuri* Innovation”

Past
Group of craftsmen with a flexible, nimble approach

Present
Organization segmented by function

Going forward
Becoming “One Subaru”

Production
Development
Supply Chain

Production
Development
Supply Chain

Production
Development
Supply Chain

Higher density Monozukuri*
only achievable with the size of Subaru.

* Monozukuri: Manufacturing

https://www.subaru.co.jp/en/ir/
Achieve world-leading Monozukuri* and Value Creation by cutting the product development process and lead time in half, the configuration and number of parts in half, and the production process and lead time in half.

* Monozukuri: Manufacturing
4. Determination for 2028 – “Value Creation”

- Subaru’s monozukuri, which has always been centered on the lives of its customers, has long created memories in their hearts. This has evolved into the Subaru Love Promise, to which Subaru, together with our retailers, is deeply committed.

- The Subaru Love Promise initiatives strongly connect Subaru, its customers, its retailers and its communities, with Subaru's unique monozukuri / products at the core. Subaru will protect and expand this as a source of value creation for society and the future.

Subaru Love Promise

Strong people-to-people ties between Subaru, customers, retailers, and communities.

https://www.subaru.co.jp/en/ir/
The value Subaru delivers through technology

- **“Retain value” “Continue to deliver new-car feel”**
  - Subaru-unique OTA
  - Value proposition in joint efforts with retailers

- **Seamless & Stress-free**
  - On board / off board user experience
  - No wait time

- **Enjoyment and Peace of Mind**
  - Subaru’s strengths enhanced with electrification technology.

The unfading emotional value that comes from spending time with Subaru vehicles

- **Longevity**
  - From “Reliable” “Long-lasting” to “Always up-to-date” “Memories”

- **Versatility**
  - From “Practical” to “Capable of anything”

- **Adventure**
  - From “Desire to go further” to “Excited” “Desire for self-challenge”

- **Safety**
  - From “Safe” to “Peace of mind”

Subaru will become even closer to our customers’ lives.

4. Determination for 2028 – “Value Creation”

- Further evolve “Enjoyment and Peace of Mind” in the BEV era.
- Enhance “seamless & stress-free” user experience with the latest technology in the BEV era.
- Pursue the Subaru-unique initiatives of “Retaining Value” and “Continuing to Deliver New-Car Feel”.

https://www.subaru.co.jp/en/ir/
Expansion of BEV Lineup

Introduce four additional BEV models by the end of 2028.

By the end of 2026: 4 SUVs*  
Incl. Solterra

By the end of 2028: 4 more models

A total of 8 models in BEV lineup by the end of 2028

BEV Sales in the U.S.

Aim for U.S. sales of 400,000 BEVs in 2028.
5. Cultivating people and organizations that drive innovation

- Accelerate individual growth along with organizational growth.
- Create a foundation for developing Innovation Leaders.
- Continue developing the mindset of each division/department to foster innovation in the organization.
While maintaining financial soundness (capital equity ratio of 50% or more) and financial stability (suitable net cash position)

**Make aggressive growth investment to prevail in the age of electrification:**

- Electrification investment (production, development):
  - Approximately **1.5 trillion yen** by around 2030
  - (including 250 billion yen already announced for domestic production reorganization. This could vary significantly depending on our approach to battery investment.)

**Ensure consistent shareholder returns with stronger focus on improving capital efficiency:**

- Pay stable and continuous dividends and flexibly repurchase shares based on a comprehensive assessment of business performance, investment plans, and the business environment. (Aim for total return ratio of 30-50%)

“Industry-leading profit margins" remains a goal to be achieved when the initiatives are completed.
Thank you