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Statement Regarding Management Team Change

March 2, 2018
Yasuyuki Yoshinaga
Representative Director, President and CEO
Subaru Corporation

I hereby inform you that each of Subaru's four senior management executives has given deliberate consideration to the recent situation, as a result of which we have reached the following decision.

The decision was made based on our determination to be upright both as individuals and as a company.

We have concluded that Subaru must be a trusted brand that values doing the right thing in the right way.

< Details of the decision >

1. Management Team Change

The issue of nonconforming final vehicle inspections was identified in 2017 while we were considering passing the company's management on to the next generation.

We, as the current management, acknowledge the need to sincerely apologize for the concern and inconvenience caused to our customers and all other stakeholders as well as the need to take full and final responsibility for this issue. We thereby request their support for Subaru in future.

Accordingly, Subaru's four senior management executives have decided to resign as of the Annual General Meeting of Shareholders to be held in June 2018 (the "AGM"). The resigning executives are Jun Kondo, Director and Chairman; Yasuyuki Yoshinaga, * Representative Director, President and CEO; Takeshi Tachimori, Representative Director and Corporate Executive Vice President; and Masahiro Kasai, Director and Corporate Executive Vice President (in charge of the Manufacturing Division).

* Note: In order to spearhead the corporate culture reformation project discussed below, Yasuyuki Yoshinaga is planned to be appointed as Representative Director, Chairman and CEO as of the AGM.

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2. Aims of the new management team from April

As the automotive industry undergoes a period of drastic change, Subaru aims to earn customers' trust and understanding toward the brand, and to please customers as a company. Accordingly, Subaru will pursue reforms focused on the following four key issues.

- (1) Rejuvenating our executive team, revitalizing our organization, and demonstrating a more enterprising spirit
- (2) Improving the quality of management
- (3) Reinforcing our ability to respond to the market
- (4) Enhancing technologies and technological management

3. Next President

Subaru plans to appoint Tomomi Nakamura (currently Corporate Executive Vice President, and Chairman of Subaru of America, Inc.) as its next president at the Board of Directors meeting following approval by the AGM.

The company will then develop a new Mid-Term Management Vision under the new management team, with a view to announcing it this summer.

4. Reforming the corporate culture

Finally, I plan to stand as Representative Director, Chairman and CEO to address the problems within the company's corporate culture that came to light as a result of the identified issues including the nonconforming final vehicle inspections. In that role, I will take full responsibility and dedicate my full efforts to rebuilding a brand that can once again command trust so that Subaru becomes a genuinely upright company.

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