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June 5, 2018
Subaru Corporation

Reinvestigation of the Measurement of Fuel Economy and Emissions during Final Vehicle Inspections at Subaru's Gunma Manufacturing Division

An internal investigation at Subaru Corporation identified incidents of nonconforming conduct at the company's Gunma Manufacturing Division Main Plant and Yajima Plant involving the alteration of fuel economy and emissions data measurement values in the course of sampling inspections carried out during the final inspection process. A report on this issue was submitted to the Ministry of Land, Infrastructure, Transport and Tourism ("MLIT") on April 27, 2018, and details of the findings made public.

The inappropriate measurement procedures identified by Subaru during the internal investigation that was conducted following an inspection by MLIT are detailed below, which have been reported to the MLIT as per the attached letter to MLIT dated June 5, 2018.

1. Although the JC08 mode testing operational methods under the detailed road transport vehicle safety standard guidelines (the "Detailed Guidelines") stipulates the permitted deviation periods from the prescribed speeds when conducting fuel economy and emissions measurements, there were instances in which despite the fact that during the measurement process the prescribed speed deviation periods exceeded the margins stipulated in the Detailed Guidelines, the measurement results were treated as valid measurements.
2. While the Detailed Guidelines require humidity to be maintained within a 30–75% range when measuring fuel economy and emissions, there were instances in which the humidity at the measurement sites for certain vehicles was in fact outside this permitted range, and, despite such issue, the measurement results were recorded unaltered and treated as valid measurements.

We deeply regret that, although an internal investigation was conducted on fuel economy and emissions inspection measurement procedures, and a report was submitted to MLIT on same, this investigation failed to identify the issues outlined above. The company is treating this matter with the utmost seriousness. At present, we have not yet completed a full inquiry into the specific conduct, including the causes, background and motivations of such conduct. As a

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matter of urgency, a thorough re-investigation will be carried out by external specialists, looking not only at the two issues outlined above but at the overall final inspection processes.

Today, we received instructions from MLIT to carry out an investigation into the details and background of the issues outlined above and to submit a report of our findings.

Based on the results of the investigation into these issues, we will conduct a review of the company's practices and, based on the findings of such review, implement appropriate measures to prevent any recurrence of these issues. Senior management will take the lead in carrying out this review, which will examine pre-existing policies as well as the overall structure of our organization and facilities. This represents a key issue for the company. The company's management and employees are united in their determination to come together and ensure that a situation of this kind will never occur again. Together, we will work to ensure that Subaru is reborn as a genuinely upright company that does the right thing in the right way.

We would like to reiterate our deepest apologies for the significant trouble and inconvenience caused to our customers, partners, and all other stakeholders.

< Attached document >

Report on Two Newly-Identified Issues Relating to the Measurement of Fuel Economy and Emissions at Our Gunma Manufacturing Division