

## **Production halt at Gunma Manufacturing Division due to component defect in certain models**

On January 16, 2019, Subaru Corporation (“Subaru”) identified a possible defect in certain vehicle component used in some of its models manufactured at its Gunma manufacturing plant (“Gunma Plant”). To ensure quality and safety of its vehicles, Subaru halted all vehicle production at and shipment from Gunma Plant on the evening of the same day and has since been suspending new vehicle registration for the relevant Japanese-domestic models in Japan.

The investigation to date has confirmed that the vehicles to which the component in question may have been incorporated (the “Potentially Affected Vehicles”) (Please see below for the Potentially Affected Vehicles) have not been delivered to any customers or retailers in the U.S. The investigation has also confirmed that the Potentially Affected Vehicles have not reached any customers in any countries outside Japan. Subaru will not deliver the Potentially Affected Vehicles to any customers.

The cause of the possible defect has been identified.

In prospect of obtaining modified components, preparations are now underway at Gunma Plant to restart production targeting next week (as early as from January 28, 2019).

### **- Component that has been identified to have possible defect:**

Electric power steering unit

### **- Models of the Potentially Affected Vehicles:**

Forester, Impreza, and Subaru XV models manufactured at Gunma Plant

(Production of other models is also suspended as they are manufactured using the same production lines.)

### **- Period in which the Potentially Affected Vehicles were manufactured:**

Late December, 2018 – January 16, 2019 \*

\* Subject to further investigation.

\* No vehicle was manufactured during the plant shutdown period for winter holidays (December 29, 2018 – January 6, 2019).

### **- Risk due to the possible defect:**

If the defect were to cause a malfunction, there is a risk that the steering control warning light on the instrument panel would activate, power steering would cease to function, and steering would become sluggish (i.e. greater force will be required to turn the steering wheel). *In the event of such malfunction, please contact your nearest Subaru dealer immediately and have the vehicle checked.*

### **- Cause of the defect:**

The investigation is ongoing to determine the details of the cause and mechanism of the possible defect.

### **- Impact on Subaru’s consolidated financial performance**

Impact on Subaru’s consolidated financial performance is not yet certain. Subaru will make further announcement if deemed necessary.