



SUBARU

Overview of Domestic Production Reorganization Plan

SUBARU CORPORATION

Tomomi Nakamura, Representative Director, President & CEO

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CO₂ reduction roadmap (announced at the Subaru Technology Briefing in January 2020)

By 2030 ▶ Make at least 40% of Subaru's global sales BEVs or HEVs.

By the 1st half of the 2030s ▶ Apply electrification technologies to all Subaru vehicles sold worldwide.

By 2050 ▶ Reduce average well-to-wheel CO₂ emissions from new vehicles sold worldwide by at least 90% compared to 2010 levels.

Contribute toward achieving carbon neutrality

With highly responsive electric motors,
Subaru's AWD capability and driving dynamics will be further enhanced.

We will continue to enhance the Subaru difference in the age of electrification and **accelerate the roadmap toward 2050.**



Introduction of the Solterra with the goal of achieving the
“Subaru difference”

Test drive events held in various regions

“The Solterra demonstrated amazing capabilities in harsh conditions. It thrives in the snow, not in spite of, but because of being an EV.” *

- Takayuki Kinoshita, Sankei Biz (Japan)



“Current Subaru owners looking to make the switch to an EV will stay with the brand because the Solterra is exactly what they’re looking for: an all-electric Subaru.”

- Beverly Braga, Motor1.com (U.S.)

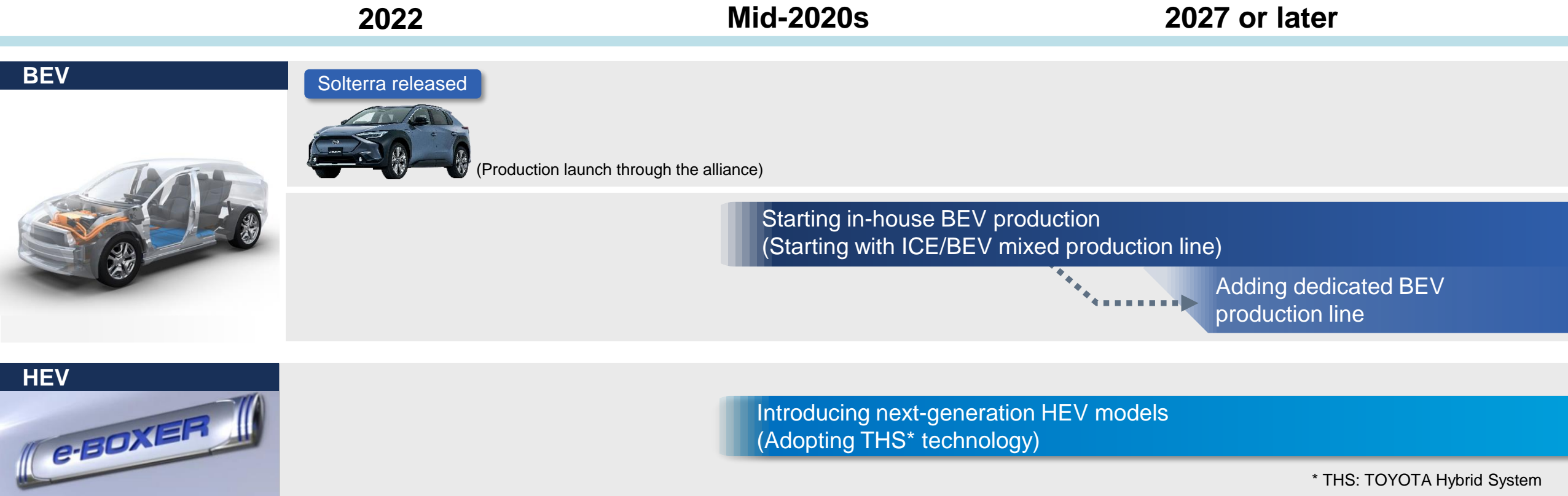
“Maximum confidence level. All the sensations that give so much pleasure behind the wheel of a Subaru are present. I am so fascinated that I do not realize that I am driving an EV.” *

- Bianca H., Movia News (Europe)

* Comments from Japan and Europe have been translated into English from the original languages.

The high level of compatibility between Subaru and BEVs has been felt by many people through driving the Solterra.

Strategic reorganization of domestic production for the expansion and acceleration of electrified vehicle development

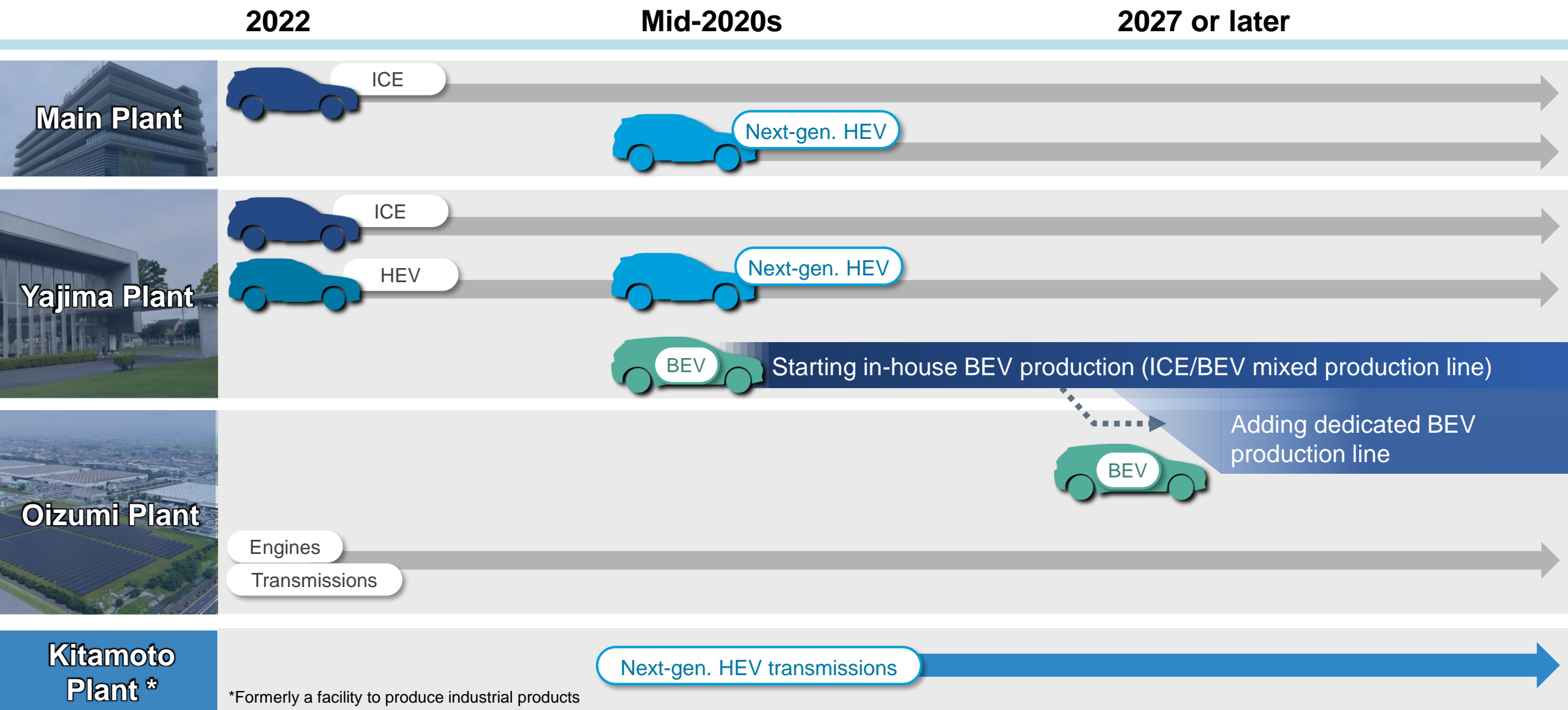


* THS: TOYOTA Hybrid System

We will strategically reorganize production in Japan for the expansion and acceleration of electrified vehicle development with the aims of

- Building a production structure that can flexibly respond to changing demand during the BEV transition period
- Improving BEV business profitability through highly efficient production

Strategic reorganization of domestic production



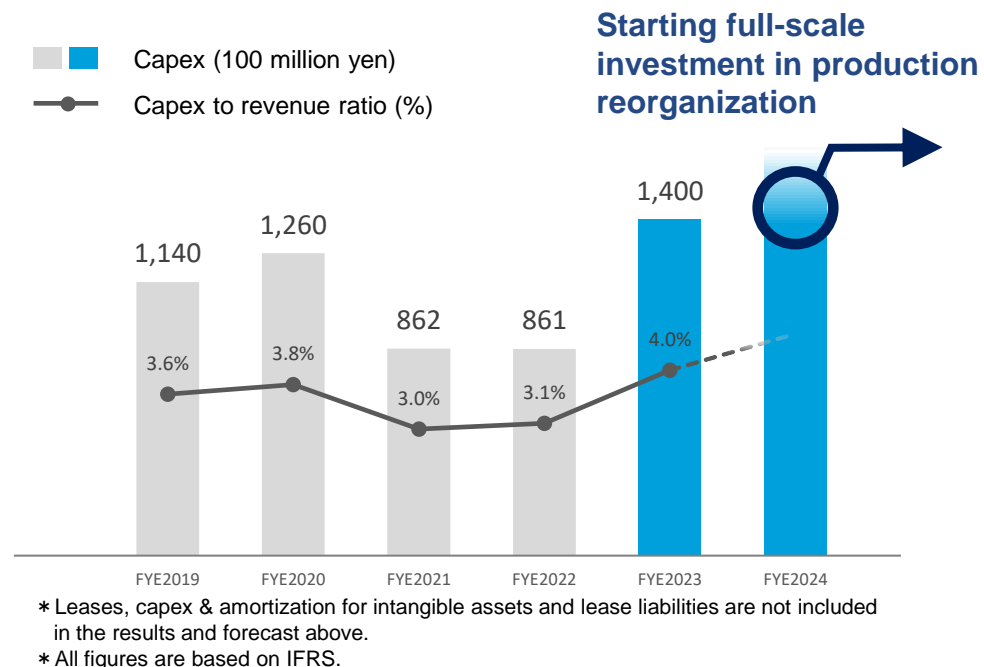
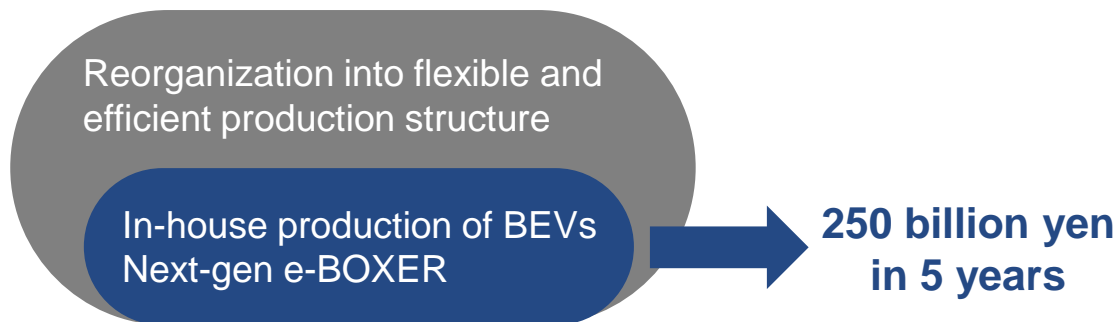


For the Acceleration of Electrification

■ Strategic reorganization of domestic production

Capex

- In FYE 2024, starting full-scale investment in reorganization of production including production of BEVs and HEVs.



R&D expenditures

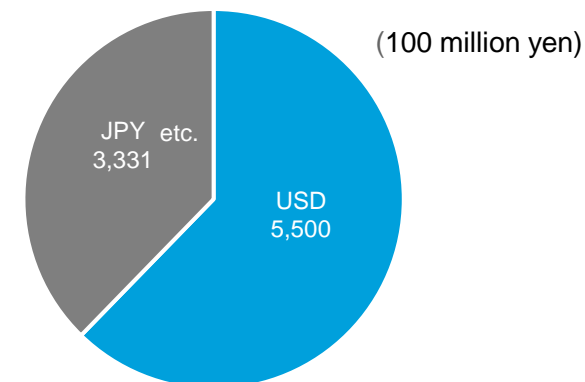
- Maintain a level of around 120 billion yen/year as previously announced in May 2021 by reallocating resources, strengthening alliances and so on while accelerating electrification.

For the Acceleration of Electrification

■ Financial policy updated to utilize net cash for future growth investment

- Utilization of yen funds and debt financing as needed considering business portfolio and the global financial environment.
- Ensuring high financial soundness while maintaining a capital equity ratio of 50%.
- Targets remain unchanged at industry-leading operating margin of 8% and ROE of at least 10%.

Cash and cash equivalents at the end of FYE2022



■ Our stance on shareholder return remains unchanged while striving to generate cash flow

- Positioning dividends as the main form of return to shareholders with emphasis on stable, continuous returns. Based on the performance-linked approach, dividend payments will be determined considering the business performance of each fiscal year, investment plans, and the business environment. (Consolidated payout ratio: 30%–50%)
- Conducting share repurchases flexibly in line with our cash flow.