

**Tomomi Nakamura**  
**Representative Director, President and CEO**  
**Subaru Corporation**

At a meeting of the Board of Directors held today, March 3, 2023, Subaru Corporation appointed a new president, as described in the news release. I will assume the title of Chairman.

With the changes in top management and executive officers, the company is shifting to a new management structure. This year concludes the 5-year implementation of Subaru's mid-term management vision "STEP," which was formulated in 2018. Going forward, the company will formulate a new management vision designed to incorporate initiatives at Subaru Corporation that will allow us to adapt to the changes in our industry and in our world. This plan is currently being developed internally and will be implemented under the new management team.

Since becoming President in 2018, I have been focusing on the key missions of strengthening corporate governance, quality enhancement, corporate culture reforms, strengthening our relationship with Toyota, and enhancing the value of the Subaru brand, under our mid-term management vision "STEP."

I believe we have been making steady progress in producing the results of these efforts, including progress toward our goal of changing the mindset and behavior of employees.

In terms of quality reforms, the number of recalls and the number of affected vehicles have both decreased dramatically. We have built new facilities and created a new organizational structure to rapidly investigate the causes of defects and to quickly implement countermeasures. These efforts to enhance quality have led to a reduction of quality-related expenses as well. We are also making steady progress in the area of "Innate Quality" enhancement efforts aimed at improving quality from the origins of development including our suppliers. We will continue to pursue these initiatives in order to yield results that our customers and retailers can truly feel.

I also mentioned the progress we have made in changing the mindset and behavior of employees. Since I became President, I have consistently told the Subaru team to "change mindset, change behavior, change the company." While quality reforms are one of the results of this initiative, we now have more people who, instead of just following precedents, make proposals and take on challenges in response to the changing times. "Think things out, then step into action" - this is the kind of corporate culture that is now taking root at Subaru.

These key initiatives are the critical areas that Subaru must continue to pursue. This belief has been shared within the Subaru team, and the company has been able to cultivate the next generation of leaders who will continue to press forward with these missions going forward, which has led to the decision that this is exactly the time for a new president to stimulate the company and bring about new changes, energize the organization, and move forward with its transformation.

Over the past five years, I have steered management in the midst of dramatic change, such as restoring trust after the final inspection matters, dealing with the coronavirus pandemic, and addressing the still-ongoing issue of semiconductors and other parts shortages. I felt that I could not pass the baton to my successor while the situation was still unstable, and I was determined that I should do it in a responsible way. Given that we have come through the most difficult stage, including the most challenging phase of the external environment, and we are seeing signs of improvements in our corporate culture and earnings structure, I have been thinking about whether it is a suitable time to hand over to my successor, and over the last year in particular we have deepened discussions in the Executive Nomination Meeting, which includes outside Directors. This was what ultimately led to today's resolution of the Board of Directors, and to today's announcement.

My successor, Mr. Osaki, began his career as an engineer working on engine design. However, he has had a career history that is very uncommon, having worked as an officer in the labor union, and accumulated experience and an outstanding track record in a wide range of departments including product planning, quality assurance, and most recently manufacturing. He is also a person who understands the importance of what is happening at the "genba," the actual work site, and is trusted by people both inside and outside the company. I believe he is an individual whose attributes and abilities would meet every aspect of our vision of the CEO that Subaru should have.

It is expected that this will continue to be an era in which we must make difficult decisions about the direction in which to steer the company, including not only the electrification of vehicles but also the need to address carbon neutrality in Subaru's group-wide business activities. I will be taking a step back from the executive role, but as Chairman I will watch over and give solid support to the new President, and do everything I can to assist the new management structure.

I humbly request your continued support and advice going forward.

Thank you.

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**Atsushi Osaki**  
**Director and Executive Vice President**  
**Chief General Manager, Manufacturing Div.**  
**Subaru Corporation**

This is Atsushi Osaki. I have been appointed next President of Subaru Corporation at today's meeting of the Board of Directors.

I joined Fuji Heavy Industries, Ltd. (FHI) in 1988 and started my career in the engine design division of the Tokyo Office, which is located in Mitaka. Actually, the fact that I was involved in FHI-commissioned engine research projects at my university was what later led to my decision to join the company.

After engine design, I was involved in transmission design. Those 10 years that I was engaged in Subaru's power unit development was the time I experienced and learned the difficulty, the profundity, and the enjoyment of "Mono-zukuri (car-making)."

Following this, I took a leave of absence from the company, and for eight years I worked as a full-time officer of the labor union. It was during this period that I was involved in heated arguments on various issues with the management of the time, and also that I became acutely aware that people are the foundation for everything. I view this as one of the most important experiences of my career.

After returning to the company at the then-head office in Shinjuku, I was involved in advanced planning in the Product Planning Department, which is the starting point of all development. Subsequently, I moved to Gunma, where Subaru's vehicle development teams are located, and took up the role of Project General Manager of vehicle development. After that, my career has been as described in the news release.

In recent years I have spent a good deal of time in the Quality Assurance Division, and in particular, I was involved in investigating the inappropriate actions related to final inspections that were discovered in 2017. This included formulating and implementing measures to deal with these and prevent a recurrence and submitting reports to the Ministry of Land, Infrastructure, Transport and Tourism. Since then, I have been working with current President Nakamura on reforming the corporate culture that gave rise to this problem and aggressively promoting quality enhancement.

Most recently I have been in charge of the Manufacturing Division, where I have led the formulation and execution of the domestic production reorganization plan to respond to the age of electrification.

The automotive industry is in a period of profound transformation. To take over from current President Nakamura and steer the company in this unpredictable era does fill me with a combination of tension and excitement. Because the future is unforeseeable, my job from this point onward is to plant my feet firmly, resolutely face the front, and fulfill this great responsibility with which I have been entrusted.

And I want to add that, based on my experience in a wide range of departments involved in "Mono-zukuri (car-making)," from the very start of product development all the way to after-sales service, what I feel every day is the importance of what is happening at the "genba," the actual work site. When I get stuck, I always

visit the genba in search of a clue that opens the way to some kind of answer. With my belief that “the answer is in the market” and “the answer is at the genba of production and product development,” I aim to steer management toward achieving our vision of “delivering happiness to all,” by continuing to stay close to and place importance on the genba.

In addition, as soon as we have completed formulating a new mid-term management vision to continue on from where the current vision “STEP” comes to an end, we will communicate to all of you and advance efforts to make the vision a reality.

Finally, while firmly maintaining the general direction for the Subaru brand that I have been promoting with Mr. Nakamura, I will work with the new management team and all of our employees toward our goal of creating a new Subaru for a new era.

I humbly request your support and advice going forward.

Thank you.

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