

[Translation for Reference and Convenience Purposes Only]



**Notice of Convocation of
the 93rd Ordinary General Meeting of Shareholders**

SUBARU CORPORATION

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders of Subaru Corporation. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

CEO's message

Firstly, I would like to express my sincere gratitude for your support.

Looking back over the past year since becoming the president, we continued to experience parts supply constraints in our automobile business in the first half of the fiscal year primarily due to semiconductor shortages. There were also logistics constraints in the second half, but by tackling these challenges as a whole by collaborating with procurement, production, logistics, sales, etc., we were able to recover our global production volume to the pre-pandemic level of 970,000 units. As a result, we were able to increase our revenue and profit for the second consecutive fiscal year. Revenue grew to 4.7029 trillion yen (24.6% yoy increase) and operating profit grew to 468.2 billion yen (75.0% yoy increase). We were also able to turn our aerospace business profitable for the first time in four fiscal years, which had long suffered significant decline in demand.

We have also implemented various measures in the past year to promote our future growth. To thrive in this period of major change in the automobile industry, we have launched our new management policy in August 2023 and announced our plan to increase our BEV* sales ratio to 50% by 2030. To that end, we will continue to strongly promulgate our Monozukuri Innovation and value creation. We have reformed our organization by newly establishing the Monozukuri Division in October and newly establishing the Value Strategy Office and nominating five Chief X Officers (CXO) in April 2024. In January 2024, we have also launched a development site called the Innovation Hub in Ota City, Gunma Prefecture to facilitate an environment for creating new values in the hardware space through the integration of development, manufacturing, and supply chain. From March to April, we have also announced our partnership with Aisin Corporation, Panasonic Energy Co., Ltd. and AMD. I have been sensing great promises from these initiatives that have been implemented since I took office. We also plan to introduce four BEV models into the market by the end of 2026 by leveraging our alliance with Toyota Motor Corporation that we have deepened over the years. We also plan on adding four more models by the end of 2028 for a total of eight models as our lineup.

As for our production system, we will begin producing, at our Kitamoto Plant in Saitama Prefecture around fall of 2024, the transaxles that will serve as the core unit for the next-generation e-BOXER with a horizontally opposed engine based on Toyota's hybrid system. We plan to start a mixed flow production of gas engine vehicles and BEVs at our Yajima Plant, Gunma Plant, and add a dedicated BEV line to our Oizumi Plant in or after 2027. We also plan to produce next-generation e-BOXER vehicles in the United States. We will continue to act appropriately from the perspective of both flexibility and scalability based on the rate of BEV adoption and market trends.

Our focus is to make growth investments centered on electrification, provide stable returns to shareholders, and increase the value of each share. In light of business performance and other factors, we would like to provide an annual dividend per share for the current fiscal year of 106 yen, which is a 30-yen increase compared to the initial forecast and includes the commemorative dividend of 20 yen per share. We are also repurchasing up to 60 billion yen of our treasury shares and will cancel them. To further share value with our shareholders, we are also expanding the proportion of stock compensation in executive compensation and adding the relative TSR (vs. TOPIX growth rate including dividends) as one of its performance indicators.

We hope to have a continued support from our shareholders.



Atsushi Osaki
Representative Director, President and CEO

* **B**attery **E**lectric **V**ehicle

(Securities Code: 7270)

May 30, 2024

(Start date of electronic provision measures: May 22, 2024)

SUBARU CORPORATION

1-20-8, Ebisu, Shibuya-ku, Tokyo, Japan

Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders

To our Shareholders:

You are cordially invited to attend the 93rd Ordinary General Meeting of Shareholders of Subaru Corporation (the “Company”), to be held as set forth below.

Upon convening the General Meeting of Shareholders, the Company has taken measures for the electronic provision of information contained in the reference documents for the General Meeting of Shareholders, etc. (matters subject to measures for the electronic provision of information) and it is posted as “Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders” on each of the following websites on the internet. Please access any of those websites to view the information.

Company Website

<https://www.subaru.co.jp/en/ir/stock/meeting.html>

Website for materials for General Meeting of Shareholders

<https://d.sokai.jp/7270/teiji/>

The website of Tokyo Stock Exchange (TSE Listed Company Information Service)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In the above Tokyo Stock Exchange website, search by the issue name (company name) “Subaru” or the ticker code “7270,” and select “Basic Information” and then “Document for public inspection/PR information” to view the information.

Shareholders who are not attending the meeting in person may exercise their voting rights in advance via the Internet or in writing and they are kindly requested to do so by 6:00 p.m. on Tuesday, June 18, 2024, after reviewing the reference documents for the General Meeting of Shareholders described below.

Sincerely,
Atsushi Osaki,
Representative Director, President and CEO

1 Date	10 a.m., Wednesday, June 19, 2024 (Reception will start at 9 a.m.)
2 Venue	Ebisu Subaru Building, 1-20-8, Ebisu, Shibuya-ku, Tokyo, Japan EVENT SPACE EBiS303, Event Hall on the third floor
3 Purposes	Matters for Reporting 1. Business report, consolidated financial statements, and reporting of results of audits on consolidated financial statements by accounting auditors and the Board of Corporate Auditors for the 93rd fiscal period (April 1, 2023 to March 31, 2024) 2. Report on non-consolidated financial statements for the 93rd fiscal period (April 1, 2023 to March 31, 2024) Matters for Resolution Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings Proposal No. 2: Election of Eight (8) Directors of the Board Proposal No. 3: Election of One (1) Corporate Auditor Proposal No. 4: Election of One (1) Substitute Corporate Auditor Proposal No. 5: Determination of Compensation for Granting Restricted Stock to Directors Proposal No. 6: Revision to Amount of Compensation to Corporate Auditors

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4 Exercise of Voting Rights	<p>[Exercise of Voting Rights by Mail] Please indicate your vote for or against each of the proposals on the enclosed voting form, and return the form to the Company so that it arrives no later than 6:00 p.m., Tuesday, June 18, 2024 (Japan time).</p> <p>[Exercise of Voting Rights via the Internet] Please access the “Website for the exercise of voting rights (https://soukai.mizuho-tb.co.jp/)” designated by the Company. This site is provided in Japanese only. Once on the site, please enter the Voting Code and the Password provided on the right-hand side of the enclosed voting form and follow the instructions on screen to complete your vote for or against each of the proposals no later than 6:00 p.m., Tuesday, June 18, 2024 (Japan time).</p> <p>[Matters for Acknowledgment] In case that there is no indication of approval or disapproval for each proposal on the returned Voting Form, the vote will be regarded as having indicated approval for proposals made by the Company.</p> <p>In case the voting rights are exercised in duplicate via the form and on internet, exercise of voting rights on the internet will be deemed to be the effective vote. In case the voting right is exercised multiple times via the internet, the last exercise shall be deemed to be the effective vote.</p> <p>[To Institutional Investors] An electronic voting platform is available as a method for exercising a vote right.</p>
5 Other matters concerning General Meeting of Shareholders	<p>The documents being delivered also serves as the documents stating the matters subject to measures for the electronic provision of information delivered in response to request for documents. Among the matters subject to measures for the electronic provision of information, the following matters are not stated in the concerned documents in accordance with relevant laws and regulations and the provisions of Article 15 of the Articles of Incorporation of the Company. Instead, such matters are posted on the Company’s website, etc. on the Internet as “Matters Omitted in the Documents Accompanying the Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders.” The concerned documents, therefore, are part of documents being audited by Corporate Auditors and Accounting Auditors upon preparation of Audit Report. Consequently, the said documents are part of the documents that were audited by the Corporate Auditors and Accounting Auditors upon preparing the Audit Report.</p> <p>[1] “Main Businesses”, “Major Places of Business, Etc.”, “Main Lenders”, “Employees”, “Basic Approach to Corporate Governance”, “Summary of Company Organizational Bodies and Key Meetings”, “Policy and Procedures on Nomination of Candidates for Directors and Corporate Auditors”, “Outside Directors and Corporate Auditors”, “Summary of Contract for Limitation of Liability”, “Summary of Directors and Officers Liability Insurance”, “Summary of Evaluation of the Effectiveness of the Board of Directors”, “Information on Shares Issued by the Company”, “Information on Shares Held by the Company”, “Company Framework and Policies” and “Accounting Auditors” of Business Report</p> <p>[2] “Consolidated Statements of Financial Position”, “Consolidated Statements of Income”, “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” of Consolidated Financial Statements</p> <p>[3] “Non-consolidated Balance Sheet”, “Non-consolidated Statements of Income”, “Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” of Financial Statements</p> <p>[4] “Accounting Audit Report on Consolidated Financial Statements”, “Accounting Audit Report on Non-consolidated Financial Statements” and “Board of Corporate Auditors’ Report” of Audit Report</p> <p>Upon preparation of Audit Report, Corporate Auditors audited the [1], [2] and [3] above, and the Accounting Auditors audited the [2] and [3] above in addition to the Business Report included in the documents being delivered.</p> <p>Company Website https://www.subaru.co.jp/en/ir/stock/meeting.html Website for materials for General Meeting of Shareholders https://d.sokai.jp/7270/teiji/ Tokyo Stock Exchange Website https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show</p> <p>In case amendments are made to the matters subject to measures for the electronic provision of information, details of the amendments will be posted on the above websites.</p>

[To Institutional Investors]

ICJ, Inc.’s electronic voting platform is available as a method for exercising a voting right.

Deadline for exercising voting rights: 6 p.m., Tuesday, June 18, 2024

REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS

Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings

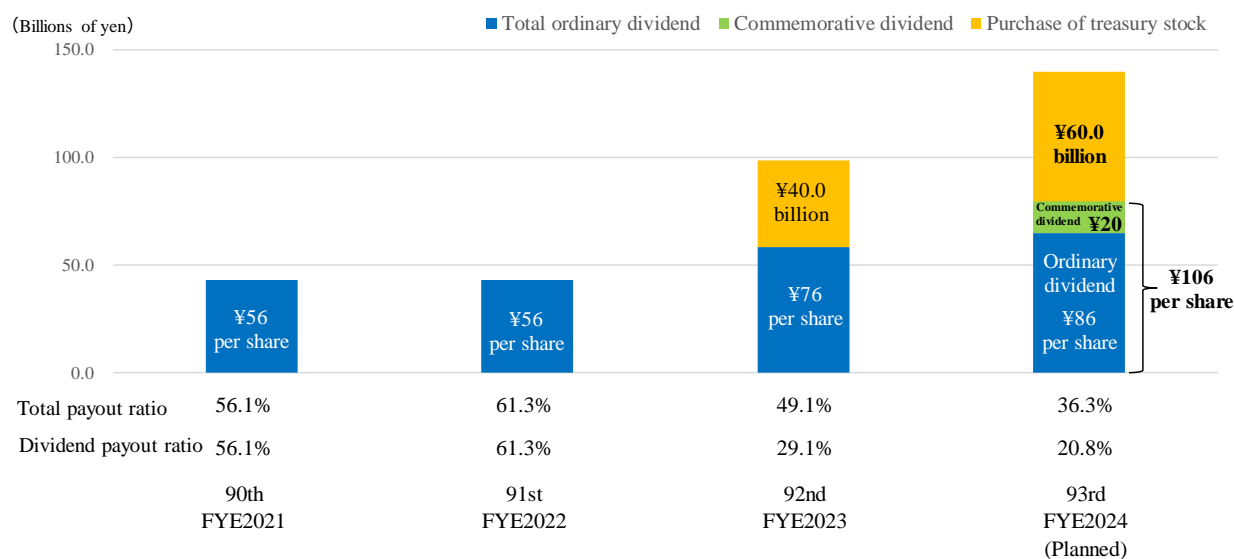
As for the appropriation of surplus for the year under review, it is proposed as follows.

The Company positions returns to shareholders as an important managerial issue and its shareholder return policy is to carry out stable and continuous dividend payment and flexible purchase of treasury stock to achieve 30 to 50% in total payout ratio by comprehensively taking into account the business performance, investment plans, and business environment for each fiscal period.

The Company would like to propose to increase the dividends for the 93rd fiscal period compared with its most recent forecast in the manner described below, taking into account the financial results for the fiscal year under review and future business development.

1. Type of Dividend	Cash
2. The Matters Regarding the Assignment of the Dividend Property to Shareholders and the Total Amount Thereof	<p>¥58 per share of the Company's common stock (ordinary dividend of ¥48 per share and commemorative dividend of ¥10 per share)</p> <p>Total dividends: ¥43,627,259,192</p> <p>The total annual dividend for the year under review would be ¥106 per share including the paid interim dividend of ¥48 per share (ordinary dividend of ¥38 and commemorative dividend of ¥10).</p>
3. Effective Date	June 20, 2024

(Reference) Trends in Shareholder Returns



Notes:1. The breakdown of annual dividend of ¥106 per share for the 93rd fiscal year is ordinary dividend of ¥86 per share and commemorative dividend of ¥20.

2. See the timely disclosure "Notice Regarding Repurchase and Cancellation of Own Shares" dated May 13, 2024.

https://www.subaru.co.jp/news-en/2024_05_13_160443/

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Proposal No. 2 Election of Eight (8) Directors of the Board

The terms of office of all eight (8) Directors of the Board will expire at the conclusion of this Ordinary General Meeting of Shareholders. It is hereby proposed that eight (8) Directors of the Board be elected.

The Company nominates as the candidates for Directors individuals who have abundant experience, superior abilities and knowledge, and high expertise appropriate for a Director of the Company in order to realize our vision, effective corporate governance, sustainable growth, and corporate value improvement for the medium and long term. To ensure fairness and transparency in decisions on executive appointments, the Executive Nomination Meeting, in accordance with inquiries from Board of Directors, submits to the Board of Directors proposals on the nomination of officers sufficiently deliberated on and approved by its members, a majority of which is accounted for by independent outside directors. These personnel matters are decided by resolution of the Board of Directors.

Candidates for the position of Director of the Board are as follows:

No.	Name	Current title in the company	Attendance at the Board of Directors meetings for the year	Tenure as Director
1	Candidate for reelection Atsushi Osaki Male	Representative Director, President	13 of 13 meetings (100%)	3 years
2	Candidate for reelection Fumiaki Hayata Male	Representative Director, Deputy President	13 of 13 meetings (100%)	3 years
3	Candidate for reelection Tomomi Nakamura Male	Director, Chairman	13 of 13 meetings (100%)	6 years
4	Candidate for reelection Katsuyuki Mizuma Male	Director, Executive Vice President	13 of 13 meetings (100%)	3 years
5	Candidate for reelection Tetsuo Fujinuki Male	Director, Executive Vice President	10 of 10 meetings (100%)	1 year
6	Candidate for reelection Outside Independent Miwako Doi Female	Outside Director	13 of 13 meetings (100%)	4 years
7	Candidate for reelection Outside Independent Fuminao Hachiuma Male	Outside Director	10 of 10 meetings (100%)	1 year
8	New candidate Outside Independent Shigeru Yamashita Male	-	-	-

Notes:

1. The candidates have no special interest relationships with the Company.
2. The attendance of Mr. Tetsuo Fujinuki and Mr. Fuminao Hachiuma at Board of Directors meetings during the year under review covers only their attendance at Board of Directors meetings held after their appointment on June 21, 2023.
3. Each candidate other than new candidates is currently a Director of the Board, and the Company has entered into a directors and officers liability insurance contract with an insurance company, under which these candidates are included in the list of insured persons. The insurance policy covers compensation for damages and legal expenses to be borne by the insured in cases when they receive a claim for damages as a result of their wrongful acts conducted in their capacity as directors and officers. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed knowing that it is a violation of law. The insurance premiums are fully borne by the Company, and the insured persons are not required to pay the premiums in real terms. When their appointment is approved, each of the candidates will be included in the list of insured persons under the insurance contract. The insurance contract will expire in the middle of each candidate's term of office, and the Company intends to renew the contract with similar terms and conditions.

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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
1	 <p>Atsushi Osaki (April 19, 1962)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1988 Joined the Company</p> <p>Apr. 2007 General Manager, Subaru Product & Portfolio Planning Division</p> <p>Jun. 2011 General Manager, Engineering Administration Department Subaru Engineering Division</p> <p>Apr. 2016 Vice President, Senior General Manager, Subaru Quality Assurance Division</p> <p>Apr. 2017 Vice President, Chief General Manager, Subaru Quality Assurance Division</p> <p>Apr. 2018 Senior Vice President, Chief General Manager, Subaru Quality Assurance Division and CQO</p> <p>Jan. 2019 Senior Vice President Chief General Manager, Quality Assurance Division Chief General Manager, Customer Service Division and CQO</p> <p>Apr. 2019 Executive Vice President Chief General Manager, Quality Assurance Division and CQO</p> <p>Apr. 2020 Executive Vice President Chief General Manager, Quality Assurance Division and CQO Director of Total Quality Management Office</p> <p>Apr. 2021 Executive Vice President Chief General Manager, Subaru Manufacturing Division</p> <p>Jun. 2021 Director, Executive Vice President, Chief General Manager, Subaru Manufacturing Division</p> <p>Apr. 2023 Director, Executive Vice President</p> <p>Jun. 2023 Representative Director President and CEO (to the present)</p> <p style="text-align: right;">[Continued to the next page]</p>	30,521 shares

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1	<p>Atsushi Osaki (April 19, 1962)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>[Continued from the previous page]</p> <p><i>(Main fields of responsibilities in the Company)</i></p> <p>-</p> <p><i>(Significant Positions Concurrently Held)</i></p> <p>Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA)</p> <p><i>(Reasons for nominating the candidate for Director of the Board)</i></p> <p>Mr. Atsushi Osaki has abundant experience and knowledge acquired through extensive service at the Company and the Group companies mainly in the fields of technology, product planning, quality, customer service and manufacturing areas. After assuming the post of Representative Director, President and CEO in June 2023, he announced SUBARU's vision for 2030 of global vehicle sales of 1.2 million-plus units, with BEV* accounting for 50% of those sales, as well as his determination for the five years till 2028 looking ahead to 2030, and has been pursuing initiatives aimed at building the SUBARU Group's foundation for a new era. In order to realize the Group's sustainable growth, we are nominating him to serve as Director again, strongly expecting him to supervise management considering interests of all stakeholders and demonstrate leadership to achieve the vision of a company delivering happiness to all.</p> <p><i>(Attendance at the Board of Directors meetings during the year under review)</i></p> <p>13 of 13 meetings (100%)</p>	30,521 shares


Note: In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
2	 <p>Fumiaki Hayata (March 18, 1964)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1986 Joined the Company</p> <p>Apr. 2007 General Manager, Purchasing Planning Department, Subaru Purchasing Division</p> <p>Apr. 2015 Vice President, Senior General Manager, Subaru Overseas Sales & Marketing Division 1 General Manager, North America Sales & Marketing Department</p> <p>Apr. 2017 Senior Vice President, General Manager, Corporate Planning Dept.</p> <p>Apr. 2019 Senior Vice President, Chief General Manager, Corporate Planning Department</p> <p>Apr. 2020 Executive Vice President, Chief General Manager, Overseas Sales & Marketing Division 1 Chairman and CEO, Subaru of Indiana Automotive, Inc. (SIA)</p> <p>Jun. 2021 Director, Executive Vice President, Chief General Manager, Overseas Sales & Marketing Division 1 Chairman and CEO, Subaru of Indiana Automotive, Inc. (SIA)</p> <p>Apr. 2023 Director, Executive Vice President</p> <p>Jun. 2023 Representative Director, Deputy President (to the present)</p> <p><i>(Main fields of responsibilities in the Company)</i> Secretarial Office, Human Resources Dept., sales, marketing, cost, procurement</p> <p><i>(Significant Positions Concurrently Held)</i> Director, Subaru of America, Inc. (SOA)</p> <p><i>(Reasons for nominating the candidate for Director of the Board)</i> Mr. Fumiaki Hayata has abundant experience and knowledge acquired through extensive service at the Company and the Group companies mainly in procurement, sales and marketing, corporate planning, and overseas business areas. He was appointed as Representative Director and Deputy President in June 2023, and in order to realize the Group's sustainable growth, we are nominating him to serve as Director again, expecting him to supervise management considering interests of all stakeholders and properly enhance sales and marketing as well as cost and procurement of the entire Group both in Japan and overseas.</p> <p><i>(Attendance at the Board of Directors meetings during the year under review)</i> 13 of 13 meetings (100%)</p>	16,607 shares


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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
3	 <p>Tomomi Nakamura (May 17, 1959)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1982 Joined the Company</p> <p>Jun. 2004 General Manager, Marketing Planning Department, Subaru Japan Sales & Marketing Division</p> <p>Apr. 2011 Vice President, Senior General Manager, Strategy Development Division</p> <p>Jun. 2011 Vice President, Chief General Manager, Strategy Development Division, General Manager, Corporate Planning Department</p> <p>Apr. 2013 Vice President, Senior General Manager, Subaru Global Marketing Division</p> <p> Senior General Manager, Subaru Overseas Sales & Marketing Division 1</p> <p> Senior General Manager, Subaru Overseas Sales & Marketing Division 2</p> <p>Apr. 2014 Senior Vice President Chief General Manager, Subaru Overseas Sales & Marketing Division 1</p> <p> Chairman and CEO, Subaru of America, Inc. (SOA)</p> <p>Apr. 2016 Executive Vice President, Chief General Manager, Subaru Overseas Sales & Marketing Division 1</p> <p> Chairman and CEO, Subaru of America, Inc. (SOA)</p> <p>Apr. 2018 Executive Vice President</p> <p>Jun. 2018 Representative Director President and CEO</p> <p>Jun. 2023 Director, Chairman (to the present)</p> <p><i>(Main fields of responsibilities in the Company)</i></p> <p>-</p> <p><i>(Significant Positions Concurrently Held)</i></p> <p>Representative Director and Chairman, Japan Aircraft Development Corporation</p> <p><i>(Reasons for nominating the candidate for Director of the Board)</i></p> <p>Mr. Tomomi Nakamura has been in charge of the Company's management from 2018 to 2023 as the Representative Director and has extensive experience and knowledge in business management in the Company and the Group companies over many years. Since June 2023, he has been focusing exclusively on monitoring overall management as a Director with no specific area of responsibility, working to strengthen corporate governance. As Chairman of the Board, he has been promoting free and open discussions while drawing out the knowledge of outside officers, and his handling of the proceedings of the Board meetings has been highly appreciated by the members from both inside and outside the Company. Based on the above, we are nominating him to serve as Director again, expecting him to supervise management considering interests of all stakeholders to realize the Group's sustainable growth.</p> <p><i>(Attendance at the Board of Directors meetings during the year under review)</i></p> <p>13 of 13 meetings (100%)</p>	50,825 shares


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4	 <p>Katsuyuki Mizuma (April 3, 1960)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1984 Joined The Industrial Bank of Japan, Ltd</p> <p>Apr. 2012 Executive Officer General Manager of Asia & Oceania Division</p> <p>Apr. 2014 Managing Executive Officer, Head of Asia & Oceania excl. East Asia</p> <p>Oct. 2015 Managing Executive Officer of Mizuho Financial Group, Inc. (Concurrent post)</p> <p>Apr. 2016 Joined the Company Senior Vice President Senior General Manager, Subaru Overseas Sales &Marketing Division 2</p> <p>Apr. 2017 Senior Vice President, Chief General Manager, Overseas Sales &Marketing Division 2</p> <p>Apr. 2018 Executive Vice President, Chief General Manager, Overseas Sales &Marketing Division 1 Chief General Manager, Overseas Sales &Marketing Division 2</p> <p>Apr. 2020 Executive Vice President, Chief General Manager, Overseas Sales &Marketing Division 2</p> <p>Apr. 2021 Executive Vice President, CFO, and CRMO</p> <p>Jun. 2021 Director, Executive Vice President, CFO, and CRMO (to the present)</p> <p><i>(Main fields of responsibilities in the Company)</i> Finance & Accounting Dept.</p> <p><i>(Significant Positions Concurrently Held)</i> Director, Subaru USA Holdings Inc. Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA)</p> <p><i>(Reasons for nominating the candidate for Director of the Board)</i> Mr. Katsuyuki Mizuma has served in significant positions at a financial institution. After joining the Company, he accumulated experience from a non-insider viewpoint in the area of overseas marketing as a whole, including our core North American market as well as finance and accounting. Since 2021, he has been serving as CFO and CRMO, and has abundant experience, broad knowledge, and insights. In order to realize sustainable growth of the Group, we are nominating him as a Director candidate again, expecting him to supervise management considering interests of all stakeholders and properly enhance the entire Group's financial structure and corporate governance.</p> <p><i>(Attendance at the Board of Directors meetings during the year under review)</i> 13 of 13 meetings (100%)</p>	21,497 shares

Note: In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

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5	 <p>Tetsuo Fujinuki (August 30, 1963)</p> <p>Candidate for reelection</p> <p>Male</p>	<p>Apr. 1986 Joined the Company</p> <p>Jan. 2010 Deputy General Manager, 1st Vehicle Research & Experiment Department, Subaru Engineering Division 1</p> <p>Apr. 2019 Vice President, Senior General Manager, Engineering Division 1</p> <p>Aug. 2019 Vice President, Chief General Manager, Engineering Management Division, Senior General Manager, Engineering Division 1, Chief General Manager, Technical Research Center</p> <p>Apr. 2020 Vice President and CTO, Chief General Manager, Engineering Management Division, Chief General Manager, Technical Research Center</p> <p>Apr. 2021 Senior Vice President and CTO, Chief General Manager, Engineering Division, Chief General Manager, Technical Research Center</p> <p>Apr. 2023 Executive Vice President and CTO</p> <p>Jun. 2023 Director, Executive Vice President and CTO (to the present)</p> <p><u>(Main fields of responsibilities in the Company)</u> Engineering Division, Technical Research Center, CTO Strategy Office</p> <p><u>(Significant Positions Concurrently Held)</u> Director, Subaru Tecnica International Inc.</p> <p>(Reasons for nominating the candidate for Director of the Board) Mr. Tetsuo Fujinuki has been serving as CTO since 2020, and has abundant experience and knowledge acquired through extensive service at the Company and the Group companies mainly in technology. In order to realize sustainable growth of the Group, we are nominating him once again to serve as Director, expecting him to supervise management considering interests of all stakeholders and properly plan the overall manufacturing strategy primarily for future technologies, manufacturing, and procurement.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 10 of 10 meetings (100%)</p>	15,810 shares

Notes: 1. Mr. Fujinuki's attendance at Board of Directors meetings during the year under review covers only his attendance at Board of Directors meetings held after his appointment on June 21, 2023.

2. In addition to the number of the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.

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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
6	 Miwako Doi (June 2, 1954) Candidate for reelection Outside Independent Female	<p>Apr. 1979 Joined Research & Development Center, Tokyo Shibaura Electric Corporation (Toshiba Corporation)</p> <p>Jul. 2005 Senior Fellow, Human Centric Laboratory, Corporate Research & Development Center Toshiba Corporation</p> <p>Jul. 2006 Senior Fellow, Corporate Research & Development Center</p> <p>Jul. 2008 Chief Fellow, Corporate Research & Development Center</p> <p>Jun. 2014 Retired from Toshiba Corporation</p> <p>Jun. 2020 Outside Director, Subaru Corporation (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Auditor, National Institute of Information and Communications Technology (part-time) Executive Vice President, Tohoku University (part-time) Executive Director, Nara Institute of Science and Technology (part-time) External Director, Isetan Mitsukoshi Holdings Ltd. Outside Director, NGK Spark Plug Co., Ltd.</p> <p><u>(Reasons for nominating the candidate as an Outside Director and outline of expected roles)</u> Ms. Miwako Doi long worked for Toshiba Corp. for many years as researcher and supervisor in the area of information technology. As an expert of the area, she has made many achievements. In recognition of her high expertise and abundant experience and knowledge, she has been appointed to governmental advisory bodies. As she has served as an Independent Outside Director since June 2020 and made beneficial proposals to the Company's management for the generation of new innovation, we expect her to provide sufficient advice and supervision regarding management in general from an independent position as an Outside Director of the Company, and thus proposed her again as a candidate for Outside Director.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 13 of 13 meetings (100%)</p>	400 shares

[Translation for Reference and Convenience Purposes Only]

Notes:

1. In addition to the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.
2. To allow the Company's Directors and Corporate Auditors fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, the Company has concluded a contract for limitation of liability with Ms. Miwako Doi which limits her liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act. If her reelection as Director is approved in this Annual General Meeting of Shareholders, we intend to continue with the contract for limitation of liability concluded between her and the Company.
3. The Company designates Ms. Miwako Doi as Independent Director as set forth by the Tokyo Stock Exchange. If her reelection is approved in this Annual General Meeting of Shareholders, the Company will continue the designation. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.
4. Ms. Miwako Doi was appointed as an External Director of Isetan Mitsukoshi Holdings Ltd. in June 2019, but its subsidiary, MI Card Co., Ltd., received from the Consumer Affairs Agency an order to take measures on July 8, 2019, and a surcharge payment order on March 24, 2020, for having made misleading representations regarding transactions of services for "MI Card Plus Gold," a credit card supplied by the subsidiary, that fall under Article 5, Item 1 or Item 2 of the Act Against Unjustifiable Premiums and Misleading Representations. While she had regularly been making various proposals from the viewpoint of legal compliance at Isetan Mitsukoshi Holdings Ltd.'s Board of Directors meetings as a Director, she has also been making, in the wake of the revelation of the incident, efforts to formulate measures to prevent the recurrence of such an incident the Isetan Mitsukoshi Group, including Isetan Mitsukoshi Holdings Ltd. and its subsidiaries, to inform all employees of the incident and to strengthen employee education through deliberations at the Board of Directors meetings of Isetan Mitsukoshi Holdings Ltd.


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No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
7	 <p>Fuminao Hachiuma (December 8, 1959)</p> <p>Candidate for reelection</p> <p>Outside Independent Male</p>	<p>Apr. 1983 Joined Ajinomoto Co., Inc. Jul. 1998 President, PT AJINOMOTO SALES INDONESIA Jul. 2008 Director and Vice President, America Ajinomoto, Inc. Jun. 2013 Executive Officer, Ajinomoto Co., Inc. Jun. 2015 Managing Executive Officer, Ajinomoto Co., Inc. Jun. 2015 Representative Director, President, J-OIL MILLS, INC. Jun. 2016 Representative Director, President, J-OIL MILLS, INC. Apr. 2022 Director, J-OIL MILLS, INC. Jun. 2022 Retired from Director, J-OIL MILLS, INC. Jun. 2023 Outside Director, Subaru Corporation (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Outside Director, Seven & i Holdings Co., Ltd. Outside Audit & Supervisory Board Member, YKK AP Inc.</p> <p><u>(Reasons for nominating the candidate as an Outside Director and outline of expected roles)</u> Mr. Fuminao Hachiuma has abundant experience and insights acquired through his involvement in management in a broad range of fields including overseas business at Ajinomoto Co., Inc. and its group companies as well as promotion of strengthening of corporate governance and management reform of J-OIL MILLS, INC. as Representative Director and President. As he has served as an Independent Outside Director since June 2023 and presented honest opinions regarding the Company's management, we expect him to provide sufficient advice and supervision regarding management in general from an independent position as Outside Director of the Company, and thus proposed him again as a candidate for Outside Director.</p> <p><u>(Attendance at the Board of Directors meetings during the year under review)</u> 10 of 10 meetings (100%)</p>	1,000 shares

Notes:

1. Mr. Hachiuma's attendance at Board of Directors meetings during the year under review covers only his attendance at Board of Directors meetings held after his appointment on June 21, 2023.
2. In addition to the number of the Board of Directors meetings held in the above table, one resolution was adopted in writing that was deemed to be a resolution of the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation of the Company.
3. To allow the Company's Directors and Corporate Auditors fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, the Company has concluded a contract for limitation of liability with Mr. Fuminao Hachiuma, which limits his liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act. If his reelection as Director is approved in this Annual General Meeting of Shareholders, we intend to continue with the contract for limitation of liability concluded between him and the Company.
4. The Company designates Mr. Fuminao Hachiuma as Independent Director as set forth by the Tokyo Stock Exchange. If his reelection is approved in this Annual General Meeting of Shareholders, the Company will continue the designation. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.

[Translation for Reference and Convenience Purposes Only]

No.	Name (Date of Birth)	Biography, Posts and Main Fields of Responsibilities in the Company, Significant Positions Concurrently Held, Reasons for Nominating the Candidates for Directors of the Board, and Attendance at the Board of Directors Meetings during the Year under Review	Number of the Company's Shares Held
8	 <p>Shigeru Yamashita (February 14, 1958)</p> <p>New candidate</p> <p>Outside</p> <p>Independent</p> <p>Male</p>	<p>Mar. 1981 Joined Pigeon Corporation</p> <p>Feb. 1997 President and Representative Director, Pigeon Industries (Thailand) Co., Ltd.</p> <p>Jul. 2004 President and Representative Director, Lansinoh Laboratories, Inc.</p> <p>Apr. 2007 Managing Officer, Overseas Business Division Manager, Pigeon Corporation</p> <p>Apr. 2009 Director, Overseas Business Division Manager, Pigeon Corporation</p> <p>Apr. 2011 Managing Executive Officer in charge of Human Resources and General Affairs Division, Overseas Business Division, China Business Division, Pigeon Corporation</p> <p>Apr. 2012 Director, Managing Executive Officer, Overseas Business Division Manager, Pigeon Corporation</p> <p>Apr. 2013 President and CEO, Pigeon Corporation</p> <p>Apr. 2019 Chairman of the Board, Pigeon Corporation</p> <p>Mar. 2023 Retired as Chairman of the Board, Pigeon Corporation (to the present)</p> <p><i>(Significant Positions Concurrently Held)</i> Not applicable</p> <p><i>(Reasons for nominating the candidate as an Outside Director and outline of expected roles)</i> Mr. Shigeru Yamashita has abundant experience and knowledge acquired through his involvement in management in a broad range of fields including overseas business at Pigeon Corporation and its group companies and, once he was appointed the representative director of the company, he strived to promote management reform, strengthen corporate governance, and led initiatives for maximizing corporate values. We are nominating him as a candidate for Outside Director, expecting him to provide sufficient advice and supervision regarding management in general from an independent standpoint as Outside Director of the Company.</p> <p><i>(Attendance at the Board of Directors meetings during the year under review)</i> -</p>	0 shares


- Notes: 1. To allow the Company's Directors and Corporate Auditors fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board (excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, if Mr. Shigeru Yamashita is appointed as a Director in this Annual General Meeting of Shareholders, the Company will conclude a contract for limitation of liability with him which limits his liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
2. Mr. Shigeru Yamashita meets the criteria for Independent Director set forth by the Tokyo Stock Exchange, and the Company plans to designate him as the Independent Director as set forth by Tokyo Stock Exchange. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.

Proposal No. 3 Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Ms. Hiromi Tsutsumi will expire at the conclusion of this Ordinary General Meeting of Shareholders. It is hereby proposed that one (1) Corporate Auditor be elected.

The proposal has been approved by the Board of Corporate Auditors.

The candidate for Corporate Auditor is as follows.

Name (Date of Birth)	Biography, Posts in the Company, Significant Positions Concurrently Held, and Reasons for Nominating the Candidates for Corporate Auditors	Number of the Company's Shares Held
 <p>Hiromi Tsutsumi (April 25, 1957)</p> <p>Candidate for reelection</p> <p>Female</p>	<p>Apr. 1980 Joined the Company Jun. 2002 General Manager, Corporate Communications Department Jun. 2006 General Manager, Product Planning Dept., Product Planning Div. Apr. 2013 Executive Officer, General Manager, Subaru Customer Center Apr. 2015 Vice President General Manager, Human Resources Department Senior Vice President General Manager, Career Support Office President, Subaru Bloom Co. Ltd Apr. 2017 Managing Executive Officer, General Manager, Human Resources Department Apr. 2020 Managing Executive Officer Jun. 2020 Standing Corporate Auditor (to the present)</p> <p><u>(Significant Positions Concurrently Held)</u> Corporate Auditor, Osaka Subaru Inc.</p> <p><u>(Reasons for nominating the candidate for Corporate Auditor)</u> Ms. Hiromi Tsutsumi has abundant experience and knowledge in wide-ranging fields acquired through extensive service at the Company and the Group companies mainly in marketing, product planning, customer service, and corporate communications. After striving to build the human resource strategy for the Group for long as managing executive officer and general manager of the Human Resources Department, Ms. Tsutsumi has engaged in audit of the Company's management as a full-time corporate auditor since 2020. Based on her background and the wide range of experience described above, we expect her to continue to appropriately perform her duties as a corporate auditor, thus proposing Ms. Tsutsumi as a candidate for corporate auditor.</p> <p>Attendance at the Board of Corporate Auditors meetings 12 of 12 meetings (100%)</p>	<p>19,056 shares</p>

- Notes: 1. To allow the Company's Directors and Corporate Auditors fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board(excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, the Company has concluded a contract for limitation of liability with Ms. Hiromi Tsutsumi, which limits her liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act. If her reelection as Corporate Auditor is approved in this Ordinary General Meeting of Shareholders, we intend to continue with the contract for limitation of liability concluded between her and the Company.
2. Ms. Hiromi Tsutsumi is currently a Corporate Auditor of the Company, and the Company has entered into a directors and officers liability insurance contract with an insurance company, under which she is included in the list of insured persons. The insurance policy covers compensation for damages and legal expenses to be borne by the insured in cases when they receive a claim for damages as a result of their wrongful acts conducted in their capacity as directors and officers. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed knowing that it is a violation of law. The insurance premiums are fully borne by the Company, and the insured persons are not required to pay the premiums in real terms. If the appointment of Ms. Hiromi Tsutsumi is approved, she will be included in the list of insured persons under the insurance contract. The insurance contract will expire in the middle of her term of office, and the Company intends to renew the contract with similar terms and conditions.

Proposal No. 4 Election of One (1) Substitute Corporate Auditor

At the commencement of the 93rd Ordinary General Meeting of Shareholders, the resolution on the election of the Substitute Auditor, made at the 92nd Ordinary General Meeting of Shareholders held on June 21, 2023, expires. Accordingly, the election of one (1) Substitute Outside Auditor is proposed in preparation for the event that the number of Corporate Auditors will be insufficient as required by law.

The candidate for the position of Substitute Auditor for Outside Corporate Auditor is as follows:

The validity of the resolution to be adopted at this Ordinary General Meeting of Shareholders regarding the election of Mr. Hirohisa Ryu shall expire at the opening of the first Ordinary General Meeting of Shareholders to be held after the said resolution is made, and can be nullified by resolution of the Board of Directors, with the consent of the Board of Corporate Auditors Meeting, only before he assumes office.

The proposal has been approved by the Board of Corporate Auditors Meeting.

Name (Date of Birth)	Biography, Significant Positions Concurrent Held, and Reasons for Nominating the Candidate for Substitute Corporate Auditor	Number of the Company's Shares Held
<p>Hirohisa Ryu (August 4, 1964)</p> <p>Outside Independent Male</p>	<p>Apr. 1994 Certified as an attorney and joined Tokyo Hatchobori Law Office.</p> <p>Apr. 2001 Assistant Chief of Financial Crisis Response Office, Planning and Management Division, Supervision Bureau of Finance Services Agency (under fixed-term contract).</p> <p>Apr. 2003 Returned to Tokyo Hatchobori Law Office.</p> <p>Apr. 2004 Partner at Tokyo Hatchobori Law Office (to the present)</p> <p>Jun. 2013 Outside Corporate Auditor, eGuarantee, Inc. (to the present)</p> <p>May 2017 Outside Auditor, Renown Incorporated</p> <p>Nov. 2020 Retired from Outside Auditor, Renown Incorporated</p> <p><i>(Reasons for nominating the candidate for Outside Substitute Corporate Auditor)</i></p> <p>With his long career as an attorney, and having worked as an outside corporate auditor and a fixed-term official of FSA, Mr. Hirohisa Ryu has both scholarly knowledge and practical experience regarding corporate legal affairs. Although he has no experience dealing directly with corporate management other than as an outside auditor, he has expert knowledge of corporate management acquired through his extensive hands-on experience in corporate legal, accounting and financial affairs. Based on the above, the Company concluded that he is capable as an Outside Corporate Auditor and should be able to fulfill the relevant duties appropriately if he takes office.</p>	<p>0 shares</p>

- Notes: 1. To allow the Company's Directors and Corporate Auditors fulfill the roles expected of them, the Company's Articles of Incorporation provides that the Company may conclude a contract with its Directors of the Board(excluding those who are executive directors, managers or other employees of the Company or its subsidiaries) to limit their liabilities for the compensation of damages under Article 423, Paragraph 1 of the Companies Act. Based on this provision, if Mr. Hirohisa Ryu assumes office as the Corporate Auditor, the Company will conclude a contract for limitation of liability with him which limits his liability for the compensation of damages to the amount stipulated in Article 425, Paragraph 1 of the Companies Act.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company. The insurance contract provides coverage for liability of an insured when a compensation claim is filed against the insured as a result of an improper act he/she committed utilizing his/her position, as well as other damages including litigation costs. However, there are certain liabilities that are not covered under the policy, such as those arising from actions performed knowing that it is a violation of law. The insurance premiums are fully borne by the Company, and the insured persons are not required to pay the premiums in real terms. If Mr. Hirohisa Ryu is appointed as a Corporate Auditor, he will be included in the list of insured under the insurance contract. If the insurance contract will expire in the middle of his term of office, the Company intends to renew the contract with similar terms and conditions.
3. After Mr. Ryu assumes office, the Company will register him as the Independent Auditor set forth by Tokyo Stock Exchange. The candidate meets the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.

[Translation for Reference and Convenience Purposes Only]

(Reference) Structure of the Board of Directors and Board of Corporate Auditors after approval of Proposals No. 2 and 3

If Proposals No. 2 and 3 are approved without amendment, the structure of the Board of Directors and Board of Corporate Auditors will be as follows at the Board of Directors meeting as well as Board of Corporate Auditors meeting following this Ordinary General Meeting of Shareholders.

The total eight Directors will include three independent Outside Directors (37.5%), and the total five members of the Executive Nomination Meeting and the Executive Compensation Meeting will include three independent Outside Directors (60.0%). The total 12 Directors and Corporate Auditors will include three females (25.0%).

- Notes: 1. ◎ and ○ indicate attendance of the chairman and other members, respectively.
2. The list below does not cover the entire scope of knowledge held by the Directors and Corporate Auditors.

	Name	Title at the Company	Gender	Total years of service	Board of Directors	Board of Corporate Auditors	Executive Nomination Meeting	Executive Compensation Meeting	Reasons for selection
									Experience, insight, and leadership required for making important strategic decisions
									Definition of experience
									Experience of serving as top management of a listed company
									Required skills
									Business management (executive experience)
Director	Atsushi Osaki	Representative Director, President (CEO)	Male	3 years	○		○	○	●
	Fumiaki Hayata	Representative Director, Deputy President	Male	3 years	○				
	Tomomi Nakamura	Director, Chairman	Male	6 years	◎		◎	◎	●
	Katsuyuki Mizuma	Director, Executive Vice President (CFO, CRMO)	Male	3 years	○				
	Tetsuo Fujinuki	Director, Executive Vice President (CTO)	Male	1 year	○				
	Miwako Doi	Independent Outside Directors	Female	4 years	○		○	○	
	Fuminao Hachiuma	Independent Outside Directors	Male	1 year	○		○	○	●
	Shigeru Yamashita	Independent Outside Directors	Male	New candidate	○		○	○	●
Corporate Auditors	Yoichi Kato	Standing Corporate Auditor	Male	3 years	○	○			
	Hiroimi Tsutsumi	Standing Corporate Auditor	Female	4 years	○	○			
	Yuri Furusawa	Independent Outside Corporate Auditor	Female	2 years	○	○			
	Yasumasa Masuda	Independent Outside Corporate Auditor	Male	1 year	○	○			

[Translation for Reference and Convenience Purposes Only]

Promotion of business strategies for accelerating responses to major transformation					Strengthening of management infrastructure that supports the Company's sustainable growth		
Experience and track record as an officer in charge of each business division					Knowledge, experience, and competency as an officer in charge of a field or employee with experience in highly specialized operations		
Promotion of business strategies					Strengthening of management infrastructure		
Technology/ development	Manufacturing/ purchase	Sale/marketing	Global	IT/digital	Business administration/ financial/ accounting	Legal affairs/ compliance/ risk management	Human capital/ labor
●	●					●	●
	●	●	●		●		
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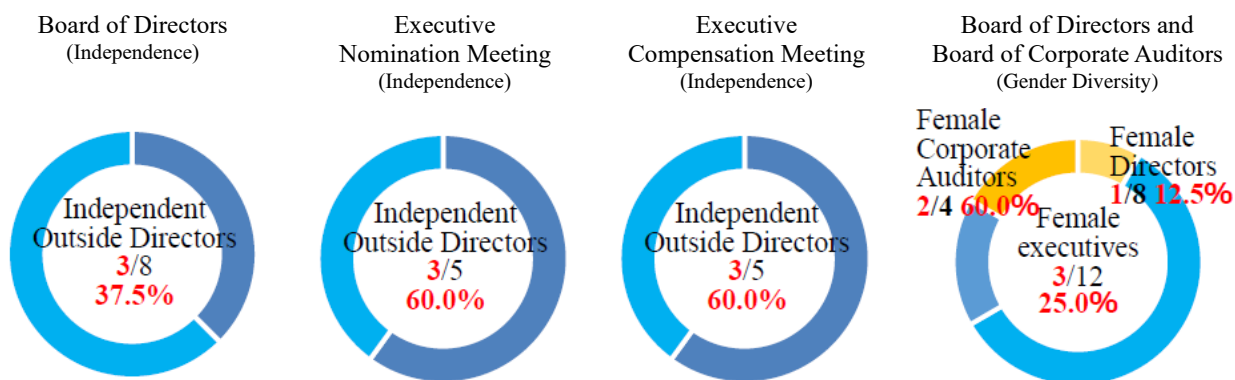
[Translation for Reference and Convenience Purposes Only]

(Reference) Data on Corporate Governance Code

Matters concerning responsibilities of the Board of Directors, etc.

(Page for reference)

Principle 4-2 [1]	Sound incentivization of director compensation*1	Proportion of performance compensation	0.9 to 1 of basic compensation	26
		Proportion of restricted stock units	0.6 to 0.7 of basic compensation	
Principle 4-8	Effective use of independent Outside Directors	Proportion of independent Outside Directors	3/8 (37.5%)*2	18
Principle 4-10 [1]	Establishment of an independent Executive Nomination Meeting	Proportion of independent Outside Directors	3/5 (60.0%)*2	
	Establishment of an independent Executive Compensation Meeting	Proportion of independent Outside Directors	3/5 (60.0%)*2	
Principle 4-11	Prerequisites for ensuring the effectiveness of the Board of Directors and Board of Corporate Auditors	Proportion of female Directors	1/8 (12.5%)*2	*3
		Proportion of female Corporate Auditors	2/4 (50.0%)*2	
		Evaluation of the Effectiveness of the Board of Directors	Implemented every year since FYE2016	



The criteria for determining the independence of Outside Officers are posted on the Company’s website on the Internet. Please refer to the attachment at the end of the “Corporate Governance Guidelines.”

https://www.subaru.co.jp/en/outline/pdf/governance_guideline_e.pdf

Other matters

(Page for reference)

Principle 1-4	Cross-shareholdings	Details of cross-shareholdings	2 issues, 3,636 million yen*4	*5
Principle 2-4 [1]	Ensure diversity in the appointment of core personnel, etc.	Number of female managers	31*4	*6
		Number of non-Japanese managers	5*4	
		Number of managers employed in mid-career	193*4	
Principle 2-5	Whistle blowing	Number of cases reported to the whistle blowing system	317 cases*4	*7

*1. After approval of Proposal No. 5

*2. After approval of Proposal No. 2 and Proposal No. 3

*3. Please refer to p. 7 of Matters Omitted in Documents Accompanying the Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders.

*4. As of March 31, 2024

*5. Please refer to p. 11 of Matters Omitted in Documents Accompanying the Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders.

*6. Please refer to pp. 2 and 3 of Matters Omitted in Documents Accompanying the Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders.

*7. Please refer to p. 15 of Matters Omitted in Documents Accompanying the Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders.

Proposal No. 5 **Determination of Compensation for Granting Restricted Stock to Directors**

1. Determination of Compensation for Granting Restricted Stock to Directors

The Company has introduced a proposal to revise the “Restricted Stock Compensation Plan” (hereinafter, the “Stock Compensation Plan”) employing variable compensation (PSU*¹), in which the number of shares granted to Directors is linked to the degree of achievement of target business performance, for the purpose of providing its Directors an incentive for sustained improvement of the Company’s corporate value for the medium and long term and further value sharing with the shareholders.

In this meeting, it is hereby proposed that the Stock Compensation Plan be approved including a revision to part of clawback provisions aimed at improving compensation governance and to change the base amount of the paid-in amount per share as it increases the ratio of the stock compensation to the overall compensation as part of the revision of the executive compensation system. The amount and details of compensation, etc. under the Stock Compensation Plan after the revision are as described in 2. and 3. to be described later, and there are no substantial changes to the content approved by the 91st Ordinary General Meeting of Shareholders held on June 22, 2022, except for the addition of 2. (6) and changes to 3. (4).

Upon reviewing the Stock Compensation Plan, the Board of Directors at its meeting held on May 15, 2024, approved the policy for determining the details of individual compensation, etc. to the Company’s Directors for the 94th fiscal period (FYE2025; included in p. 26 and 27 as reference information) taking into account the contents of the deliberation and decision at the Executive Compensation Meeting, and on the condition that this proposal would be approved without amendment at this General Meeting of Shareholders. It judged that the content of this proposal is relevant given that the proposal is necessary for awarding compensation to Directors in accordance with the said policy and its content is appropriate.

If Proposal No. 2 Election of Eight (8) Directors of the Board is approved without amendment at this General Meeting of Shareholders, the number of Directors entitled to the compensation based on the Stock Compensation Plan will be five.

*1. Performance Share Unit

[Translation for Reference and Convenience Purposes Only]

2. Details of Compensation and other matters under the Stock Compensation Plan

(1) Persons to whom the system applies	Directors (excluding Outside Directors and non-resident officers)	
(2) Total amount of monetary compensation to be paid for granting stock compensation	Up to 200 million yen per year. The 85th Ordinary General Meeting of Shareholders held on June 28, 2016 approved the amount of compensation, etc. to be paid to Directors for one year to be within 1.2 billion yen (including 200 million yen for Outside Directors), and monetary compensation for the grant of stock compensation shall be paid within this amount.	
(3) Upper limit on the number of the Company's shares granted to Directors	The total number of shares in fixed compensation (RS* ²) and variable compensation (PSU) shall not exceed 150,000 shares. Based on the resolution of the Board of Directors, Directors shall wholly contribute the monetary compensation claim in the form of properties contributed in kind, and shall receive shares of the Company's common stock through issuance or disposal. The paid-in amount per share will be determined by the Board of Directors based on the simple average closing price of the Company's common stock on the Tokyo Stock Exchange during the one-month period immediately preceding the date of the resolution of the Board of Directors.	
(4) Method of calculation of the number of the Company's shares, etc. granted to Directors	Fixed compensation (RS)	Shares of the Company's common stock that are equivalent to a standard amount determined by taking into consideration the Company's business performance, the scope of responsibilities of Directors, etc., and various other circumstances at a certain time of the year shall be granted.
	Variable compensation (PSU)	At a certain time of the year, the Company shall grant a number of units (1 unit = 1 share) that are equivalent to a standard amount determined by taking into consideration the Company's performance, the scope of each Director's responsibilities, and various other circumstances. After the business results for the evaluation period are determined, shares of the Company's common stock shall be granted in a number calculated by multiplying the number of units by a payment ratio that is determined in conjunction with the degree to which the business performance indicator targets have been achieved. In principle, shares shall not be granted to those who have resigned as Directors prior to the expiration of the evaluation period. However, in the event of retirement due to death or in the event that Executive Compensation Meeting recognizes valid reasons for granting shares, the Executive Compensation Meeting may determine a reasonable rate of payment (50% to 100%). *The evaluation period shall be the single fiscal year that includes the date on which units are granted. *Performance indicators shall be set as quantitative (financial) and qualitative (non-financial) indicators, and shall be reviewed in conjunction with the update of the medium-term management plan and management targets.
(5) Restricted transfer period	The period shall be from the date of grant until his/her retirement as Director. However, if he/she continues to serve as an executive officer after retiring as a Director, the restricted transfer period shall be extended until he/she retires from such executive officer's position.	
(6) Clawback provisions	In the event of a Director engaging in certain acts of misconduct and certain events occur by the day on which three years elapse after the expiration of the restricted transfer period, the Board of Directors, based on a resolution taking into account the deliberation and decision at the Executive Compensation Meeting, may demand he/she return all or part of the said shares in common stock or pay the equivalent fair value of the said shares.	

*2. Restricted Stock

[Translation for Reference and Convenience Purposes Only]

3. Restricted transfer agreement regarding the shares of the Company's stock to be granted to Directors

When issuing or disposing of shares of the Company's common stock under the Stock Compensation Plan, the Company and the Director shall enter into a restricted stock allotment agreement (hereafter, "Allotment Agreement") that generally includes the following details.

- (1) Directors shall not transfer the shares of the Company's common stock allocated to them under the Allotment Agreement (hereafter, "Allotted Shares"), use them to create a security interest, or otherwise dispose of them (hereafter, restrictions on transfer) during the period until they retire from office as Director (hereafter, the "Restricted Transfer Period").
- (2) In principle, restrictions on transfer shall be lifted at the expiration of the Restricted Transfer Period on condition that the Director continues to hold the position of Director during the period of execution of duties (from the date of issuance of shares or grant of units until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year that includes the said date)
- (3) If a Director resigns before the expiration of the period of execution of duties, the Company shall naturally acquire the Allotted Shares without compensation, except in the case of resignation due to death or in the case where the resignation is justified by a resolution of the Board of Directors.
- (4) In the event of misconduct committed by an officer during the Restricted Transfer Period or within three years after lifting of the restriction, or in the event of the discovery of a material error in his/her track record on which shares were granted, the Company, based on deliberation and decision at the Executive Compensation Meeting, and with the approval by the Board of Directors shall acquire all or part of the Allotted Shares without compensation, as determined by the Executive Compensation Meeting. Or, the Company shall demand the said Director pay an amount equivalent to the fair value of the said shares.
- (5) Notwithstanding the provisions of (1) above, in the event that a merger agreement in which the Company becomes a defunct company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other matters related to organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company, etc. during the period of execution of duties, the Company shall, by a resolution of the Board of Directors, lift the restriction on transfer of the Allotted Shares, the number of which shall be reasonably determined based on the period from the date on which the period of execution of duties begins to the date of approval of such organizational restructuring, etc., prior to the effective date of the said organizational restructuring, etc.
- (6) In the provision stipulated in (5) above, the Company shall naturally acquire without compensation the Allotted Shares for which the restriction on transfer has not yet been lifted as of the time immediately after the lifting of the restriction on transfer in accordance with the provision stipulated in (5) above.

*If the proposal is approved without amendment, the Company plans to introduce a similar Stock Compensation Plan also for executive officers.

[Translation for Reference and Convenience Purposes Only]

(Reference) Overview of the revision to the executive compensation system

1. Increasing the composition ratio of stock compensation

The Company introduced restricted stock compensation (RS type) to the executive compensation plan in FYE2018 with a view towards incentivizing Directors and Officers to achieve sustained improvement of the Company's value over the mid- and long-term and to share more of that value with shareholders. In FYE2023, the Company added a performance share unit (PSU type) in a bid to raise the ratio of stock compensation in stages.

These revisions are intended to further raise the ratio of stock compensation and link enhancement of the Company's corporate value more closely to compensation. The basic composition ratios of compensation among basic compensation, annual performance-linked bonuses, and restricted stock compensation of the Representative Director of the Board, President and CEO will be 1:0.5:0.7 (0.5 in PSU + 0.2 in RS).

Compensation of Outside Directors remains unchanged and consists solely of basic compensation.

2. Addition of key performance indicators (KPIs) to PSU

As KPIs for the PSU portion of the Plan, in FYE2023, the Company adopted consolidated ROE and employee engagement (employee satisfaction rating) for quantitative (financial) evaluation and qualitative (non-financial) evaluation, respectively, in a bid to achieve the priority initiatives laid out in the Subaru Group's mid- and long-term strategies.

On this occasion, the Company has added relative total shareholder return (TSR) (vs. dividend-included TOPIX growth rate) which represents improvement of corporate value as a KPI for quantitative (financial) evaluation.

3. Introduction of clawback provisions

To enhance governance over compensation, the Company is taking this opportunity of raising the ratio of stock compensation to introduce clawback provisions to the plan. In the event of misconduct committed by an officer during the restricted transfer period or within three years after lifting of the restriction, or in the event of the discovery of a material error in his/her track record on which shares were granted, the Company, based on deliberation and decision at the Executive Compensation Meeting, and with the approval by the Board of Directors shall acquire all or part of the allotted shares held by the said executive without compensation or demand that the said executive pay an amount equivalent to the fair value of the said shares.

Compensation System for Directors (Representative Director President and CEO) after revisions

	Fixed	Short-term incentive	Medium-/long-term incentive	
	Basic compensation	Annual performance-linked bonuses	Restricted stock compensation	
			Variable compensation type (PSU)	Fixed compensation type (RS)
(Composition ratio*)	1	0.5	0.5	0.2

* The ratios of annual performance-linked bonuses and restricted stock compensation (variable compensation type/fixed compensation type) are determined by assuming that of basic compensation being 1.

(Reference) The Policy for Determining Details of Compensation for Individual Directors for the 94th Fiscal Period (FYE2025)

1. Basic policy

As a basic policy, compensation for directors of the Company is determined in view of the following items:

1. Compensation is at a level commensurate with the roles and responsibilities of directors and is appropriate, fair, and balanced.
2. The compensation structure is determined by giving consideration to providing motivation for sustained improvement in corporate performance and corporate value and securing excellent human resources.

Specifically, compensation for Directors, excluding Outside Directors, will consist of base compensation, annual performance-linked bonus, and compensation in restricted stock (for non-residents, phantom stock, instead of restricted stock). For outside directors, the Company pays only basic compensation in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position. The total amount of compensation for individual directors and the levels of each compensation item are set for every position depending on difference in responsibility by utilizing the research data compiled by outside specialized agencies.

2. Policy for determining the amount of monetary compensation excluding performance-linked compensation (hereinafter, the “Fixed Monetary Compensation”), performance-linked compensation, and non-monetary compensation (including the policy for determining the timing or conditions for granting such compensation)

1. Policy for the Fixed Monetary Compensation

Directors receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual directors is determined based on their positions, taking into consideration elements such as the business environment.

2. Policy for Performance-linked Compensation

Directors, excluding Outside Directors, shall receive annual performance-linked bonus by cash at a certain time of the year. The specific amount is determined according to a compensation table by position prepared based on the consolidated profit before tax for the current fiscal year as a key performance indicator (KPI).

In addition, in order to facilitate the achievement of the Group’s medium- and long-term strategy targets, a portion of the restricted stock compensation to be granted as non-monetary compensation (see (3) below) will be set as Performance Share Units (hereafter, “PSUs”), in which the number of shares granted is linked to the degree to which target business results are achieved. To set KPIs for PSUs, the Company will adopt consolidated return on equity, a key financial indicator in the mid-term strategy, and total shareholder return, which contributes to improvement in corporate value in the medium to long term, as financial indicators as well as employee engagement as a non-financial indicator.

The Board of Directors at its meeting deliberate and decide annual performance-linked bonus and KPIs for PSUs and composition ratio of each KPI in response to changes in the environment based on the proposal approved by the Executive Compensation Meeting.

3. Policy for Non-monetary Compensation

The Company grants restricted stock units to Directors (excluding Outside Directors) for the purpose of strengthening the incentive for sustained improvement of the Company’s corporate value and further value sharing with the shareholders.

A portion of the restricted stock compensation shall be granted as fixed compensation and the remainder as variable compensation, both of which shall be prohibited from being transferred during the term of office and the restriction on transfer shall be lifted upon retirement.

Restricted stock compensation in the form of fixed compensation (RS) shall be granted as shares of the Company’s common stock that are equivalent to a standard amount determined by taking into consideration the Company’s business performance, the scope of each Director’s responsibilities, and various other circumstances at a certain time of the year.

At a certain time of the year, the Company shall grant restricted stock compensation in the form of fixed compensation (PSU) in a number of units (1 unit = 1 share) that are equivalent to a standard amount determined by taking into consideration the Company’s performance, the scope of each Director’s responsibilities, and various other circumstances. After the evaluation period, shares of the Company’s common stock shall be granted in a number calculated by multiplying the number of units by a payment ratio that is determined in conjunction with the degree to which the target business performance indicators have been achieved.

[Translation for Reference and Convenience Purposes Only]

The total number of shares of the Company's common stock to be allocated to Directors as restricted stock compensation as part of RS and PSUs shall be limited to 150,000 shares per year. In addition, the Company and Directors shall enter into a restricted stock allotment agreement that includes an overview and provisions that state (1) Directors shall not, for a set period of time period during his/her term of office as an officer of the Company, transfer, create a security interest on, or otherwise dispose of the shares of the Company's common stock that have been allotted to them, and (2) the Company may acquire the said shares of its common stock without compensation if certain events occur. In the event of a Director engaging in certain acts of misconduct and certain events occur by the day on which three years elapse after the expiration of the restricted transfer period, the Board of Directors, based on a resolution taking into account the deliberation and decision at the Executive Compensation Meeting, may demand he/she return all or part of the said shares in common stock or pay the equivalent fair value of the said shares (clawback).

Compensation for a Director who is a non-resident at the time of granting shares will be paid in the form of a phantom stock equivalent to the said stock compensation instead of restricted stock compensation, thereby being treated in accordance with the restricted stock allotment agreement.

3. Policy for determining the proportion of the Fixed Monetary Compensation, performance-linked compensation, and non-monetary compensation to the total amount of compensation, etc. for individual directors

The Company shall appropriately determine the proportion of compensation by type of directors excluding outside directors in reference to the compensation levels and compensation mix of companies of a similar scale to the Company or industry peers obtained through an external research company, and in consideration of factors such as the Company's overall salary level and social situations. The following proportions are generally used as rough standards (for performance-linked compensation, the proportions are those of the base amount).

	Breakdown				Rate	
	Basic compensation	Annual performance-linked bonuses	Restricted stock compensation		President	Average of Directors other than the President
			RS	PSU		
Fixed Monetary Compensation	●				1	1
Performance-linked Compensation		●		●	1	0.9
Non-monetary Compensation			●	●	0.7	0.6

The Company shall appropriately review the compensation level and compensation mix in consideration of the Company's business environment, as well as the situation of companies of a similar scale to the Company or industry peers, and other circumstances based on the contents of the proposal approved by the Executive Compensation Meeting.

4. Matters concerning the determination of details of compensation, etc. for individual directors

To ensure fairness and transparency of the executive compensation determination process, the Board of Directors shall establish the Executive Compensation Meeting, a voluntary committee which is structured so that the majority of its members are independent outside directors. The chairman of the Executive Compensation Meeting shall be appointed by a resolution of the Board of Directors.

The Executive Compensation Meeting, by a resolution by the General Meeting of Shareholders and that by the Board of Directors, is delegated by the Board of Directors to determine specific amounts of basic compensation, annual performance-linked bonus, restricted stock compensation, etc. for Directors, and their payment schedule, following sufficient deliberation by its members including independent outside directors. For restricted stock units, the number of shares allotted to individual directors is determined by the resolution of the Board of Directors based on the standard amount decided by the Executive Compensation Meeting.

With regard to revisions of the executive compensation system and other matters pertaining to compensation overall, the Board of Directors deliberates and makes decision taking into consideration the content of proposal approved by the Executive Compensation Meeting.

(Supplementary Provisions)

This policy shall take effect at the conclusion of the 93rd Ordinary General Meeting of Shareholders, provided that the proposal regarding the Stock Compensation Plan is approved at the 93rd Ordinary General Meeting of Shareholders. These Supplementary Provisions shall be deleted on the effective date.

Proposal No. 6 **Revision to Amount of Compensation to Corporate Auditors**

The amount of compensation to the Company's Corporate Auditors was approved to be 100 million yen or less a year at the 75th Ordinary General Meeting of Shareholders held on June 27, 2006, and it has been unchanged to date.

In this meeting, It is hereby proposed to set the amount of compensation to its corporate auditors at 200 million yen or less a year considering the changes to the Company's business environment and increasing expectations on roles to be played and responsibilities to be taken by the corporate auditors, who will play a part in the Company's corporate governance structure, which it is further reinforcing.

If Proposal No. 3 Election of One (1) Corporate Auditor is approved without amendment at this General Meeting of Shareholders, the number of corporate auditors will be four.

Report on non-consolidated financial statements for the 93rd fiscal period

(April 1, 2023 to March 31, 2024)

1. Matters concerning the status of SUBARU GROUP

(1) Progress and Results

In fiscal 2023, the outlook for the global economy continued to be uncertain given the heightened geopolitical risks from the prolonged Russia-Ukraine situation and the conflict in the Middle East as well as interest rate hikes reflecting rising prices. Meanwhile, various restrictions were eased in Japan with COVID-19 being reclassified as Class 5, which resulted in recovery trend in both supply and demand.

Under such circumstances, we, at the Subaru Group, pursued enjoyment and peace of mind, the value we offer, for realizing our vision of delivering happiness to all and worked towards our goal of becoming a compelling company with a strong market presence built upon our customer-first principle, which is our corporate statement. In conjunction with the transition to the new management structure in June 2023, the Company announced the New Management Policy on August 2 of the same year and has been strongly driving forward initiatives of Monozukuri Innovation and Value Creation.

In the current consolidated fiscal year, revenue increased by 928.5 billion yen (24.6%) to 4,702.9 billion yen owing to the increase in unit sales and revenue contribution from foreign exchange fluctuation.

Despite an increase in SG&A expenses, etc., operating profit increased by 200.7 billion yen (75.0%) to 468.2 billion yen, profit before tax rose by 254.2 billion yen (91.3%) to 532.6 billion yen, and profit for the year attributable to owners of parent increased by 184.7 billion yen (92.1%) to 385.1 billion yen on a year-on-year basis owing to the increase in unit sales and revenue contribution from foreign exchange fluctuation.

	Amount of money (Millions of Yen)	Change (%)
Revenue	4,702,947	24.6
Operating profit	468,198	75.0
Profit before tax	532,574	91.3
Profit for the year attributable to owners of parent	385,084	92.1



LAYBACK



CROSSTREK

[Translation for Reference and Convenience Purposes Only]

(Automobile Division)

Overall automobile demand in the United States, our mainstay market, increased from the previous fiscal year by about 11% to approximately 15.8 million units. Total automobile demand in Japan increased by around 3% to approximately 4.50 million units.

Under such business environment, production in Japan increased year on year by 27,000 units (4.7%) to 602,000 units and production overseas rose 69,000 units (23.0%) to 368,000 units on a year-on-year basis as we continued to implement various initiatives in production and purchasing. This resulted in an increase in combined overseas and domestic production of 96,000 units (10.9%) year on year to 970,000 units.

Demand for SUBARU vehicles was strong primarily in North America including the U.S., which is our mainstay market, as well as Canada, and unit sales remained strong. Overseas unit sales increased year on year by 125,000 units (16.6%) to 878,000 units. While domestic unit sales decreased year on year by 1,000 units (0.8%) to 99,000 units, combined overseas and domestic unit sales rose year on year by 124,000 units (14.5%) to 976,000 units.

Revenue increased by 903.1 billion yen (24.5%) to 4,593.6 billion yen owing to the increase in unit sales and revenue contribution from foreign exchange fluctuation. Segment profit increased year on year by 198.3 billion yen (75.3%) to 461.5 billion yen thanks to the increase in unit sales and profit contribution from foreign exchange fluctuation despite the increase in SG&A expenses.

Consolidated Unit Sales in the fiscal year ended March 2024

	Unit sales (in 10 thousand units)	Change (in 10 thousand units)	Change (%)
Total in Japan	9.9	(0.1)	(0.8)
Passenger cars	8.7	0.5	6.7
Minicars	1.2	(0.6)	(33.7)
Total Overseas	87.8	12.5	16.6
North America	76.3	12.8	20.2
Europe	2.7	0.4	17.3
Australia	4.7	0.3	7.8
China	0.6	(0.4)	(37.5)
Other regions	3.4	(0.7)	(17.3)
Total	97.6	12.4	14.5



FORESTER



SOLTERRA

[Translation for Reference and Convenience Purposes Only]

(Aerospace Division)

Delivery and orders increased in all of defense, private sector, and helicopter businesses. Revenue increased by 25.3 billion yen (32.0%) year on year to 104.3 billion yen owing in particular to an increase in delivery of Boeing 787 aircraft and rising sales of UH-2 utility helicopter. Segment profit improved by 4.7 billion yen year on year to 2.7 billion yen, turning profitable for the first time in four fiscal years.

The Aerospace Company will see growth in each of its three pillars: defense demand, civil demand, and helicopters, due to a recovery in air passenger demand, increases in defense budgets, and solid orders for the UH-2/SUBARU BELL 412EPX.



UH-2 Japan Ground Self-Defense Force Multi-Purpose Helicopter

(Other Businesses)

Revenue increased by 0.1 billion yen (1.9%) to 5.0 billion yen on a year-on-year basis. Segment profit increased by 2.6 billion yen (42.0%) to 3.6 billion yen.

(In Japanese yen in million except for percentage change from the previous year)

By Business Segment	Revenue				Segment Profit			
	92nd FYE2023	93rd FYE2024	Change	Percentage Change	92nd FYE2023	93rd FYE2024	Change	Percentage Change
Automobile	3,690,551	4,593,639	903,088	24.5	263,261	461,524	198,263	75.3
Aerospace	79,019	104,317	25,298	32.0	(2,082)	2,667	4,749	-
Other	4,898	4,991	93	1.9	6,261	3,633	(2,628)	(42.0)
Adjustments	-	-	-	-	43	374	331	769.8
Total	3,774,468	4,702,947	928,479	24.6	267,483	468,198	200,715	75.0

- Notes: 1. Revenue is the revenue from external customers.
2. Adjustment to segment profit refers to the elimination of intersegment transactions.

[Translation for Reference and Convenience Purposes Only]

(2) Status of Assets and Profit/Loss

Category		90th FYE2021	91st FYE2022	92nd FYE2023	93rd (current) FYE2024
Revenue	(Millions of yen)	2,830,210	2,744,520	3,774,468	4,702,947
Operating profit	(Millions of yen)	102,468	90,452	267,483	468,198
Profit for the period attributable to owners of parent	(Millions of yen)	76,510	70,007	200,431	385,084
Ratio of operating profit to revenue	(%)	3.6	3.3	7.1	10.0
Profit for the year attributable to owners of parent for the period per share, basic	(Yen)	99.77	91.28	261.33	509.20
Total assets	(Millions of yen)	3,411,712	3,543,753	3,944,150	4,814,149
Total equity	(Millions of yen)	1,786,383	1,901,019	2,109,947	2,565,394
Ratio of equity attributable to owners of parent to total assets	(%)	52.1	53.4	53.3	53.2
Equity attributable to owners of parent per share	(Yen)	2,318.17	2,465.41	2,739.27	3,409.45
Ratio of profit to equity attributable to owners of parent (ROE)	(%)	4.4	3.8	10.0	16.5
Price earnings ratio	(Times)	22.09	21.34	8.09	6.77
Operating activities	(Millions of yen)	289,376	195,651	503,759	767,665
Investing activities	(Millions of yen)	(272,174)	(179,723)	(336,813)	(703,699)
Financing activities	(Millions of yen)	13,966	(98,502)	(122,307)	(66,469)
Cash and cash equivalents	(Millions of yen)	907,326	883,074	979,529	1,048,000

Note: Profit for the period per share, basic is calculated based on the average number of shares during the period, and basic share attributable to owners of parent is calculated based on the number of shares issued at the end of the period, excluding treasury stock..

(3) Issues That Must Be Addressed

<Vision, value statement, corporate statement>

The Subaru Group, under its corporate statement of “We aim to be a compelling company with a strong market presence built upon our customer-first principle,” will evolve the value it offers, which is Enjoyment and Peace of Mind, towards achieving our vision of becoming a “company delivering happiness to all.” At the same time, along with continuously growing the Automobile Division and Aerospace Division as an attractive global brand, we will strive for the sustainable growth of the Subaru Group and the realization of an enjoyable and sustainable society by seeking empathy from its customers, retailers, local communities and all other stakeholders with respect to our business activities.



We switched to a new management structure in 2023 and on August 2 of the same year we held a briefing on the new management structure policies, in which we announced an update to our electrification plan targeting the year 2030 and our resolution to see our challenges through in the coming five years to 2028 with an eye to 2030.

In the new management structure policies also, there will be no change to our three visions set forth in the medium-term management vision STEP, viz. 1. Become a brand that is “different” from others by enhancing distinctiveness, 2. Engage in business activities that resonate with customers by putting them center-stage, and 3. Fulfill corporate social responsibilities by contributing to diversifying social needs. Similarly, our efforts in the priority areas to date of corporate culture reforms and quality enhancement are positioned as the foundations underlying Subaru’s sustainable growth, and under the new management structure also we will continue our actions toward them as the basis for enhancing our competitiveness. Furthermore, in order to continue to pursue our unwavering value statement of Enjoyment and Peace of Mind in the BEV*¹ era, we will step up our efforts toward “Evolution of the SUBARU Difference,” moving these up to the next stage in the form of two new initiatives: Monozukuri Innovation and Value Creation.

*1. Battery Electric Vehicle

<Surviving in the period of major transformation>

The automotive industry is experiencing a once-in-a-century transformation, and in recent years the changes have been even more non-linear and occurring at an unprecedented speed. We will adapt to these rapid changes in a more timely manner, mindful of the concepts of flexibility and expandability.

[1] Subaru’s vision for 2030

● Electric vehicle sales ratio target for 2030

The Company aims to reduce its well-to-wheel*² CO₂ emissions by 90% or more from 2010 levels by 2050 in working to bring about a decarbonized society. To this end, we will apply electrification technology to all its vehicles sold worldwide by the early 2030s. Further, regarding our milestone for 2030, we reviewed the target in our new management structure policies and have set the target to make BEVs alone to account for 50% of our total global sales. In this transition period when internal combustion engine (ICE) vehicles are being replaced by BEVs, the Company believes that the popularity of BEVs will ebb and flow while gradually gaining market acceptance. We will steadily pursue initiatives towards electrification while firmly grasping the changes in customer preferences and market trends.

*2. Approach to calculating emissions including the emissions produced by the generation of electricity to be used by EVs and other vehicles

● EV lineup

As for the launch of BEVs in the market, we are planning to introduce four SUV models by the end of 2026 and additional four models by the end of 2028 for a line-up of eight models in total. Of the four models to be launched by end of 2026, Solterra, launched in the market in 2022, was jointly developed with Toyota Motor Corporation (hereinafter referred to as “Toyota”), bringing together the strengths of both companies. The remaining three models will also be jointly developed by leveraging the knowledge and strengths in BEV development that Subaru and Toyota have built up over the years, with one model produced at the Company’s Yajima Plant and another at Toyota’s plant in the U.S. These will then be supplied to each other. In this era when it is hard to foresee the future, we will launch attractive BEVs one after another in the market while mitigating risks and ensuring development and production flexibility leveraging the alliance.

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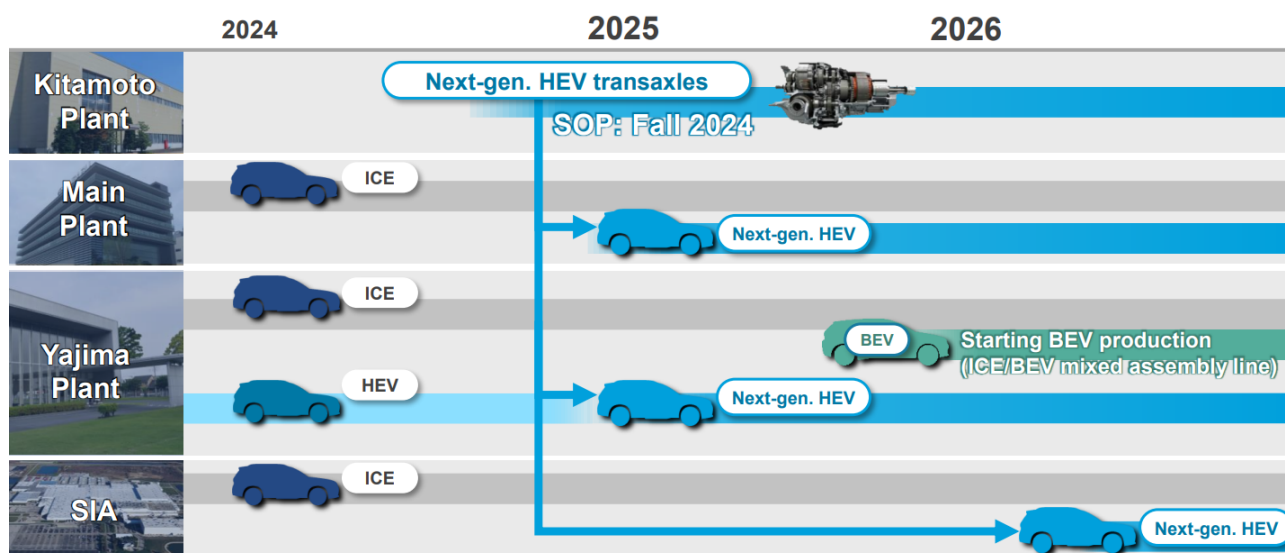
We are planning to install next-generation e-BOXER transmission, SUBARU’s unique HEV*³ equipped with a BOXER engine based on Toyota Hybrid System, in the new Forester model to be introduced followed by Crosstrek. We will also be ensuring product flexibility in the electrification transitional phase by enhancing HEV products.

*3. Hybrid Electric Vehicle

● Production system reorganization plan

The Company has been updating its reorganization plan for production of EVs in stages since May 2022. In Japan, we are planning to start production of transaxles, the core unit of the next generation e-BOXER, in the fall of 2024 at the Kitamoto Plant and install them in vehicles produced at the Main Plant and Yajima Plant. We are also planning to start mixed production of ICEs and BEVs at Yajima Plant and plan to supply BEVs produced there to Toyota as well. In addition, we are also proceeding with various initiatives related to the addition of the dedicated BEV line at the Oizumi Plant to be operational around 2027 or later. We are also planning on production of next-generation e-BOXER in the U.S., and the global production capacity in the transitional period will be about 1.2 million units.

As for production system in the age of electrification, we are preparing ourselves so as to be able to flexibly respond in terms of balance between ICE, HEV, and BEV and the production ratio between the U.S. and Japan reflecting the speed at which BEVs are spreading as well as market and customer trends bearing in mind the concepts of flexibility and expandability.



[2] Determination for 2028

In order to realize our vision for 2030, we consider the period up to 2028 as very important and will work on two key areas: Monozukuri Innovation and Value Creation. Our goal is to become a world leading company in Monozukuri and Value Creation, so that we do not fall behind in this era of major transformation in the automobile industry. In this transition period when ICE vehicles are being replaced by BEVs, we aim to achieve our Monozukuri Innovation and Value Creation at an early stage by shifting our focus and resources to BEVs while updating our development process and product planning concurrently with our decision to update our production system by reorganizing our plants in Japan and overseas. We are determined to take on these challenges and see them through them by 2028.

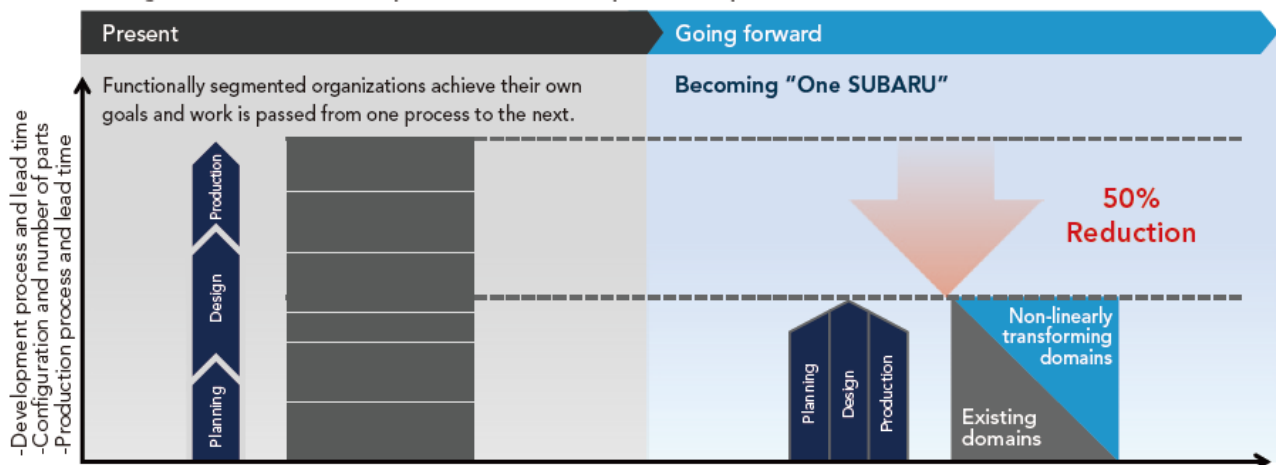
● Monozukuri Innovation

Through Monozukuri Innovation, we will promote high-density manufacturing by integrating our supply chain, including product development to production and the supply chain to create “one SUBARU,” something that can only be achieved through nimbleness granted by our scale. Based on this approach, we will strive to achieve world-leading manufacturing by cutting the development process and lead time in half, the number of configurations and parts in half, and the production process and lead time in half.

In our operations, each segmented function, such as product concept, design, and production, waits for the previous process to complete its work, and then passes the work on to the next process like a relay. Through our Monozukuri Innovation initiatives, we will make the process agile, which will lead to a 50% reduction in manufacturing time. In addition to this, by relentlessly advancing these initiatives, we will reduce the development

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period and lead time in existing domains and strengthen our ability to respond to domains experiencing non-linear transformation in this age of uncertainty.



● Value Creation

In the U.S., Love Promise, the philosophy and initiatives to which our sales subsidiary Subaru of America (SOA) and its retailers are deeply committed has started bearing fruits. With SUBARU products at its core, the Subaru Love Promise creates a strong bond between Subaru, its customers, its retailers, and its communities. We believe this is the source of our value creation for society and the future, and we intend to protect and expand it. This commitment will remain unchanged in the period of profound change and also in the era of the electric car. We will further enhance the value of our products that are at the heart of this strong relationship between SUBARU, customers, retailers, and communities.

An important factor in creating value in the BEV era is to further enhance Enjoyment and Peace of Mind, the unwavering value that the Company offers to customers. As one example, we believe that our long-cultivated AWD (All-Wheel Drive) capability will be further enhanced by the precise control enabled by BEV technology, leading to further enhancement of our strengths: safety and peace of mind. Further, we are pursuing new benefits for our customers, such as a seamless and stress-free user experience in the age of the BEV. We will also provide further benefits through our Retaining Value and Continuing to Deliver New-Car Feel initiatives, which are based on our desire for customers to have long relationships with their SUBARUs while maintaining the value of their vehicles. We intend to realize these visions with our technologies. Through our products and technologies, we believe that our customers can enjoy the unfading emotional value that comes from spending time with their SUBARU, such as “peace of mind,” “stimulated desire for self-challenge,” and their vehicles being “always up-to-date.” As the shift to electrification progresses, SUBARU aims to become even closer to our customers’ lives through these efforts.

Various initiatives are being implemented so as to accelerate the achievement of Monozukuri Innovation and Value Creation. At its development base Innovation Hub, which started functioning in January 2024 in Ota City, Gunma Prefecture, the Company’s employees gather together with business partners, without any barriers, in large room activities to discuss development, production and other such matters. The Company is also collaborating with companies such as Aisin Corporation*4, Panasonic Energy Co., Ltd.*5, and AMD*6 and driving forward activities for achieving Monozukuri Innovation and Value Creation. Also, we have positioned the five fields of Monozukuri Innovation, Battery Business, Digital Car, Connect Business, and Cost Reforms as Core Priority Themes and appointed five CXOs in charge of those fields. With these CXOs pursuing cross-divisional initiatives, we will speed up Monozukuri Innovation and Value Creation.

*4. SUBARU and Aisin start collaboration related to eAxle for next-generation EV

https://www.subaru.co.jp/news-en/2024_03_12_114542/

*5. SUBARU and Panasonic Energy concluded a basic collaboration agreement for supplying cylindrical lithium-ion batteries for vehicles

https://www.subaru.co.jp/news-en/2024_03_19_164541/

*6. Subaru and AMD launch collaboration on SoC design, which combines stereo camera and AI inference processing

https://www.subaru.co.jp/news-en/2024_04_19_154452/

[Translation for Reference and Convenience Purposes Only]

[3] Initiatives for realizing a carbon-free society

In order to contribute to a decarbonized society, Subaru has set long-term goals (long-term vision) for 2050 and medium-term goals (milestones), regarding the product (Scope 3) and production phases (Scope 1 and 2). The Company reviews these targets as necessary in response to non-continuous, rapid changes in the business environment. In 2023, it raised the merchandise-related medium-term target to making BEVs account for 50% of global sales in 2030 and the plant/office-related medium-term target to reducing the emissions by 60% FYE2036 compared with FYE2017. CO₂ emissions from the use of products we sell account for most of the CO₂ emissions from the Company’s overall value chain, so it is important that we steadily implement initiatives for realizing electrification of vehicles. We believe that proactive efforts by the Company to reduce direct CO₂ emissions (Scope 1 and 2) of the SUBARU Group will enhance the emission reduction activities across the entire value chain, and towards that end we are using renewable energy and upgrading to highly efficient machinery and equipment.

Meeting bodies aimed at reducing CO₂ emissions in various fields manage initiatives towards creation of a carbon-free society throughout the value chain consisting of merchandise, plants, and offices as well as materials and components, transportation, and disposal and ultimately they are supervised as a whole by the Environment Committee.

Category	Time frame	Target
Products (Scope 3)	2050	Reduce average well-to-wheel CO ₂ emissions of new vehicles (drive) by more than 90% compared with 2010* ⁷
	Early 2030s	Apply electrification technologies* ⁹ in all SUBARU vehicles* ⁸ produced and sold worldwide
	2030	Aim to turn 50% of vehicles sold worldwide to BEVs
Plants/Offices (Scopes 1 and 2)	FYE March 2051	Achieve carbon neutrality
	FYE2036	Reduce 60% compared with FYE March 2017 (total volume basis)

*7. Reduce total CO₂ emissions calculated based on the fuel efficiency (notified value) of all SUBARU automobiles sold across the world by 90% or more compared to 2010 levels by 2050. Total volume basis. While changes in the sales quantity caused by changes in the market environment shall be taken into consideration, it will not consider differences in running distance.

*8. Excluding models supplied by OEMs.

*9. Refers to technologies that foster the use of electricity such as EVs and hybrid vehicles.

<Human resource development>

Amid rapidly changing business environment, the driving force for Subaru to raise competitiveness and grow sustainably is human resources, and fostering human resources is the source of our corporate competitiveness. The three pillars of human resource development at SUBARU are encouraging autonomy, polishing individual ability, and building empathy, and we have been promoting various initiatives under key themes such as human resource development and reform of organizational culture among others.

● Human resource development that encourages independence and taking on challenges

Subaru has been implementing various initiatives to encourage employees to autonomously develop their capabilities and take on challenges, supporting the growth of the individual. The Company offers the SUBARU Vision Awareness Program to all employees with the aim of encouraging individual employees to take autonomous actions for realizing its vision of “Delivering happiness to all,” and the program’s theme for FYE2024 was the new management structure policies. In the program, employees deepen their understanding of initiatives under the policies, how they are linked to the realization of “Delivering happiness to all,” what individual employees are thinking and what actions they are about to take by watching videos and having discussions in workplaces, through which it strives to encourage them to take autonomous actions.

Nurturing engineers, who are responsible for creating new technological values, is indispensable for us to consistently meet the expectations of customers, which keep changing with the times. We are actively working to upskill our engineers, a process to add new technical skills required in the era of the electric car to the technical skills cultivated in internal combustion engines, and reinforce technical skills that embody the Subaru difference. In particular, in FYE2023 we launched a training program for acquiring software skills at engineering departments given the situation where creation of technological values is dependent on the software field. The training program has two major course branches, one for new employees and another for existing employees, and we offer lectures at the introductory, beginner, intermediate, and advanced levels in each branch.

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● **Diversity management**

In order to continuously create values unique to Subaru, the Group respects diversity of employees including gender, nationality, culture, and lifestyle and strives to create a comfortable workplace environment where employees with diverse range of individual characteristics and values can fully demonstrate their unique abilities. The Company has been promoting assigning the right people to the right positions, cultivating human resources, and promoting them to management positions so that they can play active roles and enhance their careers. We believe that the empowerment of women is of particular importance and have been working on the key issues of supporting female employees in their pursuit of career development and in their efforts to balance work and childcare. Subaru has been placing emphasis on nurturing female managers as part of support for their career development, and it aims to more than double the number of female employees in managerial positions by 2025 compared with the level in 2021. Toward achieving this goal, we have been developing and implementing various training programs including promotion of the Women’s Leadership Program, which provides guidance and education tailored to individual female employees aspiring to become managers, and the Executive Forum for having dialogues with female executives. In addition, the Company in November 2023 disseminated a message regarding further promotion of active roles for female employees from top management to all employees. As a result of these initiatives, 43 out of 1,132 managerial employees were female as of the end of April 2024, up 1.8 times compared with 24 in 2021.

The Group has been implementing various initiatives, in addition to the above, for developing human resources. By further deepening these measures, it aims to link the growth of the individual to the growth of the organization and raise its corporate competitiveness, and at the same time create processes and technologies that will become the standards of the new era by building an environment where these innovation leaders, who will bring about Monozukuri Innovation and Value Creation, can fully demonstrate their abilities in the era of major transformation.

<Management conscious of cost of capital and stock price>

The Company believes that it is essential to implement management that is conscious of cost of capital and stock price*10 for its sustainable growth. Our ROE has remained above cost of capital except for FYE2021 and FYE2022, when the production volume declined significantly due to the shortage of semiconductor supply, and our PBR most recently has recovered to about one time mainly owing to normalization of production and sales environment and foreign exchange fluctuations. In this period of major transformation in the automobile industry, we will steadily implement our world-leading Monozukuri Innovation and Value Creation and introduce competitive products with the Subaru difference to pursue industry-leading profitability and an ROE of 10% or higher as long-term targets with an eye to 2030.

Our PER is currently at around seven to eight times, which appears to be low in comparison with the average PER of companies listed on the TSE Prime Market. This is attributable to the current situation where it is difficult to raise expectations given the uncertainties in the medium- to long-term outlook caused by factors such as electrification. We will further strengthen IR activities and disclose the progress being made in our strategy related to electrification, which is expected to be a pillar of growth, to raise expectations for the Company.

Analysis of Current Situation	<ul style="list-style-type: none"> ✓ Cost of capital (WACC) now stands in the mid-6% range (based on CAPM) ✓ In and after the end of March 2020, when the COVID-19 pandemic broke out, PBR hovered around 0.8x but has since increased to around 1.0x more recently. At the same time, PER is 7-8x. ✓ ROE has exceeded the cost of capital, except for FYE 2021 and FYE 2022, when semiconductors were in short supply. 		
Policies and Targets	<ul style="list-style-type: none"> ✓ Amid the rapid and nonlinear transformation of the automotive industry, we are making steady progress on the initiatives announced in our New Management Policy in August 2023. Our future strategy’s internal/external dissemination is also proceeding as planned. ✓ We are pursuing industry-leading profitability and an ROE of 10% or higher as long-term targets with an eye to 2030. 		
Key Initiatives	Steadily implement the initiatives laid out in the New Management Policy	Improve ROE	<ul style="list-style-type: none"> ✓ Steady implementation of world-leading “Monozukuri Innovation” and “Value Creation” (Monozukuri: Manufacturing) ✓ Internal dissemination of the concept of capital cost (using in-house ROIC tree) ✓ Achieve both growth investments and stable shareholder returns (Aim for total return ratio between 30% to 50%) ✓ Effective share repurchase ✓ Improve IR activities to enhance expectations for growth and to lower uncertainty ✓ Reinforce ESG messaging (electrification, human capital, intellectual property, governance, etc.) ✓ Revise the executive compensation plan (indicators: ROE, employee engagement, and relative TSR)
	Optimally allocate capital / Increase value per share		
	Reinforce messaging and dialogue	Improve PER	
	Strengthen effectiveness		

*10. See “Action to Implement Management That Is Conscious of the Cost of Capital and Stock Price” announced on March 15, 2024,

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for details. https://www.subaru.co.jp/en/outline/pdf/governance_action_e.pdf

(4) Status of Principal Subsidiaries, Etc. (as of March 31, 2024)

[1] Status of principal subsidiaries

Name	Address	Capital Stock	Holding Ratio of Voting Rights	Main Businesses
Fuji Machinery Co., Ltd.	Gunma	480 million yen	100.0%	Manufacture and sales of automotive parts
Ichitan Co., Ltd.	Gunma	480 million yen	100.0%	Manufacture and sales of automotive parts
KIRYU INDUSTRY Co., Ltd.	Gunma	400 million yen	100.0%	Manufacturing of repair parts for Subaru cars, Subaru vehicle rust prevention works, manufacture of Subaru custom-build cars, etc.
Subaru Logistics Co., Ltd.	Gunma	96 million yen	100.0%	Shipping, land freight and warehousing of Subaru vehicles, etc.
H. B. C. Co., Ltd.	Kanagawa	490 million yen	68.0%	Storing and shipping of Subaru vehicles
Hokkaido Subaru Inc.	Hokkaido	98 million yen	100.0%	Sales of Subaru vehicles and components
Miyagi Subaru Inc.	Miyagi	80 million yen	100.0%	Sales of Subaru vehicles and components
Niigata Subaru Inc.	Niigata	100 million yen	100.0%	Sales of Subaru vehicles and components
Kanagawa Subaru Inc.	Kanagawa	100 million yen	100.0%	Sales of Subaru vehicles and components
Chiba Subaru Inc.	Chiba	100 million yen	100.0%	Sales of Subaru vehicles and components
Tokyo Subaru Inc.	Tokyo	100 million yen	100.0%	Sales of Subaru vehicles and components
Nagoya Subaru Inc.	Aichi	100 million yen	100.0%	Sales of Subaru vehicles and components
Osaka Subaru Inc.	Osaka	100 million yen	100.0%	Sales of Subaru vehicles and components
Hiroshima Subaru Inc.	Hiroshima	92 million yen	100.0%	Sales of Subaru vehicles and components
Fukuoka Subaru Inc.	Fukuoka	50 million yen	100.0%	Sales of Subaru vehicles and components
Subaru Finance Co., Ltd.	Tokyo	2,000 million yen	100.0%	Leasing and rental of Subaru vehicles; credit and financing related to Subaru vehicles
Subaru USA Holdings Inc.	US	USD 869,757,000	100.0%	Provision of corporate services to US subsidiaries
Subaru of Indiana Automotive, Inc. (SIA)	US	USD 794,045,000	100.0%	Purchasing of production parts for Subaru vehicles, sales of completed vehicles to Subaru of America Inc. (SOA) and others
Subaru of America, Inc. (SOA)	US	USD 241,000	100.0%	Sales of Subaru manufactured vehicles, Subaru of Indiana Automotive, Inc. (SIA) manufactured vehicles and parts
North America Subaru Inc. (NASI)	US	USD 5,000	100.0%	Technical investigation for Subaru manufactured vehicles, Subaru of Indiana Automotive, Inc. (SIA) manufactured vehicles in North America market, automobile related regulatory compliance in the US

[Translation for Reference and Convenience Purposes Only]

Name	Address	Capital Stock	Holding Ratio of Voting Rights	Main Businesses
Subaru Canada, Inc. (SCI)	Canada	CAD 30,000,000	100.0%	Sales of Subaru manufactured vehicles, Subaru of Indiana Automotive, Inc. (SIA) manufactured vehicles and parts
Subaru Europe N. V./S. A. (SE)	Belgium	EUR 87,504,000	100.0%	Sales of Subaru vehicles and components
Subaru of China Ltd. (SOC)	China	CNY 187,354,000	100.0%	Sales of Subaru vehicles and components
Yusoki Kogyo K. K.	Aichi	100 million yen	100.0%	Manufacture and sales of aircraft parts to Subaru
Fuji Aircraft Maintenance Co., Ltd.	Tokyo	30 million yen	100.0%	Inspection, service and maintenance of aircrafts
Subaru Kohsan Co., Ltd.	Tokyo	675 million yen	100.0%	Rental and management of real estate
SUBARU IT CREATIONS CORPORATIONS	Saitama	100 million yen	100.0%	Development and operation of the Group's IT systems

- Notes: 1. As of end of March 2024, there are 73 consolidated subsidiaries including the above 27 companies, and nine equity method affiliates.
2. The ratio of voting rights of Subaru of China Ltd. (SOC) increased from 60.0% to 100.0% as of June 20, 2023.
3. As of April 1, 2024, SUBARU IT CREATIONS CORPORATION will take measures to address the changes in the business environment due to the rapid development and spread of digital technology.

[2] Other

In 2005, the Company agreed to sign a business alliance agreement with Toyota Motor Corporation and has been strengthening the alliance in stages. As of the end of March 2024, Toyota held 153,600,000 shares (20.42% of the common stock issued [excluding treasury shares] by the Company) in the Company. Similarly, the Company owned 44,868,000 shares in Toyota.

Since 2012, we have been manufacturing the sports cars “SUBARU BRZ” and “Toyota 86 (current GR86)” jointly developed with Toyota at our Gunma Plant. In addition, the Company receives OEM vehicle supplies from Daihatsu Motor Co, Ltd., a subsidiary of Toyota, which contributes to focusing our limited resources on development of models with higher profitability.

Moreover, under the shared slogan of creating “ever-better cars,” the two companies together developed BEVs “SOLTERRA” and “bZ4X,” electric vehicles that combine Toyota’s electrification technologies and the Company’s AWD(All-Wheel Drive) technology through the enhancement of the business and capital tie-up in 2019, and we introduced the models to the market in 2022.

In order to survive this once-in-a-century profound transformation period faced by the automobile industry, the two companies will bring together their respective strengths by, for instance, expanding the use of the Toyota Hybrid System in Subaru models, cooperating in the domain of connected vehicles, and ensuring technical collaboration in the field of autonomous driving, and effectively leverage the business and capital alliance.



Left: GR86

Right: SUBARU BRZ



Jointly developed BEV; model name used by Subaru: “SOLTERRA”

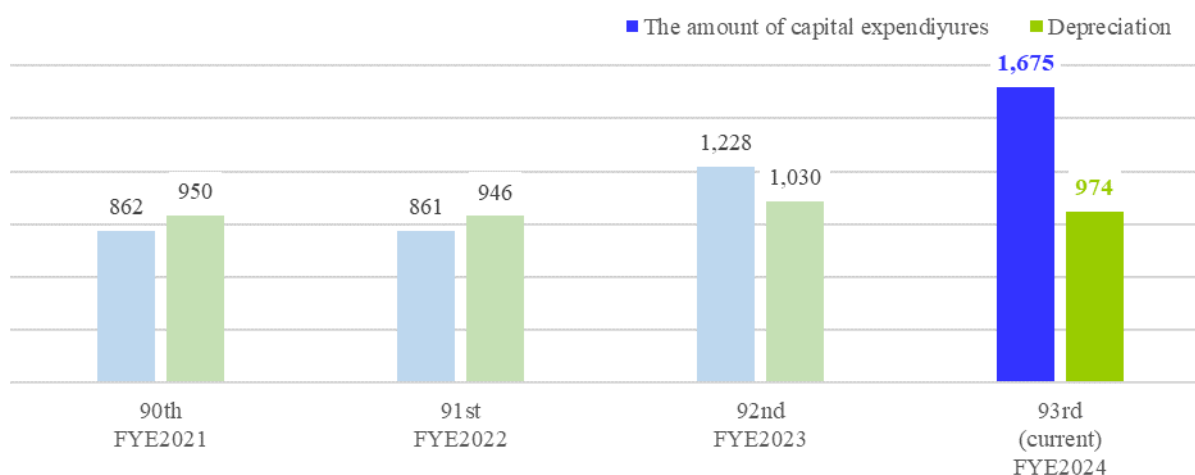
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(5) Capital Expenditures

The amount of capital expenditures incurred by the Group during the current fiscal year was 167.5 billion yen. The main purposes of use include production, R&D or marketing in the Automotive Business Unit. Capital expenditures by business segment are stated below.

By Business Segment	Amount of Expenditures (in million yen)	Descriptions of Facilities	Funding Method
Automobile Division	159,452	Automobile production, R&D, and selling facilities	Own funds and borrowing
Aerospace Division	6,087	Aircraft production facilities	Same as above
Other Businesses	1,956	Welfare facilities, etc.	Same as above
Total	167,495	-	-

- Notes:
- The above amounts do not include consumption tax, etc.
 - There was no retirement or sale of important facilities, except for the retirement or sale of ordinary facilities for replacement purposes.
 - In addition to the above, the Automobile Division invested 8.0 billion yen to acquire business assets such as vehicles for lease.
 - Capital expenditures by business segment
 The Automobile Division incurred capital expenditures of 91.4 billion yen, most of which was invested in production facilities for new products, R&D facilities, and improvement of quality and work environment of the Company. Furthermore, in Subaru of Indiana Automotive Inc. (SIA), the division incurred capital expenditures of 43.0 billion yen, a major part of which was invested in the production facilities for new products and improvement of quality and work environment.
 The Aerospace Division incurred capital expenditures of 6.0 billion yen, which was mainly invested to strengthen the production foundation and improvement of workplace environment at Subaru Corporation.



(6) Status of Fund Procurement

- The Company took out long-term loans totaling 119.5 billion yen in the fiscal year under review, and issued eighth and ninth rounds of unsecured bonds worth 23.0 billion yen in November 2023.
- The Company has entered into a commitment line agreement totaling 201.0 billion yen.

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2. Directors and Corporate Auditors

(1) Name of Directors and Corporate Auditors (as of March 31, 2024)

Title	Name	Main fields of responsibilities in the Company	(Significant Positions Concurrently Held)
Director, Chairman [Chairman of the Board] [Chairman of the Executive Nomination Meeting] [Chairman of the Executive Compensation Meeting]	Tomomi Nakamura	-	Representative Director and Chairman, Japan Aircraft Development Corporation
Representative Director, President [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Atsushi Osaki	CEO (Chief Executive Officer) Aerospace Company	Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA; appointed in April 2023)
Representative Director, Deputy President	Fumiaki Hayata	Secretarial Office, Human Resources Dept. Sales, marketing	Director, Subaru of America, Inc. (SOA)
Director, Executive Vice President	Katsuyuki Mizuma	CFO (Chief Financial Officer) CRMO (Chief Risk Management Officer) Finance & Accounting Dept.	Director, Subaru USA Holdings Inc. Director, Subaru of Indiana Automotive, Inc. (SIA) Director, Subaru of America, Inc. (SOA)
Director, Executive Vice President	Tetsuo Fujinuki	CTO (Chief Technology Officer) Engineering Division, Technical Research Center, CTO Strategy Office	Director, Subaru Tecnica International Inc.
Outside Directors (independent) [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Yasuyuki Abe	-	Outside Director, HOYA Corporation
Outside Directors (independent) [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Miwako Doi	-	Auditor, National Institute of Information and Communications Technology (part-time) Executive Vice President, Tohoku University (part-time) Executive Director, Nara Institute of Science and Technology (part-time) External Director, Isetan Mitsukoshi Holdings Ltd. Outside Director, NGK Spark Plug Co., Ltd.

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Title	Name	Main fields of responsibilities in the Company	(Significant Positions Concurrently Held)
Outside Directors (independent) [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Fuminao Hachiuma	-	Outside Director, Seven & i Holdings Co., Ltd. (appointed in May 2023) Outside Audit & Supervisory Board Member, YKK AP Inc. (appointed in June 2023)
Standing Corporate Auditor [Chairman of the Board of Corporate Auditors]	Yoichi Kato	-	-
Standing Corporate Auditor	Hiromi Tsutsumi	-	Corporate Auditor, Ichitan Co., Ltd. (retired in March 2024) Corporate Auditor, Tokyo Subaru Inc. (retired in March 2024)
Outside Corporate Auditors (independent)	Yuri Furusawa	-	Outside Audit & Supervisory Board Member, Kubota Corporation
Outside Corporate Auditors (independent)	Yasumasa Masuda	-	Outside Director, Chairman of the Audit Committee, Olympus Corporation

- Notes: 1. Directors Tetsuo Fujinuki and Fuminao Hachiuma and Corporate Auditor Yasumasa Masuda were elected and appointed at the 92nd Ordinary General Meeting of Shareholders held on June 21, 2023.
2. Directors Yasuyuki Abe, Miwako Doi, and Fuminao Hachiuma are outside directors as prescribed in Article 2, Item 15 of the Companies Act. The Company has no significant transaction with HOYA Corporation, for which Mr. Yasuyuki Abe concurrently serves as an outside director. The Company has no significant transaction with National Institute of Information and Communications Technology, for which Ms. Miwako Doi concurrently serves as auditor, Tohoku University, for which she concurrently serves as executive vice president, Nara Institute of Science and Technology, for which she concurrently serves as executive director, and Isetan Mitsukoshi Holdings Ltd. and NGK Spark Plug Co., Ltd., for which she concurrently serves as outside director. The Company has no significant transaction with Seven & i Holdings Co., Ltd., for which Mr. Fuminao Hachiuma concurrently serves as outside director, as well as YKK AP Inc., for which he concurrently serves as outside Audit & Supervisory Board member.
3. Corporate Auditors Yuri Furusawa and Yasumasa Masuda are outside statutory auditors as prescribed in Article 2, Item 16 of the Companies Act. The Company has no significant transaction with Kubota Corporation, for which Ms. Yuri Furusawa concurrently serves as outside audit and supervisory board member. The Company has no significant transaction with Olympus Corporation, for which Mr. Yasumasa Masuda concurrently serves as an outside director.
4. Corporate Auditor Yuri Furusawa has held key positions in the Ministry of Land, Infrastructure, Transport and Tourism, and has been involved in the promotion of workstyle reform, active participation by women and diversity in the Cabinet Secretariat, and has significant knowledge in these areas.
5. Corporate Auditor Yasumasa Masuda served as Senior Corporate Executive and CFO of Astellas Pharma Inc. and Independent Non-Executive of Deloitte Tohmatsu LLC, and has significant knowledge in finance and accounting.
6. The Company has reported Directors Yasuyuki Abe, Miwako Doi, and Fuminao Hachiuma as well as Corporate Auditors Yuri Furusawa and Yasumasa Masuda as independent officers to the Tokyo Stock Exchange. They meet the criteria for independence of outside officers set forth by the Tokyo Stock Exchange and the criteria for independence of outside officers set forth by the Company.

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7. Key responsibilities of the directors as of April 1, 2024 are shown below.

Title	Name	Main fields of responsibilities in the Company
Director, Chairman [Chairman of the Board] [Chairman of the Executive Nomination Meeting] [Chairman of the Executive Compensation Meeting]	Tomomi Nakamura	-
Representative Director, President [Member of the Executive Nomination Meeting] [Member of the Executive Compensation Meeting]	Atsushi Osaki	CEO (Chief Executive Officer)
Representative Director, Deputy President	Fumiaki Hayata	Secretarial Office, Human Resources Dept., sales, marketing, cost, procurement
Director, Executive Vice President	Katsuyuki Mizuma	CFO (Chief Financial Officer) CRMO (Chief Risk Management Officer) Finance & Accounting Dept.
Director, Executive Vice President	Tetsuo Fujinuki	CTO (Chief Technology Officer), Engineering Division, Technical Research Center, CTO Strategy Office

(2) Policy and Procedure for Determination of Compensation for Directors (the fiscal year under review [FYE2023])

[1] Matters Concerning the Policy for Determining Details of Compensation for Individual Directors

The Company deliberated and decided on the proposal of the policy for determining details of compensation for individual directors approved by the Executive Compensation Meeting at the Board of Directors meeting held on March 3, 2022. The Board of Directors has judged that the content of the compensations for individual directors for the fiscal year under review adhere to the decision policy, as the Executive Compensation Meeting has been delegated by the Board of Directors to decide the details of the compensations, and they have been decided after sufficient deliberations by the meeting members including outside directors.

Below is the summary of the decision policy regarding the content of compensation, etc. for individual directors.

1. Basic policy

As a basic policy, compensation for directors of the Company is determined in view of the following items:

- (1) Compensation is at a level commensurate with the roles and responsibilities of directors and is appropriate, fair, and balanced.
- (2) The compensation structure is determined by giving consideration to providing motivation for sustained improvement in corporate performance and corporate value and securing excellent human resources.

2. Composition of compensation

Compensation for Directors consists of base compensation, short-term performance-linked bonus, and compensation in restricted stock (for non-resident officers, phantom stock, instead of restricted stock). Compensations for outside directors and corporate auditors consist of base compensation alone taking into consideration their independent position and duties.

(1) Policy for the Fixed Monetary Compensation

Directors shall receive the Fixed Monetary Compensation monthly as basic compensation. The amount for individual directors shall be determined based on their positions, taking into consideration elements such as the business environment.

(2) Policy for Performance-linked Compensation

Directors, excluding Outside Directors, shall receive annual performance-linked bonus by cash at a certain time of the year. The specific amount is determined according to a compensation table by position prepared based on the consolidated profit before tax for the current fiscal year as a key performance indicator (KPI). In addition, in order to facilitate the achievement of the Group's medium- and long-term strategy targets, a portion of the restricted stock compensation to be granted as non-monetary compensation (see (3) below) will be set as Performance Share Units (PSUs), in which the number of shares granted is linked to the degree to which target business results are achieved. Consolidated return on equity (ROE), a key financial indicator in the mid-term strategy, as well as employee engagement as a non-financial indicator will be adopted as KPIs for PSUs. The Company will appropriately review the KPIs for annual performance-linked bonuses and PSUs based on changes in the environment and reports from the Executive Compensation Meeting.

(3) Policy for Non-monetary Compensation

The Company grants restricted stock units to Directors (excluding Outside Directors) for the purpose of providing them an incentive for sustained improvement of the Company's corporate value and further value sharing with the shareholders. A portion of the restricted stock compensation shall be granted as fixed compensation and the remainder as variable compensation, both of which shall be prohibited from being transferred during the term of office and the restriction on transfer shall be lifted upon retirement. Restricted stock compensation in the form of fixed compensation (RS) shall be granted as shares of the Company's common stock that are equivalent to a standard amount determined by taking into consideration the Company's business performance, the scope of each Director's responsibilities, and various other circumstances at a certain time of the year. At a certain time of the year, the Company shall grant restricted stock compensation in the form of fixed compensation (PSU) in a number of units (1 unit = 1 share) that are equivalent to a standard amount determined by taking into consideration the Company's performance, the scope of each Director's responsibilities, and various other circumstances. After the evaluation period (the single fiscal year that includes the date on which units are granted), shares of the Company's common stock shall be granted in a number calculated by multiplying the number of units by a payment ratio (50% to 100%) that is determined in conjunction with the degree to which the target business performance indicators have been achieved.

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The total number of shares of the Company’s common stock to be allocated to Directors as restricted stock compensation as part of RS and PSUs shall be limited to 150,000 shares per year. In addition, the Company and Directors shall enter into a restricted stock allotment agreement that includes an overview and provisions that state (1) Directors shall not, for a set period of time period during his/her term of office as an officer of the Company, transfer, create a security interest on, or otherwise dispose of the shares of the Company’s common stock that have been allotted to them, and (2) the Company may acquire the said shares of its common stock without compensation if certain events occur.

3. Policy for determining the proportion of the Fixed Monetary Compensation, performance-linked compensation, and non-monetary compensation to the total amount of compensation, etc. for individual directors

The Company shall appropriately determine the proportion of compensation by type of directors excluding outside directors in reference to the compensation levels and compensation mix of companies of a similar scale to the Company or industry peers obtained through an external research company, and in consideration of factors such as the Company’s overall salary level and social situations. The following proportions are generally used as rough standards (for performance-linked compensation, the proportions are those of the base amount).

	Breakdown				Rate	
	Basic compensation	Annual performance-linked bonuses	Restricted stock compensation		President	Directors other than the President
			PSU	RS		
Fixed Monetary Compensation	●				45%	50%
Performance-linked Compensation		●	●		45%*1	40%*2
Non-monetary Compensation			●	●	25%*1	20%*2

The Company shall appropriately review the compensation level and compensation mix in consideration of the Company’s business environment, as well as the situation of companies of a similar scale to the Company or industry peers, and other circumstances based on reports from the Executive Compensation Meeting.

4. Matters regarding decision of compensations

The Executive Compensation Meeting, by a resolution of and upon delegation by the Board of Directors, determines specific amounts of compensation, etc. of individual directors, following sufficient deliberation by its members including outside directors. Its authorities include the determination of specific amounts of basic compensation, annual performance-linked bonuses, and restricted stock compensation (includes phantom stock), and their payment schedule. With regard to revisions of the compensation system and other matters pertaining to compensation overall, proposals approved by the Executive Compensation Meeting are deliberated and decided on by the Board of Directors. The total amount of compensation for individual directors and the levels of each compensation item are set depending on their responsibilities, and whether he or she is an internal or outside director, by utilizing research data compiled by outside specialized agencies. To ensure transparency and effectiveness of the executive compensation determination process, the Executive Compensation Meeting shall, by a resolution of the Board of Directors, be structured so that the majority of its members are outside directors, and its chairman shall be appointed by a resolution of the Board of Directors.

*1. Each of the performance-based compensation (45%) and non-monetary compensation (25%) includes restricted stock unit compensation (PSU) (15%).

*2. Each of the performance-based compensation (40%) and non-monetary compensation (20%) includes restricted stock unit compensation (PSU) (10%).

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[2] Matters concerning the resolutions of the General Meetings of Shareholders on compensation, etc. for directors and corporate auditors

By a resolution passed at the 85th Ordinary General Meeting of Shareholders, held on June 28, 2016, the maximum total amount of annual compensation, etc., for directors is 1.2 billion yen (including 200 million yen for outside directors). The number of directors was eight (including two outside directors) at the end of the meeting. By a resolution passed at the 91st Ordinary General Meeting of Shareholders on June 22, 2022, the total amount of monetary compensation related to restricted stock units is required to be within the above maximum total and up to 200 million yen annually. The number of directors (excluding outside directors and non-resident directors) pertaining to the provisions of the said resolution was five.

By a resolution passed at the 75th Ordinary General Meeting of Shareholders, held on June 27, 2006, the maximum total amount of annual compensation, etc., for corporate auditors is 100 million yen. The number of corporate auditors was four at the end of the meeting.

[3] Status of the activities of Executive Compensation Meeting

The Company has set up an Executive Compensation Meeting, a voluntary committee, in order to enhance the effective governance structure based on the existing organizational design (the details of its authority are described in the above [1] 4). To ensure transparency and effectiveness of the executive compensation determination process, the Executive Compensation Meeting shall, by a resolution of the Board of Directors, be structured so that the majority of its members are outside directors, and its chairman shall be appointed by a resolution of the Board of Directors.

The Executive Compensation Meeting in the fiscal period under review comprised of three outside directors (Yasuyuki Abe, Miwako Doi, and Fuminao Hachiuma) and two internal directors (Tomomi Nakamura and Atsushi Osaki) and Tomomi Nakamura served as its chair.

The Executive Compensation Meetings were held eight times in the fiscal period under review. The body submitted a report on a proposed revision to a policy for determining the directors' compensation system and the content of their individual compensations, etc. and discussed the level of compensation for officers utilizing data from external research. It also made decisions on matters such as performance-linked bonus amount for directors (except for outside directors) based on performance evaluation and individual standard amounts regarding restricted stock units.

[4] Total Compensation for Directors and Corporate Auditors for the Fiscal Period

Category		Total compensation (millions of yen)				
		Basic compensation (paid in fixed monthly installments)	Short-term performance-linked bonuses	Restricted stock compensation		
				PSU	RS	
Directors (11)	Inside directors (7)	213	244	69	65	591
	Outside directors (4)	38	-	-	-	38
Corporate auditors (6)	Inside corporate auditors (2)	63	-	-	-	63
	Outside corporate auditors (4)	26	-	-	-	26
Total (17)		340	244	69	65	718

- Notes: 1. Figures in the above table include two internal directors and an outside director, and two outside corporate auditors who resigned before the last day of the fiscal period under review. At the end of the period, there were eight directors, including three outside directors, and four corporate auditors, including two outside corporate auditors.
2. The total amount of the above indicates the amount recorded as an expense at the end of the period and includes undetermined compensation (phantom stock granted to non-residents, PSU, etc.).
3. The amounts of phantom stock and PSU were calculated using the closing price of the shares in the Company's common stock on Prime Market of the Tokyo Stock Exchange on March 31, 2024. When they are granted in reality, the Company will apply the share price as of the issuance.

[Translation for Reference and Convenience Purposes Only]

[5] Matters regarding performance-linked remuneration

The table below shows the results of key performance indicators (KPIs) used to calculate the annual performance-linked bonus amounts and the number of PSUs granted corresponding to the financial results for the fiscal year under review (the calculation method is described in the above [1] 2 (2)).

The Company decides the annual performance-linked bonuses for individual directors based on the consolidated profit before tax by setting a compensation table in which the higher his/her position is, the more closely his/her compensation is linked to annual performance.

In addition, in order to facilitate the achievement of the Group's medium- and long-term strategy targets, the Company has adopted the Performance Share Units (PSU), in which the number of shares granted is linked to the degree of achievement of the targets for key financial indicator (ROE) and non-financial indicator (employee engagement), for a portion of the restricted stock compensation to be granted as non-monetary compensation. Annual performance-linked bonuses and restricted stock compensation are not granted to outside directors in view of their roles of fulfilling monitoring and oversight functions of corporate management from an independent position.

Performance indicators	Results
Consolidated profit before tax	532.6 billion yen
ROE	16.5%
Employee engagement indicator improvement points	-11 points

[6] Details of non-monetary compensation

Details of Restricted Stock Compensation Plan and the grant status of the restricted stock units are provided in “(5) Status of the Company's shares granted to directors as consideration for the execution of duties in the fiscal period under review (p.13),” “3. Information on Shares Issued by the Company,” of Matters Omitted in the Documents Accompanying the Notice of Convocation of the 93rd Ordinary General Meeting of Shareholders and the above [1] 2 (3).