



| Electrification Plan Status

SUBARU CORPORATION
Atsushi Osaki, Director, Executive Vice President

May 11th, 2023

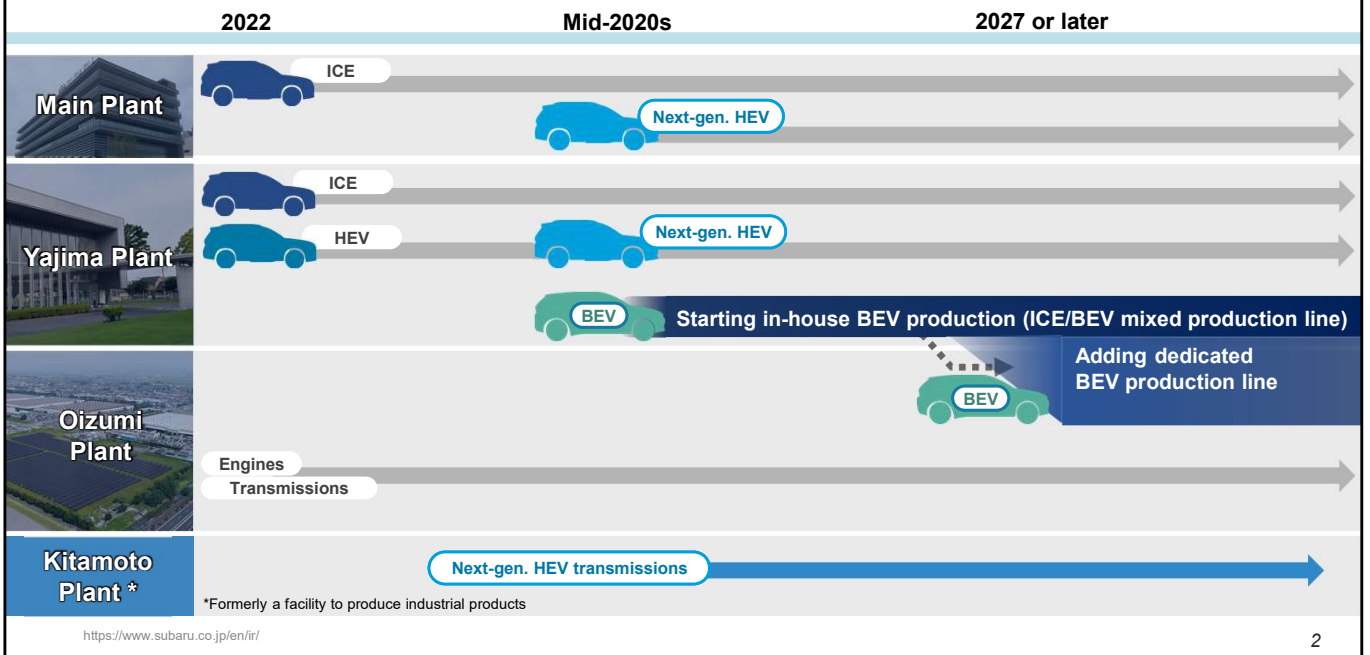
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Hello everyone, this is Atsushi Osaki.

Following the approval of our General Meeting of Shareholders on June 21, I will assume the position of Representative Director and President of Subaru Corporation. As the new management team will soon be in place, we are advancing discussions on Subaru's future initiatives within our new management, including Mr. Hayata, who will assume the position of Deputy President after the June General Meeting, as well as the next generation of leaders.

While I intend to share the details of these discussions with you at an appropriate time, today I would like to give you a brief update on our electrification plan, including the progress of the domestic production reorganization that we announced last May.

Strategic reorganization of domestic production (Announced in May 2022)



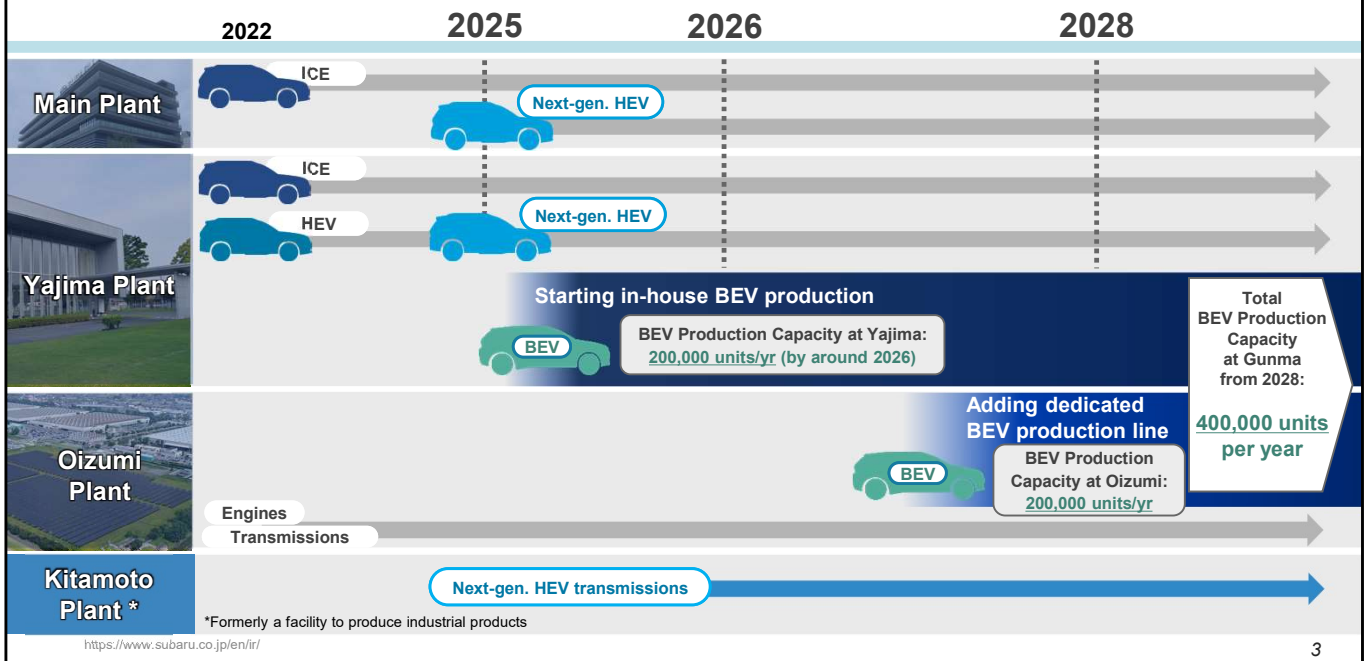
First, here is a review of the announcement we made a year ago.

In May last year, under the title "Strategic Reorganization of Domestic Production," we outlined our plans for three plants in Gunma.

The first is the launch of the Kitamoto Plant in the mid-2020s to produce transmissions for next-generation HEV models using Toyota Hybrid System (THS) technology. The second is to start in-house production of BEVs at the Yajima Plant around 2025. The third is to establish a dedicated BEV production line at the Oizumi Plant in 2027 or later.

I would like to give you a brief update on the progress of these plans.

Strategic reorganization of domestic production - Update



There are two updates to our domestic production plan.

The first is the production start year for the next-generation HEVs.

While we said the launch would be in the mid-2020s at the time of last year's announcement, we have now set the start of production at 2025 and are moving forward with our preparations.

The second is related to our in-house BEV production, which is scheduled to start at the Yajima Plant around 2025.

We are preparing to increase the annual production capacity of BEVs at the Yajima Plant from the originally planned 100,000 units to 200,000 units by around 2026 by establishing a production management system that will allow us to adjust BEV production volume to respond more flexibly to regulations and market trends.

Adding the annual BEV production capacity of 200,000 units at the Oizumi Plant, the total BEV production capacity at the Gunma Plant is expected to be 400,000 units per year from 2028.

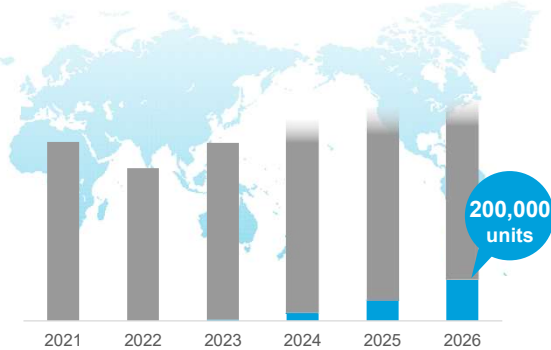
The series of production reorganizations we have announced since last year are aimed at building a production structure that can flexibly change the production ratio of BEVs, HEVs and ICE vehicles while keeping a close eye on regulations and market trends.

At the same time, it is also important to be able to quickly shift to "expansion" when we have a clearer view of future prospects.

With this concept of "flexibility and expandability" at the core, we intend to navigate through these challenging times.

Global BEV Sales

Aim for global sales of 200,000 BEVs in 2026



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Battery Procurement

Procure batteries globally through alliance with Toyota Motor Corporation



Next, I would like to talk about our BEV sales volume and battery procurement.

In terms of sales volume, we aim to sell 200,000 BEVs globally in 2026.

On battery procurement, which is key to vehicle electrification and the expansion of our BEV production, we are procuring batteries globally through our alliance with Toyota in line with our original policy.

A total of four SUV models are planned for the BEV lineup **by the end of 2026.**



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Finally, on our BEV lineup.

We currently have our first global BEV on the market, the Solterra, which we co-developed with Toyota.

In addition to the Solterra, we plan to introduce three new BEV models.

As a result, we will have a total of four BEV models by the end of 2026 to achieve our goal of global BEV sales of 200,000 units.

The three new BEVs will be introduced in the SUV segment, further strengthening Subaru's SUV lineup.

I would like to discuss these new models in more detail at another time.

This concludes my remarks and updates on the progress of our electrification roadmap.

As I said at the beginning, I would like to have another opportunity to talk to you about our future initiatives that are currently under discussion.

Thank you very much for your time today.