

Messages from the Outside Directors



Outside Director
Yoshinori Komamura

My Role as an Outside Director

I think that the role of outside directors is to actively speak out and participate in decisions at Board of Directors' meetings from an outside, independent position unconstrained by internal company logic, implicit knowledge, or personal relationships. I base my thinking as an outside director on maximization of the interests and value of all SUBARU stakeholders (customers, employees, partner companies, dealers, shareholders and investors, and local communities). Furthermore, the outside and inside directors are not in an oppositional relationship. Rather, although our approach differs due to differences in position, experience, and knowledge, we share the same goal of enhancing SUBARU's corporate value and aiming for sustained growth.

Thoughts as an Outside Director on what is Necessary to be "a Company that does the Right Thing in the Right Way"

I think that SUBARU deserves praise for having rapidly increased sales from the onetrillion yen to the three-trillion yen level in the short period of the past few years. On the other hand, to maintain continuity as a three-trillion yen company, SUBARU must not only be able to sustain business performance but also to think and act in a way appropriate to its social position. A high level of awareness of safety, the environment, compliance, and governance will increasingly be necessary in addition to maximization of sales and profits.

I think that as SUBARU aims to achieve further quantitative and qualitative growth into the future, it must meet and exceed higher standards of responsibility.

How Discussion and Advice Take Place at Board of Directors' Meetings

I am convinced that SUBARU's Board of Directors must rank near the top among Japan companies in the number of comments by outside directors at Board meetings. That SUBARU's top management has the flexibility to listen to outside opinions and the strength to heed them is cause for great pride, and I have deep respect for the executive team.

It is only natural that SUBARU, a company with an overseas sales ratio exceeding 85% and a foreign shareholding percentage exceeding 30%, pursues globally high standards of value. I hope to engage in more in-depth discussion at Board meetings going forward.

What is Required for Sustained Corporate Value Enhancement

From the viewpoint of all stakeholders, including customers, the SUBARU brand consists of trust and confidence in SUBARU. I think that from SUBARU's perspective, the brand may consist of a promise from SUBARU to its stakeholders. It is often said that although it takes decades to win trust and confidence, they can be lost overnight. For SUBARU to continue to win the trust and confidence of stakeholders, I think it is necessary to draw a sharper distinction between what to preserve and what to change in step with changes in the world and business scale expansion. Personally, I think what should be preserved is an insatiable spirit of inquiry with respect to advanced technology development and the earnestness to face customers sincerely, and what should be changed is to undertake a transformation of awareness as a company that has grown from one trillion yen to three trillion yen.

In my role as an outside director, I want to contribute to the best of my ability to SUBARU's evolution to the next operational level together with the inside directors, executive officers, and employees.



Outside Director
Shigehiro Aoyama

My Role as an Outside Director

The outside directors are expected to engage in management oversight, provide multifaceted advice on improving business performance, and express their views on scandal prevention and risk avoidance. We must also make judgments from the perspective of customers, shareholders, and other external stakeholders and perform the role of reforming a corporate culture that has become entrenched in internal logic. The recent repeated improprieties indicate the necessity of transforming a corporate culture that was incapable of restraining internal logic that had been repeated over many years. In my role as an outside director, I will strive to ensure that such incidents never happen again.

Thoughts as an Outside Director on what is Necessary to be "a Company that does the Right Thing in the Right Way"

I consider high quality to be the key factor influencing the value of SUBARU's corporate brand. However, there is risk of confidence in quality leading to overconfidence. Times change, and to continue to create the quality that is SUBARU's core competence, the Company must constantly refine and perfect that quality and also add transformation of manufacturing processes. Of particular importance, a compliance perspective is essential in business management today. Work-style innovation isn't only a matter of working hours and work-life balance. It also involves inculcating ways of working imbued with the spirit of compliance required in this day and age. That is a necessary condition for SUBARU to be "a company that does the right thing in the right way."

How Discussion and Advice Take Place at Board of Directors' Meetings

Frank discussion takes place. The outside directors are provided many opportunities to speak, and the meeting management of the chairman of the Board of Directors is excellent. The outside directors actively express their opinions to promote a governance system aligned with current global standards.

However, I think further effort is required to ensure that our opinions fully mesh with those of the directors in charge of business execution. That is to say, since there is a tendency for discussion at SUBARU to disproportionately emphasize individual optimization, I would like discussion to extend to total optimization of business.

What is Required for Sustained Corporate Value Enhancement

For corporations today, there can be no growth without consideration of sustained value enhancement. Although enhancement of financial value is essential, companies must also consider non-financial value from an environmental, social and governance (ESG) perspective. SUBARU must implement environmental measures including a response to emissions regulations, must respond to social needs such as automobile safety and security, and, in the area of governance, must develop an organizational structure to implement these initiatives. This will contribute to enhancing the value of the SUBARU brand. A sense of urgency and alacrity is necessary for accomplishing this, and I hope to see a higher level of innovation from a management structure capable of pursuing sustained growth for SUBARU.