



Message from the President

Raising the quality of Corporate management with the Aim of maintaining social trust

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Unifying the Corporate Name and the Brand Name to Continue Fulfilling Social Trust

In order for FHI, which is a smaller automaker, to survive in this market, it is indispensable for us to focus our business resources on specific markets and products, while clearly standing apart from other companies. This strategy of “differentiation” forms the core of our business strategy and is the principle behind our concept of “prominence,” which is the key word in the title of our mid-term management vision.

The concept is not simply prominence with respect to other companies; it is our aim for “Subaru to have a prominent presence in the minds of our customers.” This objective does not stop where the slogan ends. Each and every member of our divisions is called upon to thoroughly consider what it means to be “prominent in the minds of our customers” and how to implement that in their work.

An approach to this is embodied in our efforts to focus on the two key activities of “Enhancing the Subaru brand” and “Building a strong business structure.” In order to enhance the Subaru brand to be prominent in the hearts and minds of our customers, we must continue to stay one step ahead of other companies with respect to our greatest strengths: safety features and drivability. Also, in order to increase our market competitiveness and continue to meet the expectations of our customers, it is absolutely necessary to take cost reductions to a new level, push operating efficiencies forward, and strengthen our business platform. With business results as favorable as they are, now is the very time for all FHI employees to redouble our efforts and continue to have a positive sense of urgency and even anxiety as we work to further strengthen our brand and our business competitiveness.

To embody the significance of this, it has been decided to unify the brand name and the corporate name. With the approval of the 2016 General Meeting of Shareholders, we will change the name of Fuji Heavy Industries, Ltd. to SUBARU CORPORATION in April 2017. In fact, we have been hoping to adopt the corporate name SUBARU, which is what we are affectionately called by many of our customers, particularly in Japan and the U.S., since the drafting of the Mid-Term Management Plan.

Many of our employees are attached to “Fuji Heavy Industries,” and there are some concerns around the unification of the brand name and the corporate name. Any accidents could have a serious impact on undermining the brand. Nevertheless, and including cases involving these kinds of issues, the entire company will be united in treasuring our brand. We want all our employees to share a resolve to take responsibility for the Subaru brand with no going back. The value of our brand is nurtured not only through our products but through all of our business activities from customer service through sales activities, servicing and other aspects. Every single employee must raise his or her awareness of this in order for FHI to continue to be trusted by society.

Raising Every Quality of Corporate Management

Every employee taking responsibility for the brand means that it is essential to maintain the quality of vehicles and service at a high level. Even if vehicles are equipped with world class safety performance, they cannot deliver “Enjoyment and Peace of Mind” to customers if they lack quality. Although operation at close to full capacity has become normal at each of our production sites in recent years amid sustained healthy sales, particularly in North America, we must be absolutely certain that quality control does not suffer from rushing production too much. Therefore, we have called on production divisions to make sure that they shut down production lines when they are not one hundred percent confident of quality.

Meanwhile, we have been concentrating efforts on strengthening corporate governance as one of our initiatives to raise the quality of management. Starting in FY2017, we are having all 12 members of the Board of Directors, including corporate auditors, prepare self-assessments of the Board of Directors. The Board of Directors also receives strictly dispassionate opinions from the outside directors to share issues in addition to actively striving to resolve them.

We are also continuing to foster the next-generation leaders who are essential to the strong corporate vitality of FHI and to promote diversity. Since April 2015, a career-long FHI female executive has served as director of the Human Resources Department, which is in charge of the Diversity Promotion Office. As we continue into the future, we hope to actively promote excellent human capital regardless of age, gender, or nationality, so that we will be able to grow as an organization with an even higher level of active employee involvement.

Aiming to be “A Compelling Company with Strong Market Presence” —while our company name may be changing, our management philosophy will not. We will raise every quality of corporate management with the aim of continuing to be a company that has the constant support and trust of our many stakeholders. Thank you for your ongoing support and feedback going forward.

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Yasuyuki Yoshinaga
Representative Director of the Board, President and CEO

