

FHI to Integrate Industrial Products Company with Subaru Automotive Business - Concentrating Development Resources to Enhance Automotive Business Competitiveness -

Tokyo, May 12, 2016 – Fuji Heavy Industries Ltd. (FHI), the manufacturer of Subaru automobiles, resolved at an extraordinary meeting of its Board of Directors held today to integrate its Industrial Products Company with the Subaru automotive business with effect from October 1, 2016. The purpose of this shift is to enhance the competitiveness of FHI's core automotive business by utilizing management resources more effectively and flexibly, with an aim to achieve sustainable growth in the future.

As a result of this business integration decision, the industrial products business will be turned from an in-house company to a part of the Subaru automotive business. Manufacture, sales and service of existing industrial products will continue for the time being, but development projects will be ceased so that resources including development personnel can gradually be reassigned to the automotive business.

In the "Prominence 2020" mid-term management vision announced in May 2014, FHI sets "Enhancing the Subaru brand" as one of its primary goals. As FHI recognizes reinforcing development resource in the automotive business as a key initiative for accelerating efforts to achieve this goal, the decision has been made to optimize company-wide allocation of management resources.

FHI will proceed to develop detailed plans for the shift.

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