



Message from the President

Promoting a strategy of thorough differentiation as we strive to realize sustainable growth as a compelling company with strong market presence.

Yasuyuki Yoshinaga

Representative Director of the Board,
President and CEO

Becoming a “Prominent” Presence in the Minds of Our Customers

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 guiding us to stand above the crowd. The concept is not simply prominence with respect to other companies; the simple word encapsulates our aim for “Subaru to have a prominent presence in the minds of our customers,” which makes it a very high hurdle indeed. 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.

A specific 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 for 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.

Striving to Train Candidates for Next-Generation Leaders and Support Active Participation by Women

Needless to say, it is important to continually train employees who will be potential candidates for next-generation leaders, and to also ensure smooth transitions from one leadership generation to the next, so that our business can realize sustainable growth. Consequently, FHI will foster not just one or two employees, but a sizeable group, whose members are candidates for next-generation leaders, while we select exceptional employees from the ranks of middle managers to assume executive roles so that the management can stay fresh and nimble. One link in this approach is to actively implement job rotation across divisions for mid-career employees and middle managers, where they are moved from domestic positions to overseas positions, or from technical positions to sales positions, and so on. We are striving to train a team of employees with a broad range of work skills and business instincts.

Moreover, in order for our Company to maintain a robust level of business going forward, diversity promotion, in addition to our training of next-generation leaders, is indispensable. FHI established a Diversity Promotion Office in 2014 and is chiefly devoting effort to establishing an environment supportive of female employees' contribution to the company, while also providing training support for female managers. Also, 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.

Focusing on Appropriate Information Disclosure and Further Enhancing Transparency in Management

FHI has followed a practice of appointing professionals and experts with business experience as outside directors and auditors, and accepting valuable advice and instruction from external perspectives. Going forward, we will implement measures, including increasing our number of outside directors and auditors, to strive to more conscientiously incorporate outside opinions and community input in our business decisions. Additionally, we will devote effort to prompt and appropriate information disclosure and further business transparency following the content of each provision of the Tokyo Stock Exchange's Corporate Governance Code taking effect from June 1, 2015.

At present, we are putting particular effort into more extreme quality control as one of our thematic focuses regarding governance and CSR management. Amid continuing robust sales, each of our production sites has been operating at near-maximum capacity in recent years. However, it is absolutely inexcusable for quality control to suffer as production excels. Our Production units are being made thoroughly aware of their responsibility to stop the line if they are not absolutely confident in the quality of products.

Securing High Ranking Profitability in Industry While Aiming for Sustained Growth

Aiming to be "A Compelling Company with Strong Market Presence" - that is the management philosophy of FHI. In order to realize this goal, we will continue to follow our "Customers Come First" principle, demonstrate thorough and reliable automobile development and manufacturing, and deliver enjoyment and peace of mind to customers. At the same time, we will continue to earn the trust of our stakeholders by bringing about sustainable growth while securing our industry-leading high operating margin. Thank you for your ongoing support and feedback going forward.

July 2015



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