



Special Feature: Becoming a Company That Truly Does the Right Thing in the Right Way

Corporation-wide Efforts to Build a Company That Does the Right Thing in the Right Way

Subaru takes very seriously the fact that our final vehicle inspections and measurement of fuel economy and emissions were carried out improperly. Accordingly, we at Subaru are promoting activities aimed at becoming a company that does the right thing in the right way, in an effort to regain the trust of our customers by shaking up our corporate culture.

Our new mid-term management vision STEP, which was published in July 2018, establishes reforms of our corporate culture as a priority theme under the slogan “Change the Culture,” making a commitment to accelerate efforts to become “a company that does the right thing in the right way” and to make continuous efforts aimed at corporate culture reforms. We do not view the recent cases of improper conduct as a problem limited to our manufacturing sites. Rather, Subaru does not view the recent cases of improper conduct as a problem limited to our manufacturing sites. Rather, Subaru regards them as an issue arising from the corporate climate as a whole and are engaged in sincere efforts that involve the entire company.

Chairman’s Message

We are fully committed to promoting reforms of our corporate culture to transform Subaru into a company that truly does the right thing in the right way.

Overview of my time as president

I stepped down from the roles of president and CEO at the shareholders’ meeting in June 2018.

Ever since I was appointed president in June 2011, I have thought that, with just a 1% market share of the global automotive industry, our company will not be able to survive in an environment of fierce competition unless we adopt tactics suitable for a smaller company. I believed that the only way to achieve sustainable growth was by pursuing thorough differentiation and adding value that our customers would find attractive.



Yasuyuki Yoshinaga
Director of the Board and
Chairman

Rather than pursuing business expansion in every market with a full range of models, we devoted the company's limited management resources to specific fields and markets where Subaru could truly demonstrate its strengths. As a result, we won many customers in North America in particular and saw substantial growth in the number of vehicles sold worldwide and our overall business performance, thereby increasing our corporate value.

On the other hand, I feel that our fundamental strength as a company failed to keep pace with this rapid growth, as we saw a rise in quality issues, besides the recent cases of improper conduct.

From here onward, I will leave the practical management of Subaru to Mr. Nakamura, the new president, while I devote myself entirely to compliance and reforming the corporate culture.

Becoming a company that truly does the right thing in the right way

I would like to offer my sincerest apologies for the concern and trouble caused to our customers and all other stakeholders as a result of the improper conduct of the final vehicle inspection process at our Gunma Manufacturing Division.

To promote reforms of the corporate culture, which was one factor contributing to these improprieties, Subaru established the "Tadashii-Kaisha" Promotion Department (Tadashii-Kaisha: A company doing the right thing in the right way) and the Compliance Office in April 2018. The "Tadashii-Kaisha" Promotion Department plans and promotes company-wide efforts and activities that will lead to building a company that is trusted even more deeply by customers and society, implements measures to prevent recurrence of similar incidents, and works exhaustively to resolve fundamental issues. The Compliance Office plans and promotes activities that will further strengthen company-wide initiatives focused on compliance with laws and regulations, as well as transforming attitudes to compliance among all employees.

Aiming for sustained improvements in corporate value

I believe that achieving sustained improvements in the Subaru Group's corporate value means increasing added value. The key to this lies in how Subaru increases the appeal of the Subaru brand. Subaru's brand power has increased substantially in recent years. However, further effort will be required to cultivate our fundamental corporate strength and evolve into a brand trusted by all. Subaru will ensure that the whole company works together on steady grassroots activities aimed at creating a solid footing for the future under the new management structure. Subaru hopes that you will continue to support Subaru.

› [Cases of Improper Conduct of Final Vehicle Inspections and Measurement of Fuel Economy and Emissions](#)

Our Ambition

Subaru aims to become a company that does the right thing in the right way, which is trusted by customers, society, and employees alike. Three things are essential to achieving this: engaging in the right business, the right operations and the right actions in the right way; ensuring that our activities as a company are accepted and supported by society; and enabling all employees to feel pride in their work and to grow. Through these activities, Subaru will turn the corporate culture into one in which each and every individual can readily and cheerfully speak their mind. The “Tadashii-Kaisha” Promotion Department and Compliance Office established in April 2018 are currently taking the lead in promoting specific company-wide activities to this end.

Details of Activities

1 Simultaneous Company-wide General Self-inspection

Marking the launch of activities aimed at becoming a company that does the right thing in the right way, Subaru carried out a simultaneous company-wide general self-inspection to fully lance the boil within the company and ensure that what happened in the past is never repeated. All employees stopped to check whether there were any questionable aspects of their working environment or duties and discussed improvement measures with the other members of the workplace. They are now working on measures aimed at achieving specific improvements. The management team is involved in discussing issues that are difficult for a single workplace to resolve and company-wide issues, and is working to achieve improvements in these areas.



Purchasing Division



Product & Portfolio Planning Division



Parts & Accessories Division



Aerospace Company

2 Periodic Publication of the “Doing the Right Thing in the Right Way” Newsletter

Every month, Subaru publishes a newsletter entitled “Doing the Right Thing in the Right Way” as a supplement to the company’s general in-house magazine “Shuho,” with the aim of promoting awareness and understanding of activities aimed at all employees, sharing information throughout the company, and invigorating and increasing the visibility of activities. Each department utilizes this newsletter in its efforts to achieve improvements, including using it as a trigger for discussion in the workplace.



Photo: “Doing the Right Thing in the Right Way” (covers of Vols. 1-5)

3 Making Effective Use of the Employee Attitudes Survey

Subaru conducts an employee attitudes survey among all regular employees, with the aim of becoming a company that offers greater job satisfaction and a more pleasant working environment. In FY2019, Subaru introduced questions about such matters as changes in the workplace environment through activities aimed at becoming a company that does the right thing in the right way, and the extent to which knowledge and consciousness of compliance has become firmly established, thereby operating the PDCA cycle for company-wide activities.

4 Enhancing Compliance Training

Along with our existing training programs, in FY2019, Subaru carried out Compliance Awareness Training for managers, including those from group companies, with a view to further strengthening knowledge and consciousness of compliance. Training sessions aimed at mid-ranking staff were led by the executives themselves, who talked about the importance of compliance.

Publication of “Compliance Manual: Compliance Essentials”

To foster an awareness and understanding of compliance, Subaru published “Compliance Manual: Compliance Essentials,” which features content that all employees can fully understand. Subaru has distributed “Compliance Essentials” to all employees, including those of group companies.

Making Greater Use of the Compliance Hotline

While promoting efforts to foster a corporate culture in which each and every individual can readily and cheerfully speak their mind, Subaru is working to promote greater use of the Compliance Hotline. This is a mechanism that enables staff to speak up in cases where they have difficulty in approaching a more senior staff member directly.

To make this mechanism more user-friendly for all workers, Subaru changed the name of this external helpline to the Staff Compliance Advice Line in September 2018. Subaru plans to remind all staff of this service by updating the quick reference guides and posters, and also by posting the information on the company’s intranet screen.

For details of compliance systems and activities in general, please refer to the [Compliance page](#).