

Together with Suppliers

Deepening the Cooperation with Suppliers, SUBARU will Grow Up with Them Together.

Basic Concept

SUBARU intends to procure parts, materials and equipment that are of high quality, environment-friendly and competitively priced, which will contribute to the realization of our corporate philosophy. To have such procurement possible, we think it is important to establish solid relationships with suppliers, trusting and learning from each other on an equal footing for prosperous co-existence.

Relationship with Suppliers

■ Fundamental Procurement policy

SUBARU has been promoting procurement activities under the following basic thoughts.

1) Compliance & Green Procurement

We will engage in procurement activities in a way to harmonize the man, society and environment and conduct transactions paying due care to observe legal and societal rules and to protect the environment.

2) Establish Best Partnership

We will establish “win-win” relationships with suppliers through transactions based on mutual trust under the doctrine of good faith.

3) Fair and Open Way of Selecting Suppliers

In selecting suppliers, the door will be wide-open to all firms, domestic and overseas, for fair and equitable business to procure goods and services most excellent from six perspectives: quality, cost, delivery, technical development, management and environment.

Promoting Fair-Trade

We have been working to faithfully observe laws and regulations related to the procurement business such as Anti-Monopoly Act and Act against Delay in Payment of Subcontract Proceeds, Etc, to Subcontractors. We also are promoting programs for fair business transactions along” the Fair Trade Guidelines of the Automotive Industry” that was announced by Ministry of Economy, Trade and Industry in June, 2007. As a part of the promotion, consultation service is provided to suppliers in our supply chains.

The Green Procurement Guideline

In 2000, we mapped out a green procurement guideline to be used for transactions thereafter, but in June, 2008, it was revised to meet the most recent environment-related legal requirements and social needs. On that occasion, we expanded the scope of its application. We would count on understanding and cooperation of people concerned in green procurement and our efforts to amalgamate the SUBARU identity and the global environment.



The Green Procurement Guideline



Please visit our website as for “Fair trade consultation service for suppliers” and “Green Procurement Guideline”.

<http://www.fhi.co.jp/csr/mecenas/supplier.html> [Japanese only]

Two-way Communication with Shareholders

Basic Concept

SUBARU is trying hard to have our shareholders deepen their understanding of Fuji Heavy Industries through positive information disclosure to them.

Together with Shareholders

Positive Information Disclosure to Shareholders and Investors

In our website we provide the special page “Investor Relations” for Shareholders and Investors, to introduce our latest IR information. At present, more than 560 people registered for free IR mail service which provides the updated IR-related information such as financial statement reporting. The IR site for access by mobile is also open.

Our IR site was chosen as “the Best Company by Industry” (out of about 2,000 companies surveyed) for two consecutive years in the 2008 Internet IR by Daiwa Investor Relations Co., Ltd. and was also ranked 10th (out of about 4,000 companies surveyed) by Gomez Consulting Co., Ltd. in Gomez IR Site Total Ranking.



For our latest IR information, please visit our website.

<http://www.fhi.co.jp/english/ir/index.html>



Financial Report



Our website IR page

Staging Plant Tours for Individual Shareholders

We have been holding plant tours for shareholders once a year. The plant tour is intended to provide shareholders with opportunities to see on-site operations for their understanding of our corporate policy and daily production activities.

After the plant tour, there is some time set aside for questions and answers to hear their views. We expect that they would communicate with our officers at the meeting and their opinions will be reviewed and reflected in various improvements.

Comments in Questionnaire by Shareholders who Joined in the Plant Tour.

- I have been a fan of the SUBARU brand for the past 46 years. It was my dream to visit the SUBARU plant. I was moved and felt it's beautiful. Thank you.
- As I expected it's clean and fine, the plant was kept tidy well.
- Even a female like me, it was understandable and valuable.
- I was surprised at their Mixture manufacturing.
- I was disappointed that we couldn't see their processes slowly except from some explanation places.
- I hope them to explain the works by points with Panel board during the Plant Line tour.



Visitor Center Tour



The explanatory meeting by our managements.

Together with Employee

Creating Better Working Environment for Each Employee

Basic Concept

SUBARU are making efforts to innovate the corporate culture aiming at “a creative group with open generosity and aggressiveness”. Having an aspiration to become the energetic organization with rich originalities, we are establishing the system not only for wages but also considering each carrier plans and training system, and moreover, the system which employee can challenge more than before.

Human Resource Development

Enhancing Support for “Self-Development with challenging spirit”

SUBARU is enhancing support for our ideal talents who are “Self-Development with challenging spirit”, through bringing up those who can identify an issue by themselves and find a solution to get what are sought after.

- We have introduced a problem-solution oriented curriculum in the training program for rank-and-file employees.
- We will modify the training program for managerial people to enhance their level by boosting their leadership and management awareness.
- We are supporting employees to stimulate their self-motivation to improve their abilities in our efforts to nurture a “culture oriented to human resources development”.

Supporting life balanced between work and home

Issue the “Maternal Leave and Child-care Leave Handbook”

We believe that developing fully each employee’s potential requires supporting

them to have both work and home properly balanced, and for that matter it is important to improve their working environment. Specifically, a child-care leave system which allows extension of leave until the third birthday of a child, and another system for short working hours until the child reaches its school age were introduced to improve the environment for employees with young children. As a result, in 2007, we were certified by Director of the Tokyo Labor Bureau as a private sector employer which meets the standards under the Next Generation Education and Support Promotion Act (“Act”).

Since then, we worked out voluntarily the secondary action plan for FY2007 to FY2009 under the Act, and are currently modifying various systems for easier use by employees, including incorporation of safe motherhood to support mothers to deliver and raise their babies in the Working Regulations and review of eligibility for short working hours for child rearing.

In FY2008, we worked out new measures including the coverage expansion of the work-short-hour program for child care to the employees until their children start their 4th grade of primary school (used to be until starting the 1th grade of primary school), which is printed in the “Maternal Leave and Child-care Leave Handbook” released in April, 2009.



“Maternal Leave and Child-care Leave Handbook”

Voice

Atsuhiko Uchida
Human Resource
Department
Recruiter



Key words are “self-independent” and “individualistic”

People we are looking for are those who are self-independent and individualistic. We believe that these two qualities are indispensable for one to find a job satisfying and worthwhile. Specifically speaking, those who can identify an issue by themselves and find a solution to get what are sought after. Of course, we do not expect them to have everything from the start. Those, willing to cultivate themselves, cheerful and forward-looking and undauntedly challenging to new things, are the ones we would like to work with.

We will keep working on to create better working environment to strike a balance between work and child/family nursing care.



Mark of Certification for the Next Generation Education and Support Promotion Act

Supporting the Acquisition of Official Certification

Enhancing Support for Self-Development

In addition to the OJT (On-the-Job Training) designed to train at the work site through execution of assigned duties and the Off-JT (Off-the-Job Training) designed to train through in-house classroom lectures, we are mobilizing the corporate total capability to assist strongly each individual's self-cultivation, responding to diversified needs of employees for eventual corporate growth.

Starting in 2007 we are subsidizing expenses such as exam fees and tuition for seminars incurred while acquiring certain official certifications designated by the company as part of our cafeteria-style welfare benefits program, called "My Vision". We will continue to expand our support efforts by providing a constructive welfare benefits program that meets the needs of our employees so that all our employees can achieve their dreams.

◆Items in My Vision, the cafeteria-style welfare benefits program

Category	The Company Provides:
Self-Development	Selectable in-house group training and correspondence courses, lectures on the official certifications designated by the company and assistance to acquire such certifications, various types of "schools" and so forth
Livelihood Support	Access to nursing care and parenting (nursery schools, baby sitters) facilities, children's education, etc.
Life Planning	Seminars and consulting services on life planning
Refreshing Activities	Access to gyms, lodging facilities, package tours, cultural appreciation, sport-game watching, leisure facilities, etc.
SUBARU Products	The support to purchase SUBARU products (excluding cars), and access to vehicle inspections and repairs at affiliated dealers

Promotion of Reemploying after the 60-year-old retirement

Senior Partner Program

SUBARU introduced the "Senior Partner Program" in 2003 to re-hire employees after the 60-year-old retirement age for reemployment of the aged and better draw on human resources. We revised part of this program to tune with the after-retirement age employment to 65 years old, which became mandate by the Revised Law Concerning Stabilization

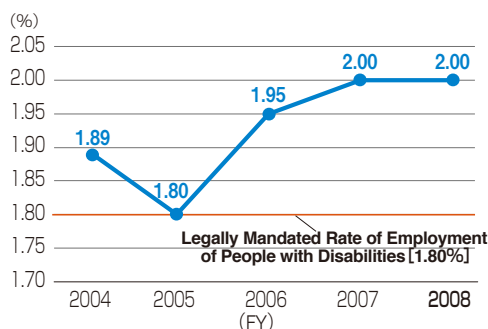
of Employment of Older Persons." In FY2006, we reviewed this program again for more active use of resources by re-employment. We will promote re-hiring senior people after the retirement at 60 to use their experience and abilities for fostering juniors through handing down their expertise in this program.

Promoting the Employment of People with Disabilities

We Have Achieved the Legally Mandated 1.8% Rate of Employment of People with Disabilities and Are Continuing to Promote Their Employment

The percentage of SUBARU employees with disabilities was approximately 2.0% as of March 2009, exceeding the legally mandated rate of 1.8%. We are making an active effort to employ people with disabilities in order to create an affluent society that allows everyone to lead a satisfactory life. Approximately 152 staffs with disabilities work at SUBARU at present. In the future, we will continue our efforts to hire and employ people with disabilities.

◆Trend of the Rate for Employing People with Disabilities



Creation of a Comfortable Working Environment

Realizing a more Comfortable Workplace

In order to implement the government guidelines for a comfortable workplace, SUBARU has been systematically working to improve every item addressed by the guidelines, including working environment, working methods, and environmental equipment. Also, in order to create a more comfortable workplace for employees, we have been working on improving lounges, restrooms, smoking areas and dining halls and adopting universal-access designs in our facilities.

Industrial Safety and Health

Basic Concept of Health and Safety

Basic Philosophy of Health and Safety

"Health and Safety take priority in any business"

Basic Policy of Health and Safety

Aiming for no disasters regarding occupational accidents, traffic accidents, diseases, and fire disasters; all employees recognize the importance of health and safety; improve the equipment, environment, and working methods; and improve management and awareness in order to create safe and comfortable workplaces.

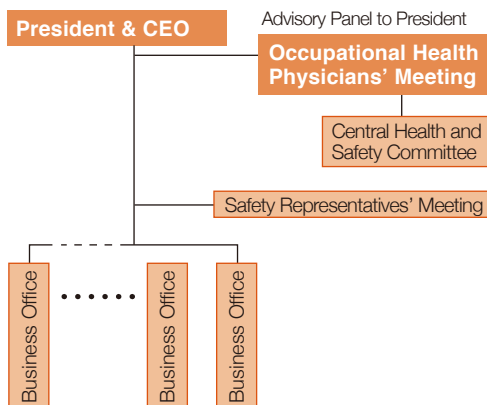
*1 KTY: Training for predicting dangers; K: Kiken (Danger); Y: Yochi (Prediction); T: Training

*2 Hiyari Hatto: Activity to collect cases of near-miss incidents.

*3 TSZ: Total Section Zero (related departments and sections make combined efforts to attain zero disasters).

*4 A system to promote the organized, stable management of health and safety, aiming at creating a workplace with zero disasters and zero danger through a clear set of processes: "planning, implementation, evaluation and improvement."

The Organization Promoting Health & Safety



Aiming for no disasters

SUBARU has been conducting activities to help individuals raise their safety awareness, improve management of workplace, and eliminate risks. To raise awareness, KYT^{*1} and the Hiyari Hatto^{*2} Activity were implemented. To improve management of the workplace, a self-management activity called TSZ^{*3} was introduced at an early stage in each workplace. SUBARU also makes efforts to further improve occupational health and safety levels and prevent on-the-job injuries. Towards these ends, we introduced a new risk assessment system to the Manufacturing Division where the Occupational Health and Safety Management System^{*4} had already been implemented, and are constantly working on improving the Management System by internal auditing.

Health Care

To show and make use of their skills and abilities to the full our business activities, it is important that employees are always in good physical and mental condition.

To help reduce the amount of employee sick leave, we have been working on the early detection and treatment of disease by adding extra items to the list of legally mandatory diagnostic items. In addition, we take measures to care for employees' mental health according to the four items advised by the government. For example, the Mental Health Counseling Consultation Services have been established at all our business sites, where employees can consult clinical psychotherapists in person.

TOPICS

Round of visits by President Mori and Corporate Officers

In July 24, 2008, at the Union Center, President Mori and officers as well as managers and supervisors attended the 33rd Company-wide Health and Safety Convention.

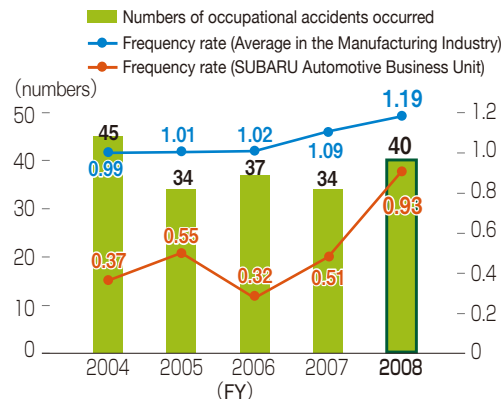
This time, before the start of the convention, the officers broke up in 9 groups and visited the plants of Gunma Manufacturing Division for rounds of safety check and encouragement.

On the same day, Professor Komatsubara of Waseda University was invited to give a lecture titled "Risk and Safety Management of Human Errors", since many of industrial accidents happening recently are attributable to human errors. The convention became the place where all the participants confirmed to each other that "Health and Safety come before any other business" as the Basic Policy of Health and Safety dictates.



Round of visiting our Plants by President Mori and Corporate Officers

Trends in Occupational Accident Occurrence



Social Involvement

With Gratitude to the Local Community

Basic Concept

SUBARU has established a Social Contribution Policy as one of the CSR activity areas and is actively promoting social contribution activities.

■ Social Contribution Policy

- We will contribute to the development of science and technology and automobile culture and to the diffusion of road safety.
- We will contribute to the fostering of human resources who understand the pleasure, importance and preciousness of creative manufacturing.
- We will contribute to the development of the communities we operate in.
- We will support each other in contributing to society as good citizens.

Support of Volunteer Activities

Award System to Enhance Employees' Awareness

We have been awarding since FY2006 employees who are involved in volunteer activities using their private time. 5 staffs was awarded for their distinguished services in social welfare, sports, culture, and upbringing young people as the 4th Volunteer Award ceremony in June 5th, 2009.



5 receivers of the 4th Volunteer Award and Takagi, Chairman of the CSR and Environmental Committee (at that time)
From left :Osamu Nagahori, Ryoichi Fukuda, Takagi ,Chairman of the CSR and Environmental Committee (at that time),Hirotsada Itabashi, Shinya Sakurai, Takio Ogino

Activities to Spread Traffic Safety

Education and Training to Prevent Traffic Accident

SUBARU is making various efforts to prevent traffic accidents that might occur in the course of business activities, commuting, or private time.

Each manufacturing division holds safety driving classes with the cooperation of each local police station. Gunma Manufacturing Division and Tokyo Office offer rudimentary classes for safety driving of motor cycles and driving skill trainings every year.



A safety driving class

Aid for Victims of Disasters

Monetary Donation to several areas

■ Aid for victims of the Shisen area earthquake in China(2008)

Donation of a million Chines yuan (about 15million yen)

■ Aid for victims of the inland area Earthquake in Iwate and Miyagi prefectures(2008)

Monetary donation 2millions yen

Cosponsorship, Support, and Presentation to Local Events.

Presentation of Motoruc

Utsunomiya Manufacturing Division (Eco Technologies Company) donated our Premises Delivery Vehicle, Motoruc to Ashio History Museum operated by NPO corporation. This was our response to a request from the museum to preserve and display the motoruc which was once played an active part many years ago in Ashio Copper Mine. The vehicle was restored to the specifications of that time before its donation. The presentation ceremony was staged at the museum on September 7, 2008, where the donation plate was handed by Sales General Manager, Mr. Tsuneshi Kimura to the curator, Mr. Kazuo Nagai.



Premises Delivery Vehicle, Motoruc



Left: The Manager, Kimura
Right: The Curator, Mr. Kazuo Nagai.



Eco class delivery service

Eco Class Delivery Service

We have supported the education for Global warming prevention through some experiments using CO₂. In FY2008 we offered Eco class delivery services to a total 3,535 students in 45 primary schools in the communities.



Kids baseball class

Kids Baseball Class

Kids Baseball Classes for local junior teams are held every year.

In FY2008, all members who are belong to Fuji Heavy Industries' baseball team have taught how to play better to overall 800 children.

“Charity Fund-raising for Traffic Orphans”



Okazaki President of SUBARU Logistics Co., Ltd. (the third person from right side) handed the fund to Mayor Shimizu(the Center person)

On December 15, 2008 the fund raised was handed to Mayor Shimizu of Ota City, Gunma Prefecture at the municipal office. SUBARU Logistics Co., Ltd. played a central role in annual fund raisings and the amount donated in 2008 was 537,926 yen.

Make-A-Wish Foundation

SIA invited Camden Smith to the SUBARU Challenge road racing event through the

Make-A-Wish Foundation. He is an 18-year-old SUBARU owner who was diagnosed with melanoma and wished to visit SIA. SIA Associates, including President Masahiro Kasai, gave Camden a heart-felt welcome and hopefully many fond memories.



Right : Camden participated in the SUBARU racing event through Make-A-Wish Foundation



Camden drove a Legacy GT Spec-B on the road course.

Educational Support for Elementary School Students

SOA encourages to support Environmental education for children through Environmental-science and Literacy educations for elementary schools in Atlanta.

The Open Event in Manufacturing Divisions and Offices.

SUBARU Visitor Center

SUBARU Visitor Center is set on the core of Local communication, which mainly held Factory tours. Over 100,000 people of Customers, Local primary school students and others visited there every year .



Guide book for the plant tour

Voice

Kazuki Sorimachi

Produce Environmental Safety Department Environment section



The Eco Class Delivery Services

The Eco class delivery services promoted with focus on having the current status of the environmental problems correctly understood by children who bear the future and giving the clues to make themselves aware of environment issues around them for some actions through our environment protection activities.

Being involved in running this service I was surprised at the abundant knowledge and positive inquisitive mind of the primary school children.

We will brush up our skills to grasp the changing situations correctly from the customers-first viewpoint, so that we can offer classes more easy to understand for children catering to the needs of schools.

Participate in the Summer Festival

In order to contribute to creating a prosperous society in coexistence with local communities, each Manufacturing Divisions have been participating in various local events. Especially, at the Ota Summer Festival and Oizumi Festival, 1,100 employees participated in carrying the SUBARU Mikoshi and had good communication with local residents.



Ota Summer Festival

Plant Tours for Local Children and Partner Companies

SIA has conducted plant tours for schools and partner companies to support local education development. In FY2008 SIA donated some body panels to Lewis Cass high school for the teaching materials of their vehicle class.

Further more, SIA held the SUBARU STARS (Students / Teachers / Achieving / Recycling / Success) program to encourage local high school students to learn 3R (Reduce / Reuse / Recycle). This program has been started since 2005, and total 4,630 students have studied 3R.



Local children at the plant tour



Body panel donated by SIA for the vehicle class



High school students participated in SUBARU STARS program

Clean-up Local area

Clean-up Kanayama by the SUBARU Community Exchange Association

Gunma Manufacturing Division carries out grass cutting and cleaning in the red pine

forest of Mt. Kanayama together with people from member companies and local communities. In FY2008, we top-dressed to the azalea trees planted in the past, beverages, towels and flower saplings were distributed to about 600 people who took part in these campaigns.



Clean-up Kanayama by the SUBARU Community Exchange Association

“Fresh-clean Kitamoto, Leave It to Us” program

We participated in the Kitamoto Cleanup Program, called “Fresh-clean Kitamoto, Leave It to Us” program organized by Kitamoto City, and are conducting cleanup activities in the neighborhoods around our plants. In FY2008, overall 1,048 employees took part in the activities on 10th times a year.



“Fresh-clean Kitamoto, Leave It to Us” program

Cleanup in SCI

SCI has participated in the annual Earth Day event in collaboration with the City of Missis-sauga. Every year on Earth Day the mayor encourages all businesses in the city to pick up litter around their business property. SCI acquired the certificate award for participation in Earth Day from the mayor, continued since a previous year.



Cleanup in SCI