

The Fuji Heavy Industries Group's CSR

In the following pages, we report on the Fuji Heavy Industries Group's CSR activities for each of the 8 CSR activity items.



Corporate Philosophy

1 We will strive to create advanced technology on an ongoing basis and provide consumers with distinctive products with the highest level of quality and customer satisfaction.

2 We will aim to continuously promote harmony between people, society, and the environment while contributing to the prosperity of society.

3 We will look to the future with a global perspective and aim to foster a vibrant, progressive company.

Corporate Code of Conduct

FHI set down a corporate code of conduct to comply with laws and regulations and to fulfill its social responsibilities, based on our corporate philosophy. We will continue to strive to become a company loved by all and contribute to making society more affluent by respecting individuals and the corporate code of conduct and acting on the same sense of values.

1 We will develop and provide creative products and services while paying sufficient attention to the environment and safety.

2 We will respect the rights and characteristics of individuals.

3 We will promote harmony with society and contribute to the prosperity of society.

4 We will meet social norms and act honestly and fairly.

5 We will maintain global perspective and aim to be in harmony with international society.

What SUBARU Wants to Be (Mid-Term Management Plan)

FHI set the Motion-V mid-term management plan for the period from FY2012 to FY2016, regarding the five years as a period in which the Company should build the foundation to achieve the target of increasing the sales quantity in its core SUBARU automotive business to more than 1 million units within the next decade. In order to attain this goal in line with the plan, we are endeavoring to solve various problems upholding “Confidence in Motion” as a guiding principle for all our activities and giving first priority to customers.

Specifically, we will enhance the SUBARU brand value, which we define as the provision of “Enjoyment and peace of mind” to increase the number of loyal SUBARU users. We will also further improve the safety and driving performance of SUBARU automobiles, for which they are already highly appreciated, while increasing their environmental performance, which is deemed important by society. Moreover we will release new products, including hybrid cars every year to expand our product lineup. In our sales activities, we regard the US and Chinese markets as our core markets and will take on the challenge of increasing sales quantities in these markets by about 30% over next five years. To this end we will enhance our production system and capacity to sell more cars, while strengthening our ability to deal with changes in the foreign exchange market. In order to achieve further growth, we will increase our business size through these

activities; foster cost reduction and promote alliance with other companies; make investments in the development of environmental technologies; and overcome a range of risks, such as surges in the materials cost and fluctuations in the foreign exchange market.

Also, we will proactively conduct CSR activities to become:

- ◆ “Company to provide products and services for contributing to resolution of social issues”
- ◆ “Company to value the relationship with various stakeholders”

“Motion-V” Five challenges

- 1.Guiding principle for all activities“**Confidence in Motion**”
 - 2.With the basic philosophy of “customers come first,”“**Provide distinctive Subaru experience**”
 - 3.Strengthen sales force and the availability of automotive supply, “**Accelerate sales expansion**”
 - 4.Overhaul of cost structures and promoting alliances with Toyota, “**Solidify operational foundation**”
- Strategic Direction for Growth**
- 5.Back up concrete approaches for business,“**Improvement in Management**”

CSR policies

The CSR Policy was revised with the approval of Committees related to CSR to clearly indicate the fundamental aspect of CSR focused on observance of the Corporate Code of Conduct and other vital rules and the strategic aspect of CSR focused on contribution to solving social issues as a corporate citizen through business activities, which requires the involvement of the whole corporate organization for a company which makes goods favored by customers.

Our CSR activities are the mission of the FHI Group to contribute to the sustainable development of society through global business activities with focus on the relationships with our diversified stakeholders.

CSR Policy (Revised in June 2009)

- 1 We will respect the laws and regulations, the human rights, the international standard of behavior and the rights and morale of stakeholders under the “Corporate Code of Conduct” of Fuji Heavy Industries.**
- 2 We will get ourselves involved as a corporate citizen in addressing social issues facing the society today.**

The 8 CSR Action Items

FHI has set 8 CSR action items to encourage individual employees to conduct CSR activities in an organizational manner as part of their business operations. For each of the eight categories, we have defined the specific CSR activities to be conducted by employees to meet requests from society.

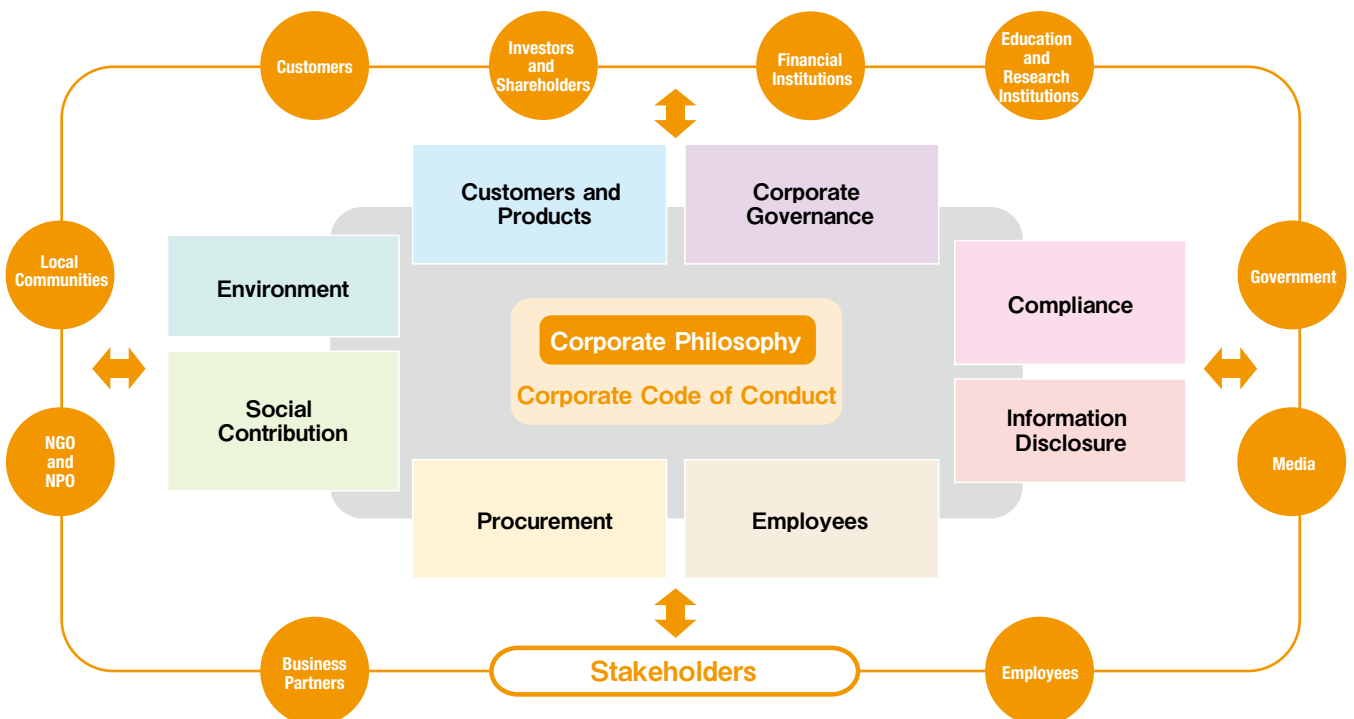
FHI's 8 CSR Action Items

Item	Customers and Products	Employees	Environment	Compliance
Idea	Provide socially useful and safe products and services to earn customers' satisfaction and confidence.	While respecting the diversity, individuality and personality of employees, realize comfort and affluence by securing a safe and pleasant working environment.	Since the approach to environmental problems is an issue common to the mankind, get ourselves proactively involved as an indispensable need for corporate existence and activities.	Observing laws and keeping morality, be fair, transparent and free in competition and conduct right deals. Also, honor confidentiality by strictly protecting and managing various information including the data on individuals and customers.
Item	Information Disclosure	Social Contribution	Procurement	Corporate Governance
Idea	Communicate widely with stockholders and others and disclose positively and fairly corporate information.	Get positively involved in social action programs as a "good corporate citizen."	Conduct appropriate procurements and work on suppliers for CSR promotion.	The top management works to make CSR rooted deep company-wide and at the group companies, and take initiatives to solve issues in case of emergency.

* The ideas of the CSR activities are drawn on the "Charter of Corporate Behavior" by the Japan Business Federation.

Relationship to Stakeholders

In our mid-term management plan for FY2016, we uphold the themes of making our company "Company to provides products and services for contributing to the resolution of social issues" and "Company to value the relationship with various stakeholders" as the basic requirements to attain our long-term vision of becoming "A Compelling Company with a Strong Market Presence." Based on this vision, we will continue to make efforts to win even more trust from our stakeholders, continue to make useful social contributions, while at the same time increasing our corporate value.

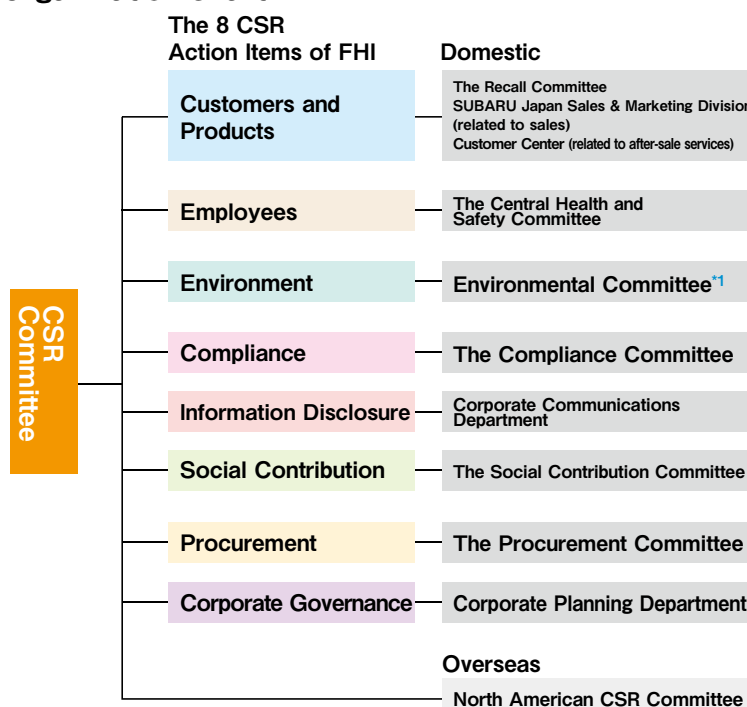


CSR Promotion System

We have set up a CSR committee and an Environmental Committee and had promoted CSR activities. In FY2011, the CSR Committee was newly established headed by top management to identify such activities in 8 CSR-related categories more clearly and promote them more systematically.

The CSR Committee consists of specialized committees and existing organizational units, each of which is closely linked to any one of the 8 CSR-related categories, and all organizational units are engaged in these activities acting on their own initiatives under company-wide control. The CSR Committee also has the North American CSR Committee as its component for global promotion of CSR activities.

Organization Chart



*1 As for the Organization Chart of Environmental Committee, please see page 34 on this report.

Main Initiatives Implemented in FY2012 and Activities to Be Conducted in and after FY2013

Based on CSR activities that have been unfolded since FY2007, we will become further involved in activities for the solution of important CSR issues.

In FY2012, we conducted activities focusing on the eight CSR activity items, aiming to achieve the CSR target set as one of the themes for our mid-term management plan, while implementing measures to solve a range of social problems through our business operations.

Specifically, we clarified the problems to be solved for each of the activity items and fostered the measures to solve them. We also encouraged employees to communicate more on CSR issues with each other, thereby increasing their CSR awareness and encouraging them to conduct more CSR activities.

Also in and after FY2013, we will continue to conduct CSR activities in a steady and sincere manner.

Main Initiatives in FY2012

- Launch of the "New IMPREZA" that excels in environmental and safety performances in Japan, the United States and other world markets
- Activities to support recovery from the Great East Japan Earthquake, including donations from the company and employees, donation of company products to disaster areas and disaster victim employment support in coordination with local governments
- Reinforcement of internal auditing system and of compliance, in face of misconduct within the organization

Targets after FY2013

- Continual development and launch of products distinctive of SUBARU in forms adapted to social conditions and demands, including improvement in environmental performance
- Reaffirmation of the BCP^{*2} for verification of conditions, such as action on disaster relief, and reorganization of risk management
- Promotion of environmental prevention activities based on the 5th Voluntary Plan for the Environment from FY2013 to FY2017

*2 BCP: Business Continuity Plan