



Human Resource Development (HRD) Philosophy

We provide support for skill development through a variety of training programs centered on on-the-job training forms, aiming to develop highly engaged, autonomous employees, which are the human resources ideal based on our HRD Philosophy.

HRD Philosophy

We seek to realize the SUBARU human resources ideal of highly engaged and autonomous employees by helping employees develop the ability to identify and solve problems themselves.



A Scene from grade-specific training

Establishing the Training System

We have established diverse grade-specific and skill-specific training programs. Among our level-based training programs, the Startup Program helps all employees who have risen to a higher level adapt to their new responsibilities and focuses on logical problem solving. In FY2015, approximately 1,500 employees took and completed training. With the goal of helping employees obtain and enhance business skills, we also offer training programs for each type of position within the company. We offer support for employees to attend business school.

With a view to accelerating our global HRD, we have also established programs to facilitate foreign language acquisition and training in companies overseas.

Educational Organization Chart

Ability-based Grade	Company-wide Programs					Individual Programs at Each Site	
	Education by Grade		Education by Job Skill		Global-talent Development		Self-development Support
Manager Class	New training at the time of promotion	Career plan training for manager class	Professional program Examples: -Logical thinking -Leadership -Presentation -Financial accounting, etc. -Support for attending business school	Education by job skill Examples: -Intellectual property -Financial accounting -Legal work	Educational program Variety of programs is available according to employees' level. STEP 0-6	Correspondence education, etc.	Training at each business site Official certification support, etc.
Regular Employee		Performance review training					
New employees training							
New recruits training							

Initiatives to Transmit Skills

We opened the SUBARU Technical School (STS) in 2006 with the goal of training young technicians to become future leaders. By transmitting to the next generation technical expertise and work methods that are tailored to all skill levels and reflect the highest standards of safety and excellence, STS is helping to ensure the high quality of SUBARU products going forward.

We provide training that matches the skill levels of trainees, who consist of employees ranging from new graduates to those in their mid-twenties. In FY2015, 385 students took and completed courses, bringing the cumulative number of successful trainees to 2,472.



Basic Skills Training at STS

Utilizing knowledge, skills and experience acquired in the workplace

The instructors, who are experienced technicians, taught us knowledge that is useful in the workplace and skills that you cannot learn from textbooks alone. I want to utilize the knowledge, skills and valuable experience I acquired at the SUBARU Technical School in the workplace to play an active role as an FHI employee.

Yusuke Zenyoji, No. 3 Trim Section, No. 2 Manufacturing Department, SUBARU Manufacturing Division

Fair Evaluations and Support for Development of Skills

Mechanisms for the upgrading of skills aimed at growth based on fair personnel evaluations are essential to develop the autonomous human resources that FHI is aiming for.

To this end, FHI positions and utilizes its personnel system which is made up of occupational skill certification programs, performance assessment system, goal management system, personnel rotations, and the education and training systems as a tool for the development of human resources. In addition to objectively evaluating job outcomes and performance levels for skills through the operation of the personnel system, supervisors and their subordinates share the challenges necessary for growth. Under the goal management system, all FHI employees have an interview with their supervisors three times a year (goal setting, interim confirmation, outcome confirmation).



Work-Life Balance Initiatives

Promoting Work-Life Balance (Work-Life Balance Approach)

FHI aims to create a group of highly engaged, autonomous human resources, and we believe that it is important to establish an environment that allows each individual among our diverse employees to fully express their unique abilities. We work on promoting diversity in work styles as well as enhancing our schemes in order to respect the diversity of our employees and achieve Work-Life Balance.

Supporting Each Employee's Work and Household

To support employees both at work and at home, we established our leave and short work-time systems, including the childcare leave system that can be extended to the first April after the child becomes two years old, the short work-time system available until children commence 4th grade in elementary school, and the leave or short-work time system for elderly care.

In addition, in accordance with the Next Generation Education and Support Promotion Act, we formulated and implemented our corporate voluntary action plan. We achieved the targets for both the first phase (April 2005 through March 2007) and the second phase (April 2007 through March 2010) of the action plan, which led to the acquisition of Certification by the Minister of Health, Labor and Welfare (the Kurumin Mark) twice. We applied for certification in June 2015 with regard to the activity performance of the third phase of the action plan (April 2010 through March 2015). We also finished formulating our fourth phase of the action plan (April 2015 through March 2017), and published it in June. Under the fourth phase of the action plan, we will promote efforts aimed at the newly introduced Platinum Kurumin Mark certification.

In the past, we have concentrated our efforts on establishing and enhancing a range of systems aimed at balancing child care and nursing responsibilities with work. However, as our systems are equal to or greater than statutory requirements, going forward we will step up to providing support for career development while balancing childcare responsibilities with work.



The Kurumin Mark

Comment from an Employee Taking Advantage of the Short Work-Time System

When I returned to work from childcare leave, there was some anxiety and stress. However, thanks to understanding and support from the people around me, including my boss, colleagues and friends, I feel comfortable taking advantage of the short work-time system. I also believed that it would be possible to do satisfactory work if I manage my own time and tasks efficiently.

You cannot do overtime with short work-time, so it is essential to make various adjustments, which includes scheduling. I am conscious of how I can complete the task at hand in a satisfactory way within a limited time. I am constantly trying to make innovations that raise efficiency and quality.

Female employee
Corporate Communications Department

Work-life Balance Recommended Performance (FHI non-consolidated)

Implementation	Overview	FY2011	FY2012	FY2013	FY2014	FY2015	
Childcare leave (persons)	System that enables employees to obtain leave for childcare	Male	2	3	6	3	2
		Female	90	68	124	68	91
		Total	92	71	130	71	93
	Rate of returning to work after childcare leave	Male	—	—	—	100	100
		Female	—	—	—		100
	Retention rate one year after returning to work	Male	—	—	—	98.5	100
Female		—	—	—	98.9		
Care leave (persons)	System that enables employees to obtain leave for family care with the necessary care conditions	5	6	3	5	5	
Paid vacation acquisition rate	Promotion of once per month rate	86.6%	88.2%	85.7%	86.9%	88.7%	
No overtime day	Two days set in the week for increasing work efficiency and fulfillment of private life	Implemented continually					



Promoting Diversity

For our company to continue offering customers value not found in competing products, each FHI employee needs to be able express his or her abilities as an individual with unique values. For this reason, FHI values differences in gender, nationality, culture, and lifestyles of employees and strives to create workplace environments in which everyone finds it easy to work.



The main building at the Gunma Main Plant provides accessibility with wheelchair ramps



Creating workplace environments in which diverse employees find it easy to work, regardless of gender, nationality or lifestyle

Establishment of Diversity Promotion Office

We established the Diversity Promotion Office in January 2015 in order to promote diversity at FHI even more proactively.

Under the Diversity Promotion Office, we have designated “promoting active roles for female employees,” “employing people with disabilities,” “planning and promoting employment of non-Japanese,” and “promoting employment of the elderly” as priority themes. Among these themes, we have placed particular emphasis on efforts to promote active roles for female employees. Our goal is a five-fold increase in the number of women in management positions in 2020 compared to FY2015. In addition, we will comply with the legally mandated rate of 2.0% as a social responsibility in the employment of people with disabilities.

In our efforts for FY2016, we will focus on career development support for female employees and support for balancing work and household responsibilities. In support for career development, workplaces and human resources departments will work together to create training plans, and we also plan to gradually introduce a mentor system for each qualification. In terms of support for balancing work and household responsibilities, we intend to promote the establishment of an environment that encourages career development aspirations while balancing work and household responsibilities.

Activities to Raise Awareness of Human Rights

FHI's Conduct Guidelines clearly state that we do not unfairly discriminate on grounds of gender, age, nationality, race, ethnicity, beliefs, religion, social status, physical disability or any other pretext.

In order to raise awareness of our respect for human rights, we have introduced lectures on the importance of diversity and FHI's efforts into training for new recruits and managers from FY2016.

In addition, we have compiled rules and guidelines aimed at preventing all kinds of harassment and established the Compliance Hotline and Sexual Harassment Helpline as points of contact for inquiries.

Employees from various locations participating in harassment prevention training (SRD)

SRD held harassment prevention training in January 2015. Employees participated from the California, New Jersey and Indiana locations.



Employees being refreshed on Hostile Work Environments.

Supporting Employees with Disabilities

At FHI, we strive to create workplace environments in which people with disabilities can truly shine. To achieve this goal, we leverage the ideas and opinions of our employees with disabilities and their family members.

In FY2015, SUBARU Bloom Co., Ltd. (SBC), established to increase the employment of people with disabilities, gained accreditation as a special subsidiary under the Act on Employment Promotion, etc., of Persons with Disabilities. SBC, which covers cleaning operations for FHI's dormitories and plants, is making efforts to employ and retain human resources in partnership with special-needs schools and employment and living support centers for people with disabilities in Gunma, Tochigi, and Saitama prefectures. SBC also runs employment training and hosted trainees from seven schools in nearby prefectures in FY2015. In addition, SBC is involved in extensive activities, including visits by six groups from other companies and regions and government-organized training.

As of March 31, 2015, FHI employed 209 persons with disabilities, mainly in manufacturing work. The percentage of employees with disabilities for FY2015 was 1.84%, which was below the legally mandated rate of 2.0%. However, we are continuing to offer employment to new graduates and people with experience with the aim of achieving the 2.0% target in December 2015.



Employees of SUBARU Bloom



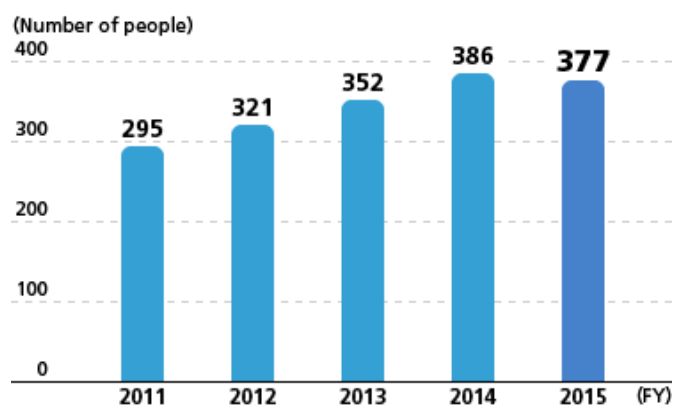
The height of automatic door switches and work stations is set at a level that is convenient for those using wheelchairs.

Senior Partner Program: Reemployment for Employees Over 60-year-old

We introduced the "Senior Partner Program" in 2003 to rehire employees after the 60-year-old retirement age. This reemploys the aged and better strengthens our human resources. In addition to meeting the demands of the "Revised Law Concerning Stabilization of Employment of Older Persons" since April 2013, we have revised the existing system so that retired workers can put their experience and skills to further use, and have devised a system whereby those who wish to work beyond retirement age can do so at FHI and at our associated group companies.

We have been improving the work environment so that the reemployed will be able to work more comfortably. We will promote re-hiring senior people after their retirement at 60 to use their experience and abilities for fostering a new generation of workers.

Number of Workers Over the Age of 60

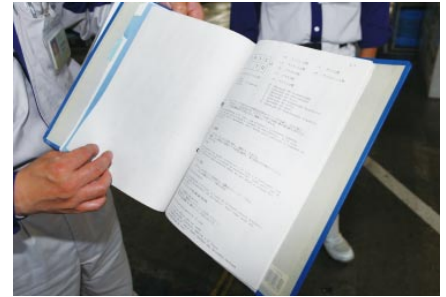


Global Human Resource Development Initiatives

FHI recruits both new graduates and mid-career employees regardless of their nationality, and we employ non-Japanese nationals as permanent and temporary employees.

We also provide employees opportunities to receive language training and engage in extended training programs overseas, helping them enhance their communication with people from other countries and understand cultures different from their own. The interaction of international human resources also paves the way to the internal revitalization of FHI and stable supply of human resources.

Our overseas sites and affiliates each recruit human resources independently and make efforts to secure human resources that match the policies and business at each site.



Manual written in Portuguese

TOPICS

International Contribution through Skill Transfer (Gunma Manufacturing Division)

People from various countries, including Brazil, Peru, and China, work at the Gunma Manufacturing Division. As it can be difficult even for people who can converse in Japanese to understanding detailed manufacturing instructions and terminology accurately, we accommodate them by providing foreign-language manuals and interpreting.

In addition, we are promoting the use and consolidation of the Foreign Trainee Internship Program with the aim of making an international contribution in terms of human resources development through skills transfer. When hosting interns, FHI respects human rights and is promoting the appropriate use of the program in accordance with legislation. As of the end of FY2015, there were approximately 350 interns, and we plan to maintain this number in FY2016 and beyond.

Program for Appointment of Contract Employees to Regular Employment

FHI has a program for appointing contract employees to regular employment. In the three years FY2013 through FY2015, 419 contract employees have been appointed to regular employment.

We offer opportunities to take qualifying examinations based on comprehensive consideration of the individual's wishes, workplace recommendations and other factors, which leads to enhanced motivation and engagement among our contract employees.

Universal Design Initiatives

With the goal of achieving the guidelines for a comfortable working environment,* we systematically plan continuous workplace improvements in the areas of work environment, work methods, and environmentally responsible facilities, among others. We practice universal design in our facilities, aiming to make break areas, toilets, smoking areas, and cafeterias as barrier-free as possible.

In addition, we have made universal design a reality for entry and exit gates, toilets, and other features at our new office building in Ebisu, Tokyo completed in August 2014.

*Guidelines for a comfortable working environment: “guidelines for measures to be taken by employers for the creation of a comfortable working environment” in the Industrial Safety and Health Act.



Wheelchair ramp installed in the entrance of the main building of the Gunma Main Plant



People in wheelchairs can also pass through the 1st floor entry and exit gates at the Ebisu head office building

Employee Data (FHI non-consolidated)

		FY2011	FY2012	FY2013	FY2014	FY2015
Number of employees	Male	11,942	11,740	12,451	12,784	13,511
	Female	875	834	861	871	901
	Total	12,817	12,574	13,312	13,655	14,412
Male to female ratio (%)	Male	93	93	94	94	94
	Female	7	7	6	6	6
Average age		38.8	38.6	38.9	38.8	38.4
Average length of continuous employment (years)		17.7	18.0	17.3	16.6	16.0
Number of managers (persons)	Male	1,047	1,043	1,044	1,029	1,028
	Female	3	5	5	4	4
Number of new graduate recruits (persons)	Male	207	262	418	418	426
	Female	12	14	40	30	41
Number of mid-career recruits (persons)	Male	106	210	487	303	620
	Female	2	0	5	8	10
Total number of separated employees (persons/%)		-	-	-	-	159/1.1



Philosophy of Occupational Health and Safety

In line with the Corporate Philosophy, we consider occupational health and safety to be a critical responsibility of management. Our Health and Safety Philosophy is, "We make health and safety the first priority in all of our work." Based on this philosophy, all managers and employees work to ensure health and safety in their workplaces while continuously striving to make a working environment more pleasant and comfortable for all.



Yajima Plant, Gunma Manufacturing Division

Health and Safety Philosophy

We make health and safety the first priority in all of our work.

Basic Policy of Health and Safety

Aiming for zero incidents of occupational accidents, traffic accidents, diseases, and fire disasters, all employees recognize the importance of health and safety and strive to improve equipment, environments, and work methods, while raising the level of management and awareness in order to create safe and comfortable workplaces.

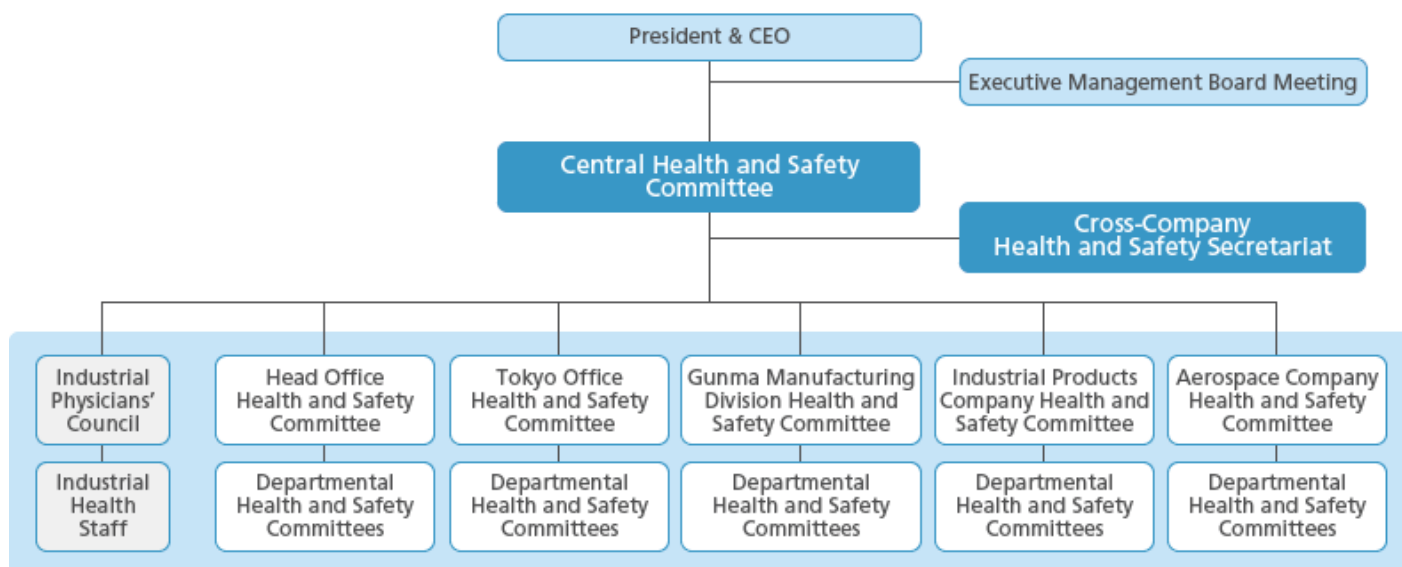
Health and Safety Management System

FHI established the Central Health and Safety Committee composed of an equal number of members (7 each) from the company and the labor union for the purpose of preventing employee accidents and diseases and improving the working environment. The committee has one chairperson elected from the company and one vice-chairperson elected from the labor union.

The Central Health and Safety Committee engages in extensive discussion on themes that include the basic policy concerning occupational health and safety, investigations into the causes of industrial accidents and diseases and countermeasures to them, improvement of the working environment, health and safety education, road safety, fire prevention and other topics.

In addition, site Health and Safety Committees have been set up at each of the companies to deliberate on the policies issued by the Central Health and Safety Committee as well as basic issues. Furthermore, Health and Safety Committees at plants, departments and section have been established where necessary as sub-organizations.

Health and Safety Organization Chart



Aiming for Zero Industrial Accidents

At the start of each fiscal year, each FHI business site conducts a Health and Safety Kickoff Meeting that aims to raise awareness about preventing industrial accidents, road safety, and health management. With the ultimate goal of zero industrial accidents for the year, the general manager of each site talks to workplace leaders about the health and safety policies and initiatives for the fiscal year.

At the Health and Safety Kickoff Meeting for FY2016, staffs from Labor Standards Inspection Offices were invited to give presentations on the Industrial Safety and Health Act, which was revised in June 2014. While aiming to promote the understanding that our employees have about the legislation, we also intend to draw on these presentations for our FY2016 safety and health activities as a company.

In addition, each site establishes activity targets and plans and promotes initiatives to achieve them so that employees constantly maintain awareness about preventing accidents while going about their day-to-day work. In FY2015, there were 31 incidents of industrial accidents. The lost-worktime injury rate, which indicates

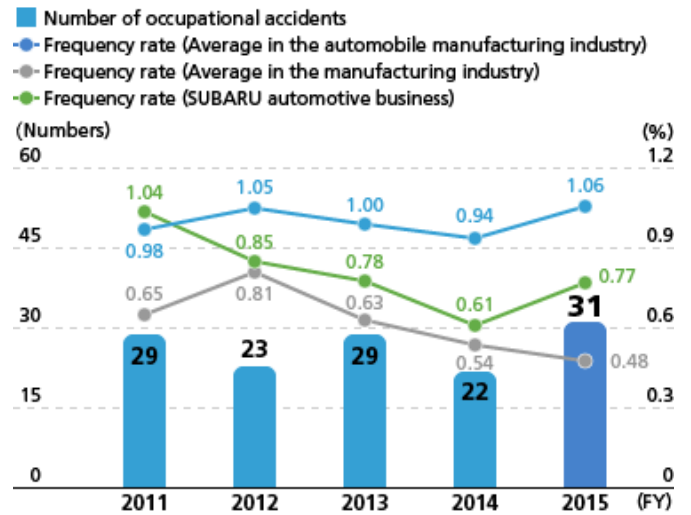


FY2015 Safety and Health Kick Off Meeting held at Saitama Manufacturing Division

the severity of accidents, was 0.07, equal to the average for the automobile manufacturing industry as a whole.

In FY2016, we are aiming for zero industrial accidents. Employees will wear safety declaration badges in order to further disseminate the focus on "Compliance with rules on standard working hours" and "Implementing hazard prediction for non-routine work."

Occurrence of Industrial Accidents and Accident Frequency Rate



* The number of accidents is calculated based on fiscal year while the frequency of accidents is calculated based on calendar year.

TOPICS

Introducing a program to facilitate identification and sharing of safety concern (SIA)

SIA constantly makes efforts to provide a safe work environment and improve working conditions. Now SIA has implemented a program to allow employees to easily document and track safety concerns. Employees can now write the concern directly on the Concern List posted on their team board or submit it electronically.

The Concern List allows the entire team to post the progress of each concern, and employees can access the status of each concern at any time. With the implementation of this program, employees are now better trained, can identify workplace hazards more specifically and can access a large volume of useful information in the development of countermeasures.

For this outstanding program, in March 2015, SIA received the 2015 Governor's Safety Award presented by the Commissioner of the Indiana Department of Labor.



Risk Assessment Activities

In order to create safer workplace environments, FHI carries out risk assessment activities that identify potential risks within the workplace and attempt to prevent them. The results of assessments are reflected in annual health and safety activities in an effort to reduce risk systematically.

Road Safety Support Activities

In order to prevent all traffic accidents whether they be during work, commuting or private time, twice a year FHI conducts driving aptitude testing that incorporates psychological testing for all employees of the Automotive Business, the Aerospace Company and the Industrial Products Company, in which commuting by car is popular. We inform the employees concerned about the results of aptitude testing and conduct follow-up activities every six months.

Moreover, in a new trial, at some sites we have launched an initiative using drive recorders to identify employees' driving habits. Through these activities, we are striving for further awareness about safe driving.

Promoting Healthy Bodies and Minds

We are aggressively promoting employee health management. Our approach is not only to prevent health problems, but also to systematically maintain and promote mental and physical health.

Specifically, we are working to prevent diseases and administer healthcare by assigning staff at each division for health checkups and specialized health guidance (e.g. remedies to avoid metabolic syndrome, exercise guidance, mental healthcare, nutritional guidance), health consultations to those diagnosed with a cautionary concern in a medical checkup, counseling and other healthcare services.

Comments from an Industrial Physician

Working to support health as a friendly face

Being healthy is the major precondition for employees to work positively and produce good results. Maintaining health needs to be addressed not only while at work, but also in daily life, and it is not just physical but mental as well.

In the Health Support Office, we carry out an array of activities to support health from a broad perspective. Obviously, we provide advice and guidance on workplace environment management and work management based on the results of workplace inspections and health checkups. We also offer post-checkup health advice, primary medical care for various health conditions, referrals to specialist medical institutions, immunizations for employees assigned overseas, and all kinds of health-related counselling.

From the perspective of preventative healthcare, we provide information and raise awareness about measures to prevent heatstroke, infection, and lifestyle diseases and strategies to address mental health. In particular, we routinely strive to build human relationships to position ourselves as a low-barrier mental refuge for employees, to enable us to be aware of mental disorders at an early stage and provide counselling. As a friendly face for employees, we will fulfill our role in a way that makes us a “family doctor in the workplace.”



Tomoyuki Morooka
Industrial physician, Head
Office

Commitment to Mental Health

We work in cooperation with industrial physicians, clinical psychologists and health and safety staff (public health nurses and nurses) attached to the Health Support Office to conduct mental health measures. At the same time we are involved in providing mental health workshops and the like at each division for regular workers and managers. In FY2013, we created the “Mental Health Dealing Manual for Managers” in-house booklet and introduced the “Return to Work Program Schemes” (trial return to work, gradual return to work), a system effective from FY2014 that enables smooth resumption of work after a period of absence, among other measures to create a work environment in which employees are able to work with peace of mind.



Building Positive Labor–Management Relations

FHI's employees belong to the Fuji Heavy Industries Labor Union. Out of a total of 14,240 FHI employees, 12,988 employees belonged to the labor union as of October 1, 2014. There are also labor unions at sales companies and affiliates in Japan, and the Confederation of Fuji Heavy Industries Affiliated Labor Unions (Fuji Rouren), which includes these unions, had 23,817 members as of October 1, 2014.

FHI and its labor union hold a Labor and Management Council at least once a month for smooth corporate management and mutual communication, discussing issues such as management policy and overviews of business results, production, matters to do with sales and workers' conditions, issues concerning work styles and other topics. Changes to operations that will have a significant impact on employees are discussed in advance.

Labor-management relations in recent years have remained positive with the establishment of a relationship based on mutual understanding and trust through close communication.