

Basic Compliance Policy

FHI views compliance to be a key responsibility of management and firmly believes that only through company-wide implementation of compliance can our business have a strong foundation. FHI strives to engage in fair and just corporate activities that comply with laws and regulations, our own internal rules, and the standards of society.

Corporate Code of Conduct and Conduct Guidelines

FHI has established a Corporate Code of Conduct and Conduct Guidelines as standards to help ensure compliance with laws and regulations. They are explained in detail in the Compliance Manual, which is given to all FHI executives and employees to help them maintain compliance in their daily actions.

Furthermore, we have produced and distributed a Compliance Handbook, which focuses on summarizing the areas in the Compliance Manual that require particular attention, in order to promote thorough compliance at affiliated companies in Japan.

In addition, in FY2015, we produced bribery prevention guidelines in Japanese and English with the aim of preventing corruption, which we deployed group-wide, including affiliates in and outside Japan. Our prohibition of bribery and commitment to fair transactions are also stated in our in-house Compliance Manual and the Compliance Handbook for Affiliated Companies in Japan.

Furthermore, in FY2016, we produced the China Edition Bribery Prevention Guidelines (with Chinese translation) in consideration of the particular social circumstances in China, which we rolled out to our Chinese subsidiaries, and we promoted its incorporation into regulations at each of the relevant companies.



Compliance Manual

About the Corporate Code of Conduct

The Corporate Code of Conduct stipulates the basic guidelines that all officers and employees should follow in relation to stakeholders, including customers, suppliers, shareholders, and society, based on our corporate philosophy.

About the Conduct Guidelines

The Conduct Guidelines specifically stipulate the standards of conduct for all officers and employees in order to put the basic guidelines indicated in the Corporate Code of Conduct into practice in the course of their daily business activities.

Corporate Code of Conduct

- ① We develop and provide creative products and services while paying sufficient attention to the environment and safety.
- ② We respect the rights and characteristics of individuals.
- ③ We promote harmony with society and contribute to the prosperity of society.
- ④ We meet social norms and act honestly and fairly.
- ⑤ We maintain global perspective and aim to be in harmony with international society.

Compliance Regulations

We established the Compliance Regulations in 2001 after approval of the board of directors. These regulations contain basic compliance policies, which provide for the system, organization, and operational methods related to corporate compliance.

Compliance System/Organization and Administration

A company-wide committee established to promote corporate compliance, the Compliance Committee conducts deliberations and discussions, renders determinations, and encourages the exchange of information on key compliance issues. Every year, each department plans its own compliance program, continuously and autonomously implementing compliance initiatives.

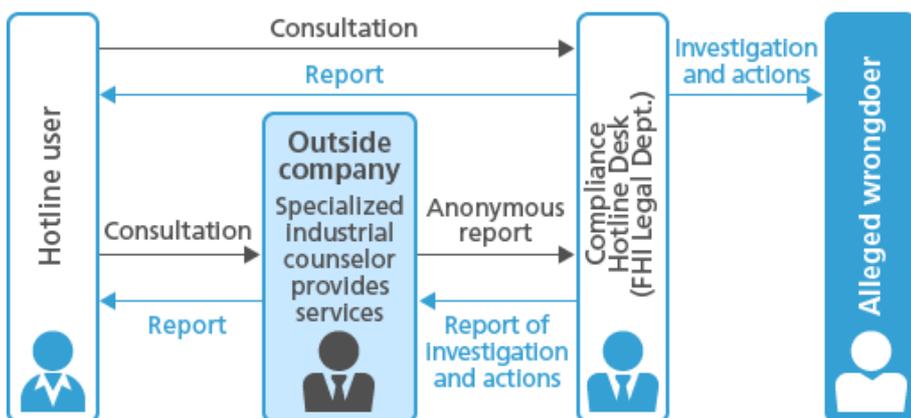
Compliance Hotline

In addition to discussing with their supervisors any compliance issues they encounter, FHI Group employees and temporary employees have the option of using the Compliance Hotline and reporting issues directly to the Hotline Desk located within FHI.

After receiving information via mail, telephone, or email, employees assigned to the Hotline Desk research situations and take appropriate actions based on FHI's internal rules. The names and departments of those making reports are kept strictly confidential to prevent reprisals. Since April 2008, a specialist company external to the FHI Group has provided services to the Hotline Desk in the form of an outside service, allowing the Compliance Hotline to extend its hours and helping to ensure the confidentiality of the names and departments of those making reports. The result has been greater ease of use for all employees making use of the hotline. In FY2016, there were 39 consultations with the Compliance Hotline.

Furthermore, to publicize the hotline system, we have distributed cards which display the workings of the system and the contact details for the hotlines to FHI Group employees while at the same time putting up posters in workplaces. In addition to including explanations of the services provided by the external specialist company on the posters, we have posted the information on the in-house intranet screen.

Compliance Hotline (Flow from consultation to solution)



Compliance Hotline Card

Personal Information Protection Initiatives

To comply with the Personal Information Protection Act, FHI has reviewed its internal systems and rules and publicly disclosed its privacy policy.

Since Subaru dealers in Japan handle a wide range of customer information, we have reviewed the compliance of each of the 44 dealers, including affiliated companies, with our rules and created a Personal Information Protection Handbook for Subaru Dealers. In this way, we are working to ensure that all employees understand the importance of protecting personal information.



Handbook for SUBARU Dealer Staff

Compliance Activity Achievements

Based on the belief that FHI and all our group companies need to join forces and work in harmony to ensure thorough implementation of compliance, we provide compliance training and practical legal training for employees of all group companies. This training is hosted by the Legal Department and education sections of the Human Resources Department and a total of about 4,500 people took part in FY2016. In addition, each department and group company has their own unique education programs built into their compliance action programs and complements the above seminars by holding study meetings on legal matters required in their jobs and compliance motivation training. Staffs are sent as lecturers to these meetings and training from our Legal Department to make such events even more fruitful.

We also prepare and provide various support tools, including ones specially intended for affiliated companies and domestic SUBARU dealers, to promote compliance in day-to-day operations. Urgent information is released on a timely basis in our "Compliance Information" to alert the entire group.



Left: Compliance Handbook for Affiliated Companies
Right: 100 Case Studies of Compliance Issues



Compliance training (Head Office)



Compliance training (Tokyo Office)