



Basic Concept and Policy

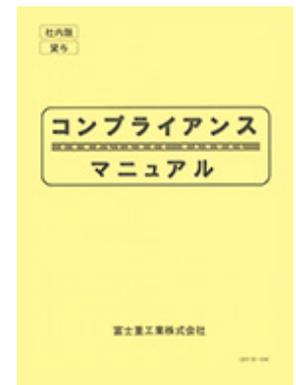
Subaru views compliance to be a key responsibility of management and firmly believes that only through company-wide implementation of compliance can our business have a strong foundation. Subaru strives to engage in fair and just corporate activities that comply with laws and regulations, our own internal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

Corporate Code of Conduct and Conduct Guidelines

We have 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 Subaru 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.

We are now in the process of revising our Compliance Manual to further promote compliance as a group by having all employees, including those of our company as well as of our affiliates, carry common Compliance Manual by the end of FY2018.



Compliance Manual

What is 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

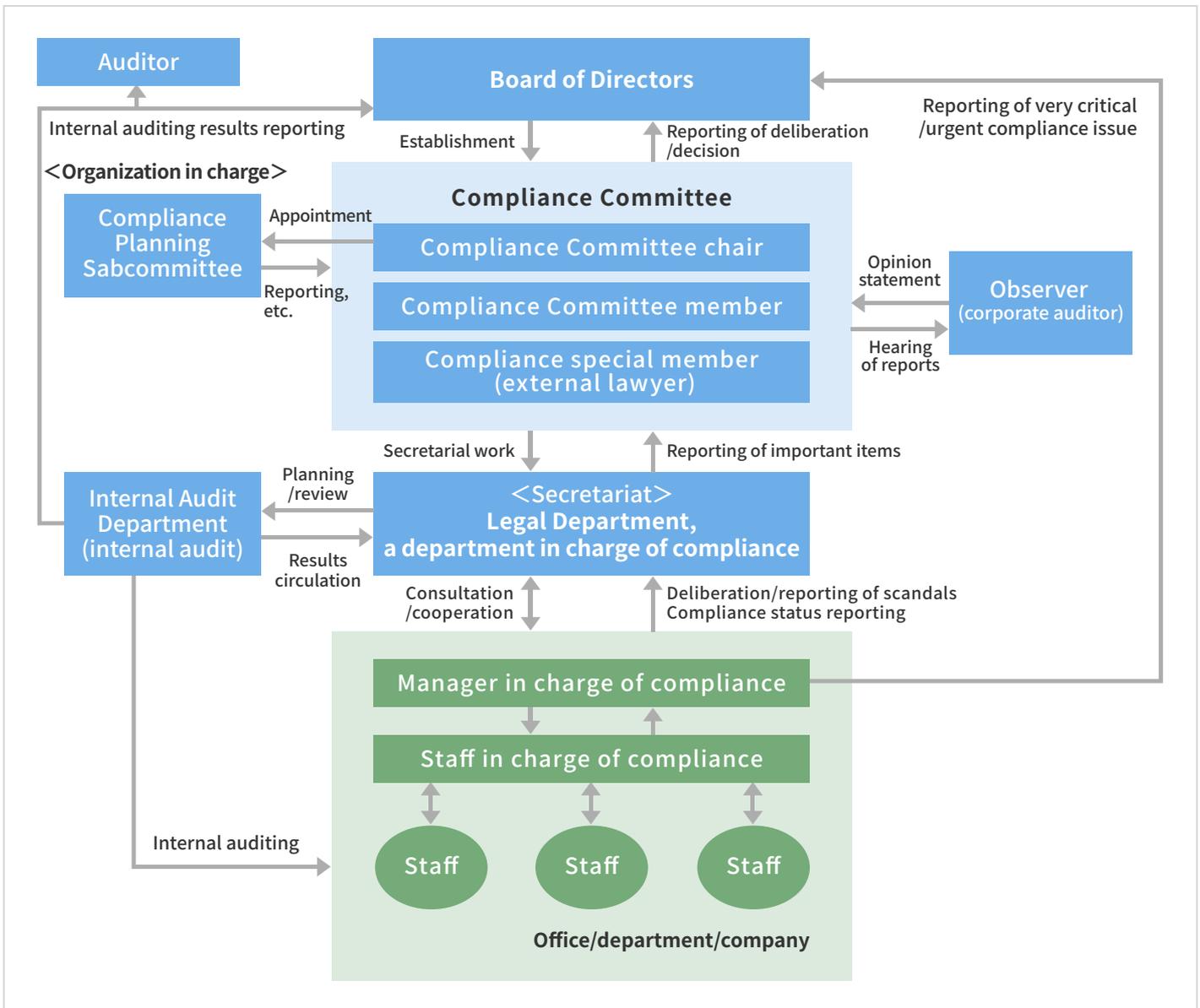
1. We develop and provide creative products and services while paying sufficient attention to the environment and safety.
2. We respect the rights and characteristics of individuals.
3. We promote harmony with society and contribute to the prosperity of society.
4. We meet social norms and act honestly 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, the Subaru Group employees and temporary employees have the option of using the Compliance Hotline and reporting issues directly to the Hotline Desk located within Subaru.

After receiving information via mail, telephone, or email, employees assigned to the Hotline Desk research situations and take appropriate actions based on Subaru'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 Subaru 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.

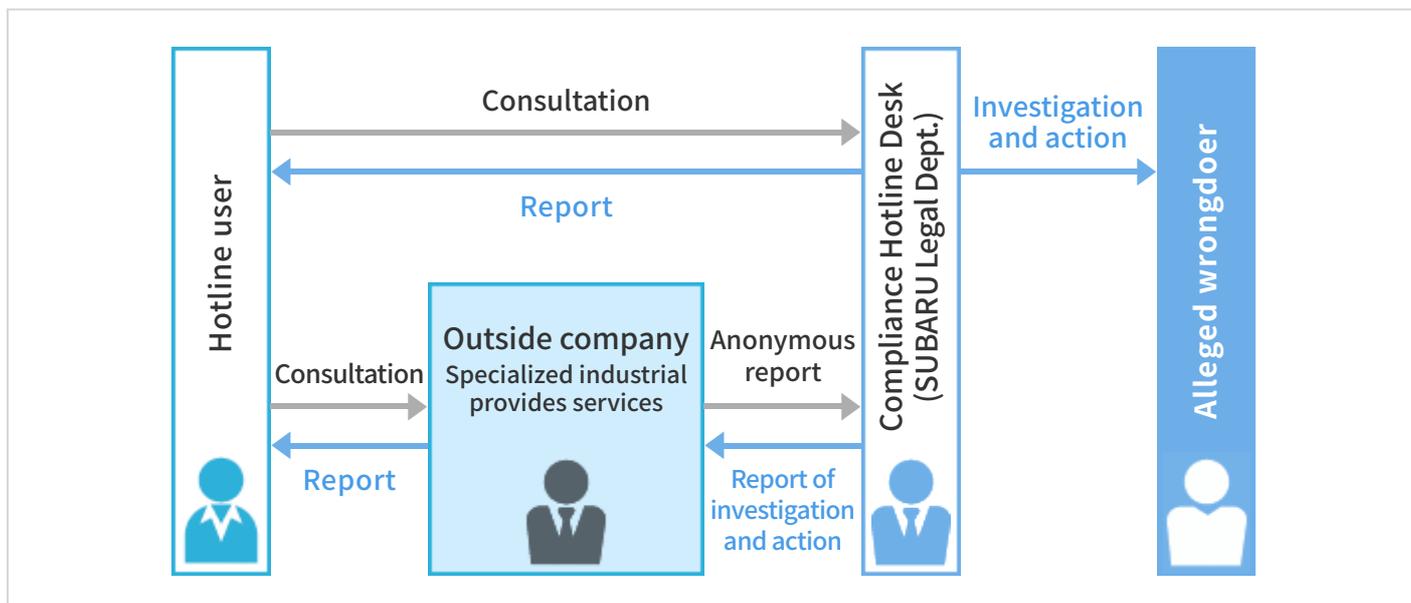
The number of consultations to Compliance Hotline in FY2017 was 60 and its breakdown is as follows. In order to respond to these issues, we look into the facts carefully with Legal Department General Manager being mainly in charge to resolve problems as quickly as possible. Also, they are reported to the management or Compliance Committee as necessary to prevent recurrence.

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 the Subaru 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.

Breakdown of Consultations to Compliance Hotline by Issue

Theme	No. Reported
Work environment	2
Labor-related	14
Human relationship, harassment	26
Compliance, business violation, wrongful act	18

Compliance Hotline (Flow from consultation to solution)



Furthermore, in order to respond to the reported issues closer to the sites, we are in the process of preparing the establishment of Compliance Hotline managed independently by each group companies.



Compliance Hotline Card

Personal Information Protection Initiatives

To comply with the Personal Information Protection Act, Subaru 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.

In FY2017, no protest or complaint was filed regarding disclosure of personal information.

In accordance with implementation of the revised Personal Information Protection Act in May 2017, we are now reviewing our existing systems and regulations, and other tools.



Handbook for SUBARU Dealer Staff

Compliance Activity Achievements

Based on the belief that Subaru and all its 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 human resrouces/education sections, and a total of about 4,100 people (equivalent to about 13% of the entire work force of our group as a whole) took part in FY2017. 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
(Tokyo Office)

Anti-corruption Initiatives

In FY2015, the Anti-corruption Guidelines (in Japanese and English) were created to prevent corruption and were distributed to the entire group including domestic and foreign affiliated companies. The in-house Compliance Manual and the Compliance Handbook for domestic affiliated companies also describe the prohibition on bribery and completeness in fair trade.

In addition, the Anti-corruption Guidelines for China (with Chinese translation) that takes into consideration the social circumstances unique to China were established in FY2016 and distributed to the Chinese subsidiaries. In FY2017, we had the companies complete stipulating regulations and conducted education to the managers of the Chinese subsidiaries on the content of the regulations and considerations for compliance.

In FY2017, we had no violations of laws related to corruption globally.