

(This English version is a translation of points summarized from an original notice written in Japanese. When discrepancies in interpretation arise, the content of the Japanese notice shall take precedence)

Fuji Heavy Industries Ltd.
7-2, Nishi-Shinjuku 1-chome,
Shinjuku-ku, Tokyo

June 5, 2003

Notice of the 72nd Ordinary General Meeting of Shareholders

To our shareholders:

You are cordially invited to attend the 72nd Ordinary General Meeting of Shareholders of Fuji Heavy Industries Ltd. (the “Company”), to be held as set forth below.

If you do not expect to attend the meeting, you may vote on the propositions by proxy. Please refer to the attached materials, complete the enclosed voting form, indicating your approval or disapproval of each of the propositions in the space provided, affix your seal, and return the voting form to the Company by mail.

Sincerely,

Kyoji Takenaka, President and Chief Operating Officer

1. Date and time of meeting

Wednesday, June 25, 2003; 10:00 am

2. Place of meeting

Park Tower Hall

7-1, Nishi-Shinjuku 3-chome,

Shinjuku-ku, Tokyo

3. Agenda

Presentation of the Business Report, Balance Sheet and Statement of Income for the 72th Fiscal Period (April 1, 2002 through March 31, 2003).

Propositions to be Voted On

- Proposition 1: Approval of the Proposed Appropriation of Retained Earnings for the 72nd Fiscal Period
- Proposition 2: Acquisition by the Company of its own shares of Treasury Stock
- Proposition 3: Amendment to the Articles of Incorporation
- Proposition 4: Election of 8 Directors
- Proposition 5: Election of 2 Corporate Auditors
- Proposition 6: Approval of retirement allowances to retiring Directors and corporate auditors

If you attend the meeting in person, please submit your voting form, completed and affixed with your seal, at the reception desk.

INFORMATION RELATING TO EXERCISE OF VOTING RIGHTS

1. Total number of voting rights owned by all the shareholders:

739,470 rights.

2. Propositions and information:

Proposition No. 1: Approval of the proposed appropriation of retained earnings for the 72nd Fiscal Period

In order to strengthen the Company's financial position and taking into consideration future business development, it is hereby proposed that retained earnings for the period under review be appropriated as described below. With regard to the year-end dividend for the period under review, it is hereby proposed that a dividend of ¥4.50 per share be paid, resulting in a full-year dividend for the period of ¥9 per share, including the interim dividend paid.

Proposed Appropriation of Retained Earnings

(Yen)

Contents	Amount
Unappropriated retained earnings at end of the year	78,600,235,925
Total:	78,600,235,925
To be appropriated as follows:	
Dividends to shareholders (¥4.5 per share)	3,341,376,338
Directors' bonuses	110,000,000
(Statutory Auditors)	(15,000,000)
Retained earnings to be carried forward	75,148,859,587

(Note) Cash dividend for Fiscal 2003 is ¥9 per share, which includes interim dividend of ¥4.5 per share.

Proposition No. 2: Acquisition by the Company of its own shares

In order to allow management to implement capital policies with agility in response to the changing management environments, the shareholders are hereby requested to approve that the Company will acquire its own shares of common stock, not exceeding 20,000,000 shares, for the aggregate acquisition prices not exceeding ¥10 billion during the period starting from the close of this Ordinary General Meeting of Shareholders to the close of the next Ordinary General Meeting of Shareholders, pursuant to the provisions of Article 210 of the Commercial Code of Japan.

Proposition No. 3: Amendment to the Articles of Incorporation

To create a system to invalidate share certificates and lower the quorum for adopting a special resolution at a General Meeting of Shareholders pursuant to the enforcement of the "Law to Amend Part of the Commercial Code, etc." (2002 Law No. 44) of Japan, it is hereby proposed that required amendment be made to Article 6 and Article 12 of the existing Articles of Incorporation. Additionally, to respond to rapid changes in management environments with agility and improve corporate governance, it is hereby proposed that required amendment be made to Article 16 of the existing Articles of Incorporation to shorten the term of office of Directors to one (1) year.

The particulars of the amendment are as follows:

(The underlined indicate amendment.)

The Existing Articles of Incorporation	Proposed Amendment to the Articles of Incorporation
<p>Chapter II. Shares</p> <p>(Share Transfer Agent)</p> <p>Article 6.</p> <p>The Company shall establish a transfer agent for its shares. The transfer agent and its place of operation shall be selected by a resolution of the Board of Directors and shall be publicly announced.</p>	<p>Chapter II. Shares</p> <p>(Share Transfer Agent)</p> <p>Article 6.</p> <p>The Company shall establish a transfer agent for its shares. The transfer agent and its place of operation shall be selected by a resolution of the Board of Directors and shall be publicly announced.</p>

The Existing Articles of Incorporation	Proposed Amendment to the Articles of Incorporation
<p>The register of shareholders and the register of beneficial shareholders (hereinafter referred to as the "Registers of Shareholders") shall be placed at the transfer agent's place of operation. Matters related to its shares, including the registration of a transfer of shares, registration of a pledge, indication of assets in trust or cancellation thereof, purchase of shares less than one unit (hereinafter referred to as "less-than-one-unit shares"), delivery of share certificates and acceptance of notifications shall be handled by the transfer agent, and not by the Company.</p>	<p>The register of shareholders and the register of beneficial shareholders (hereinafter referred to as the "Registers of Shareholders") <u>and the register of loss of share certificates</u> shall be placed at the transfer agent's place of operation. Matters related to its shares, including the registration of a transfer of shares, registration of a pledge, indication of assets in trust or cancellation thereof, purchase of shares less than one unit (hereinafter referred to as "less-than-one-unit shares"), delivery of share certificates and acceptance of notifications shall be handled by the transfer agent, and not by the Company.</p>
<p>Chapter III. General Meeting of Shareholders (Requirement for Resolutions) Article 12.</p> <p>Unless otherwise provided for in laws or ordinances or in these Articles of Incorporation, resolutions at a General Meeting of Shareholders shall be adopted by a majority of the voting rights of the shareholders present thereat.</p>	<p>Chapter III. General Meeting of Shareholders (Requirement for Resolutions) Article 12.</p> <p>Unless otherwise provided for in laws or ordinances or in these Articles of Incorporation, resolutions at a General Meeting of Shareholders shall be adopted by a majority of the voting rights of the shareholders present thereat.</p> <p><u>Special resolutions as provided for in Article 343 of the Commercial Code of Japan shall be adopted at a General Meeting of Shareholders at which shareholders holding one-third (1/3) or more of voting rights of all the shareholders shall be present, by a majority of two-thirds (2/3) or more of the voting rights of the shareholders so present.</u></p>

The Existing Articles of Incorporation	Proposed Amendment to the Articles of Incorporation
<p>Chapter IV. Directors and the Board of Directors</p> <p>(Term of Office)</p> <p>Article 16.</p> <p>The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders relating to the closing of accounts last to occur within <u>2</u> years after their assumption of office.</p> <p><u>The term of office of a Director appointed to fill a vacancy or to increase the number of Directors shall expire at such time as the term of office of the other Directors in office shall expire.</u></p>	<p>Chapter IV. Directors and the Board of Directors</p> <p>(Term of Office)</p> <p>Article 16.</p> <p>The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders relating to the closing of accounts last to occur within <u>1</u> year after their assumption of office.</p>

Proposition No. 4: Election of 8 Directors

The term of office of Directors, eight in all, will expire at the close of this Ordinary General Meeting of Shareholders. It is hereby proposed that eight Directors be elected.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Brief history	Number of shares of the Company held by Candidate
1.	Kyoji Takenaka (November 28, 1946)	<p>April 1969 Joined the Company</p> <p>June 1988 General Manager in charge of Product Planning Dept. of the Company</p> <p>Feb. 1991 Staff General Manager of Product Planning Div. of the Company</p> <p>July 1995 Staff General Manager of Subaru Development Div. of the Company</p>	81,000 shares

No.	Name (Date of birth)	Brief history		Number of shares of the Company held by Candidate
		June 1999	Corporate Vice President, Deputy General Manager of Product Planning Dept. and Staff General Manager (Product Planning) and General Manager of SV Development Dept., Subaru Development Div. of the Company	
		April 2000	Corporate Vice President, Senior General Manager of Total Planning Div. and General Manager of Alliance Promotion Office of the Company	
		June 2001	Corporate Senior Vice President, Senior General Manager of Total Planning Div. and General Manager of Alliance Promotion Office of the Company	
		June 2001	President & COO of the Company (present post)	
2.	Hideo Wada (March 12, 1943)	April 1966	Joined the Company	20,000 shares
		June 1988	General Manager of Overseas Planning Dept., Overseas Business Div. of the Company	
		March 1989	General Manager in charge of Overseas Business Div. of the Company	
		June 1990	General Manager of 1st Overseas Business Dept., Overseas Business Div. of the Company	
		June 1996	General Manager of Overseas Planning Dept., Overseas Business Div. of the Company	
		June 1997	Director, Senior General Manager of Overseas Business Div. and General Manager of Overseas Planning Dept. of the Company	
		June 1999	Corporate Senior Vice President, Chief General Manager of Overseas Business Div. of the Company	
		June 2001	Corporate Executive Vice President and Chief General Manager of Subaru Sales & Marketing Div. of the Company (present post)	

No.	Name (Date of birth)	Brief history		Number of shares of the Company held by Candidate
3.	Hiroshi Suzuki (May 27, 1942)	April 1966	Joined The Industrial Bank of Japan, Limited	24,000 shares
		June 1986	Deputy General Manager of London Branch of The Industrial Bank of Japan, Limited	
		June 1991	General Manager of Hong Kong Branch of The Industrial Bank of Japan, Limited	
		June 1994	Director and General Manager of the 7th Sales Dept. of The Industrial Bank of Japan, Limited	
		June 1997	Managing Director of The Industrial Bank of Japan, Limited	
		June 1999	Managing Director and Executive Officer of The Industrial Bank of Japan, Limited	
		June 2001	Corporate Executive Vice President of the Company (present post)	
4.	Koichi Arasawa (January 28, 1942)	April 1965	Joined the Company	12,000 share
		June 1989	General Manager working for Director in charge of Engineering Div. of the Company	
		Oct. 1989	General Manager of Cost Planning Dept. of the Company	
		June 1993	General Manager of Chassis Design Dept., Engineering Div. of the Company	
		June 1995	General Manager of Product Planning Dept., Subaru Development Div. of the Company	
		June 1996	Director and General Manager of Product Planning Dept., Subaru Development Div. of the Company	
		June 1999	Corporate Senior Vice President and Chief General Manager of Subaru Development Div. of the Company	
		June 2001	Corporate Executive Vice President and Chief General Manager of Quality Assurance Div. of the Company	

No.	Name (Date of birth)	Brief history		Number of shares of the Company held by Candidate
		June 2002	Corporate Executive Vice President and Chief General Manager of Subaru Quality Assurance Div. of the Company (present post)	
5.	Takao Tsuchiya (August 27, 1943)	April 1967	Joined the Company	17,468 shares
		Jan. 1990	General Manager in charge of Product Planning Div. of the Company	
		July 1995	Staff General Manager of Product Planning Dept., Subaru Development Div. of the Company	
		June 1997	Director and General Manager of Engineering Management Dept. of the Company	
		June 1999	Corporate Vice President, Senior General Manager of Subaru Development Div., General Manager of the Engineering Management Dept., and General Manager of Chassis Design Dept., of the Company	
		April 2000	Corporate Senior Vice President and Senior General Manager of Subaru Engineering Div. of the Company	
		June 2001	Corporate Senior Vice President and Chief General Manager of Subaru Engineering Div. of the Company (present post)	
6.	Hiroiyuki Nakatsubo (July 28, 1942)	April 1966	Joined the Company	21,420 share
		Oct. 1992	General Manager of 2nd Engineering Dept., Utsunomiya Plant of the Company	
		June 1995	General Manager of Business Operations Dept., Utsunomiya Plant of the Company	
		June 1997	Senior General Manager and General Manager of Manufacturing Dept., Utsunomiya Plant of the Company	

No.	Name (Date of birth)	Brief history		Number of shares of the Company held by Candidate
		June 1998	Director, Senior General Manager of Aerospace Industry Div., Chief General Manager and General Manager of Quality Assurance Dept., Utsunomiya Plant of the Company	
		June 1999	Corporate Vice President, Senior General Manager of Aerospace Industry Div. and Chief General Manager of Utsunomiya Plant of the Company	
		April 2000	Corporate Senior Vice President and Chief General Manager of Aerospace Industry Div. of the Company	
		June 2002	Corporate Senior Vice President and Company President of Aerospace Company of the Company (present post)	
7.	Shunsuke Takagi (October 28, 1946)	April 1969	Joined the Company	20,060 share
		April 1991	Deputy General Manager of Accounting Dept. of the Company	
		April 1994	Staff General Manager of Corporate Planning Dept. of the Company	
		June 1999	Corporate Vice President, General Manager of General Administration Dept. and General Manager of Real Estate Development Dept. of the Company	
		April 2000	Corporate Vice President, General Manager of Human Resources Dept., General Manager of General Administration Dept. and General Manager of Real Estate Development Dept. of the Company	
		June 2001	Corporate Senior Vice President and General Manager of Finance & Accounting Dept. of the Company (present post)	

No.	Name (Date of birth)	Brief history	Number of shares of the Company held by Candidate	
8.	Frederick A. Henderson (November 29, 1958)	1984 Joined General Motors Corporation (GM) June 2000 (Senior) Vice President of GM Group and President in charge of GM Latin America, Africa and Middle East (LAAM) Jan. 2002 President of GM Asia-Pacific June 2002 Director of the Company (present post) ○ President of GM Asia-Pacific		0 share

* The mark "○" shows the company name and title when the candidate represents any company other than the Company.

(Note) GM Asia-Pacific, as a company to supervise the manufacture and marketing of GM automobiles in the Asia and Pacific area, competes with the Company.

Proposition No. 5: Election of 2 Corporate Auditors

The term of office of Corporate Auditors Messrs. Hiroshi Takaku and Akira Furuya, will resign at the close of this Ordinary General Meeting of Shareholders. It is hereby proposed that two Corporate Auditors be elected.

The candidates for Corporate Auditors are as follows:

No.	Name (Date of birth)	Brief history	Number of shares of the Company held by Candidate
1.	Takeo Tsumuji (April 16, 1942)	April 1965 Joined the Company Nov. 1988 General Manager of Related Companies Dept. of the Company Jan. 1990 Staff General Manager of General Planning Dept. of the Company June 1993 General Manager of Accounting Dept. of the Company June 1997 Director and General Manager of Accounting Dept. of the Company	9,204 shares

No.	Name (Date of birth)	Brief history		Number of shares of the Company held by Candidate
		June 1999	Corporate Senior Vice President, General Manager of Accounting Dept. and General Manager of Audit Dept. of the Company	
		April 2000	Corporate Senior Vice President and Chief General Manager of Transportation Environment Business Div. of the Company	
		June 2002	Corporate Senior Vice President, FHI Group Management Planning Unit (in charge of 3 Companies, 3 Business Divisions) and Chief General Manager of Transportation Div. of the Company	
		April 2003	Corporate Senior Vice President, FHI Group Management Planning Unit (in charge of 3 Companies, Isezaki Business Office and House Business Dept.) and Chief General Manager of Transportation Div. of the Company (present post)	
2.	Masayoshi Nagano (November 12, 1940)	April 1964	Joined the Company	11,000 shares
		Feb. 1987	General Manager of Machine Tool Dept., Gunma Plant of the Company	
		Jan. 1993	General Manager of 2nd Manufacturing Dept., Gunma Plant of the Company	
		July 1995	Senior General Manager of Gunma Plant of the Company	
		June 1996	Director and Senior General Manager of Gunma Plant of the Company	
		June 1999	Corporate Senior Vice President of the Company and President & CEO of Subaru, Isuzu Automotive, Inc.	
		Jan. 2003	Corporate Senior Vice President of the Company and President & CEO of Subaru of Indiana Automotive, Inc. (present post)	
		○	President & CEO, Subaru of Indiana Automotive, Inc.	

* The mark "○" shows the company name and title when the candidate represents any company

other than the Company.

(Note) There is no relation of special interests between the candidates and the Company.

Proposition No. 6: Granting of retirement gratuities to the retiring Directors and retiring Corporate Auditors

It is hereby proposed that retirement gratuities be granted to Directors, Messrs. Takeshi Tanaka, Teruo Hanada and Hideshige Gomi, who will retire at the close of this Ordinary General Meeting of Shareholders and Statutory Auditors, Messrs. Hiroshi Takaku and Akira Furuya, who will resign at the close of this Ordinary General Meeting of Shareholders, in appreciation of services rendered by them while in office, within the extent of a reasonable amount in accordance with the established standards of the Company according and that determination of the actual amount, the time and method of presentation, etc. be left to resolution of the Board of Directors in respect of the retiring Directors and consultation among the Statutory Auditors in respect of the retiring Statutory Auditors, respectively.

The brief histories of the retiring Directors are as follows:

Name	Brief history	
Takeshi Tanaka	June 1990	Managing Director and Chief General Manager of Purchasing Div. of the Company
	June 1993	Senior Managing Director, chief General Manager of Purchasing Div. and Chief General Manager of Quality Assurance Div. of the Company
	June 1995	Senior Executive Vice President of the Company
	June 1996	President and Representative Director of the Company
	June 2001	Chairman and Representative Director of the Company (present post)
Teruo Hanada	June 1991	Director and General Manager of Human Resources Dept. of the Company
	June 1995	Managing Director of the Company
	June 1998	Senior Managing Director and Chief General Manager of Gunma Plant of the Company

	June 1999	Senior Executive Vice President and Executive Officer of the Company (present post)
Hideshige Gomi	June 2001	Corporate Senior Vice President of the Company (present post)
Hiroshi Takaku	June 1999	Statutory Auditor of the Company (present post)
Akira Furuya	June 2001	Statutory Auditor of the Company (present post)

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