

Fuji Heavy Industries Ltd.

7-2, Nishi-Shinjuku 1-chome,  
Shinjuku-ku, Tokyo

June 3, 2005

## Notice of the 74<sup>th</sup> Ordinary General Meeting of Shareholders

To our shareholders:

You are cordially invited to attend the 74<sup>th</sup> 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 or signature and return the voting form to the Company by mail.

Sincerely,

Kyoji Takenaka, President and Chief Operating Officer

**1. Date and time of meeting**

Friday, June 24, 2005; 10:00 am

**2. Place of meeting**

Park Tower Hall  
7-1, Nishi-Shinjuku 3-chome,  
Shinjuku-ku, Tokyo

### **3. Agenda**

1. Presentation of the Business Report, Balance Sheet and Statement of Income for the 74<sup>th</sup> Fiscal Period (April 1, 2004 through March 31, 2005), as well as the Purchase of Treasury Stock Pursuant to a Resolution of the Board of Directors Authorized under the Articles of Incorporation
2. Presentation of Consolidated Balance Sheet and Consolidated Income Statement for the 74<sup>th</sup> Fiscal Year (April 1, 2004 through March 31, 2005), as well as Audit Reports of the Accounting Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

#### ***Propositions to be Voted On***

- Proposition 1: Approval of the Proposed Appropriation of Retained Earnings for the 74<sup>th</sup> Fiscal Period
- Proposition 2: Election of Seven (7) Directors
- Proposition 3: Approval of Retirement Allowances to Retiring Directors

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

## INFORMATION RELATING TO EXERCISE OF VOTING RIGHTS

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

776,452 rights

### 2. Propositions and information:

#### Proposition No. 1: Approval of the Proposed Appropriation of Retained Earnings for the 74<sup>th</sup> 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 ¥4.5 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	85,245,151,675
Total:	85,245,151,675
To be appropriated as follows:	
Dividends to shareholders (¥4.5 per share)	3,507,767,829
Directors' bonuses (Corporate Auditors)	54,800,000 (7,000,000)
Retained earnings to be carried forward	81,682,583,846

(Notes) Cash dividend for Fiscal 2004 is ¥9 per share, which includes interim dividend of ¥4.5 per share.

**Proposition No. 2: Election of Seven (7) Directors**

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

The candidates for Directors are as follows.

Troy A Clarke, candidate for the position of Director, meets the requirements for outside Director as per Article 188, Section 2-7-2 of the Commercial Code.

No.	Name (Date of birth)	Brief history	Number of shares of the Company held by candidate
1.	Kyoji Takenaka (November 28, 1946)	<div>Apr. 1969    Joined the Company</div> <div>June 1988    Staff General Manager of Product Planning Office</div> <div>Feb. 1991    Staff General Manager of Product Planning Division</div> <div>July 1995    Project General Manager (PLEO) of Subaru Development &amp; Engineering Division</div> <div>June 1999    Vice President, Project General Manager (PLEO) of Product Planning Office, and General Manager of Special Version Development Department</div> <div>Apr. 2000    Vice President, Senior General Manager of Corporate Planning Division, and General Manager of Alliance Promotion Office</div> <div>June 2001    Senior Vice President, Senior General Manager of Corporate Planning Division, and General Manager of Alliance Promotion Office</div> <div>June 2001    President and Chief Operating Officer Representative Director of the Board (present post)</div>	97,000 shares
2.	Hiroshi Suzuki (May 27, 1942)	<div>Apr. 1966    Joined The Industrial Bank of Japan, Ltd.</div> <div>June 1986    Deputy General Manager, London Branch, The Industrial Bank of Japan, Ltd.</div> <div>June 1991    General Manager, Hong Kong Branch, The Industrial Bank of Japan, Ltd.</div> <div>June 1994    Director and General Manager, Corporate Banking Department No.7., The Industrial Bank of Japan, Ltd.</div>	33,000 shares

No.	Name (Date of birth)	Brief history	Number of shares of the Company held by candidate
		<p>June 1997 Managing Director, The Industrial Bank of Japan, Ltd.</p> <p>June 1999 Managing Director and Executive Officer, The Industrial Bank of Japan, Ltd.</p> <p>June 2001 Joined the Company Director of the Board and Executive Vice President</p> <p>June 2004 Representative Director of the Board and Senior Executive Vice President (present post)</p>	
3.	Takao Tsuchiya (August 27, 1943)	<p>Apr. 1967 Joined the Company</p> <p>Jan. 1990 Project General Manager (LEGACY), Product Planning &amp; Management Division</p> <p>July 1995 Staff General Manager of Product Planning Department, Subaru Development Division</p> <p>June 1997 Director and General Manager of Engineering Management Department</p> <p>June 1999 Vice President, Senior General Manager of Subaru Development and Engineering Division, and General Manager of the Engineering Administration Department and Chassis Design Department</p> <p>Apr. 2000 Senior Vice President and Senior General Manager of Subaru Engineering Division</p> <p>June 2003 Director of the Board and Corporate Executive Vice President</p> <p>Apr. 2005 Director of the Board, Corporate Executive Vice President, and Chief General Manager of Subaru Product &amp; Portfolio Planning Division (present post)</p>	21,200 shares
4.	Shunsuke Takagi (October 28, 1946)	<p>Apr. 1969 Joined the Company</p> <p>Apr. 1991 Deputy General Manager of Budget &amp; Accounting Department</p> <p>Apr. 1994 Staff General Manager of Corporate Planning Department</p> <p>June 1999 Vice President and General Manager of General Administration Department and Real Estate Department</p>	25,060 shares

No.	Name (Date of birth)	Brief history	Number of shares of the Company held by candidate
		<p>Apr. 2000 Vice President and General Manager of Human Resources Department, General Administration Department, and Real Estate Department</p> <p>June 2001 Senior Vice President and General Manager of Finance &amp; Accounting Department</p> <p>June 2003 Director of the Board and Corporate Executive Vice President</p> <p>Apr. 2005 Director of the Board, Corporate Executive Vice President, and Chief General Manager of Strategy Development Division (present post)</p>	
5.	Kiyoshi Inoh (November 22, 1944)	<p>Apr. 1968 Joined the Company</p> <p>June 1991 Deputy General Manager of Personnel Department</p> <p>June 1992 General Manager of Sales Planning Department, Domestic Sales Division</p> <p>June 1995 General Manager of Personnel Department</p> <p>June 1998 Director and General Manager of Personnel Department</p> <p>June 1999 Vice President and General Manager of Personnel Department</p> <p>Apr. 2000 Senior Vice President and Chief General Manager of Bus Manufacturing &amp; House Prefabricating Division</p> <p>June 2002 Corporate Senior Vice President of FHI Group Management Planning Unit (Subaru Automotive Business Unit), Chief General Manager of Subaru Strategy Development Division, and General Manager of Business Strategy Office</p> <p>June 2003 Corporate Executive Vice President and Chief General Manager of Subaru Strategy Development Division</p> <p>Oct. 2003 Corporate Executive Vice President and Chief General Manager of Strategy Development Division</p>	18,000 Shares

No.	Name (Date of birth)	Brief history	Number of shares of the Company held by candidate
		Apr. 2005 Corporate Executive Vice President and Chief General Manager of Subaru Japan Sales & Marketing Division (present post)	
6.	Hiroshi Komatsu (May 7, 1945)	<p>Apr. 1968 Joined the Company</p> <p>June 1991 General Manager of 2nd Power Unit Development department, Subaru Engineering Division</p> <p>Nov. 1997 General Manager of Design Quality Control Department, Subaru Development Division</p> <p>June 1999 Vice President, Senior General Manager of Quality Assurance Division, and General manager of Quality Planning Department</p> <p>June 2001 Vice President, Senior General Manager of Quality Assurance Division, and General manager of Quality Planning Department</p> <p>June 2003 Corporate Executive Vice President and President of Industrial Products Company</p> <p>Apr. 2005 Corporate Executive Vice President, Chief General Manager of Subaru Manufacturing Division</p>	12,000 shares
7.	Troy A. Clarke (May 10, 1955)	<p>Aug. 1973 Joined General Motors Corp.</p> <p>June 2002 Executive Vice President of General Motors Corp.</p> <p>June 2004 Executive Vice President of General Motors Corp. and President of General Motors Asia Pacific (PTE) Director of the Board, the Company (present post)</p> <p><b>O</b> President, General Motors Asia Pacific (PTE)</p>	0 shares

(Note) 1. The mark “**O**” shows the company name and title when the candidate represents any company other than the Company.

2. General Motors Asia Pacific (PTE) Ltd. is an integrated manufacturing and sales company for GM cars in Asia, and has a competitive relations with the Company

**Proposition No. 3: Approval of Retirement Allowances to Retiring Directors**

It is hereby proposed that retirement allowances be granted to Directors, Messrs. Hideo Wada, Koichi Arasawa and Hiroyuki Nakatsubo, who will retire 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.

The brief histories of the retiring Directors are as follows:

Name	Brief history	
Hideo Wada	June 2001	Director of the Board, Executive Vice President, and Chief General Manager of Subaru Sales & Marketing Division
	June 2003	Representative Director of the Board and Senior Executive Vice President (present post)
Koichi Arasawa	July 2001	Director of the Board, Executive Vice President, and Chief General Manager of Quality Assurance Division
	June 2003	Director of the Board and Corporate Executive Vice President
	Apr. 2005	Director of the Board (present post)
Hiroyuki Nakatsubo	June 2003	Director of the Board and Corporate Executive Vice President
	Apr. 2005	Director of the Board (present post)

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