

Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 77th Ordinary General Meeting of Shareholders of Fuji Heavy Industries Ltd. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

(Securities Code: 7270)

May 30, 2008

**Fuji Heavy Industries Ltd.**

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

**NOTICE OF CONVOCATION OF  
THE 77TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

To our Shareholders:

You are cordially invited to attend the 77th Ordinary General Meeting of Shareholders of Fuji Heavy Industries Ltd. (the "Company"), to be held as set forth below.

**If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the Reference Documents for the Exercise of Voting Rights, indicate your vote for or against each of the proposals on the enclosed voting form, and return the form to the Company so that it arrives no later than 5:45 p.m., Tuesday, June 24, 2008.**

Sincerely,

***Ikuro Mori,***  
***President and CEO***

**1. Date and Time:** Wednesday, June 25, 2008; 10 a.m.

**2. Place:** Lower Ground F1, Century Room  
Hyatt Regency Tokyo (former Century Hyatt Tokyo)  
7-2, Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo

**3. Agenda of the Meeting:**

- Matters to Be Reported:**
1. Presentation of the Business Report and the Consolidated Financial Statements for the 77th Fiscal Period (April 1, 2007, through March 31, 2008), as well as the Audit Reports of the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements
  2. Presentation of the Non-Consolidated Financial Statements for the 77th Fiscal Year (April 1, 2007, through March 31, 2008)

**Proposals to Be Voted on:**

- |                        |   |
|------------------------|---|
| <b>Proposal No. 1:</b> | Approval of the Proposed Appropriation of Retained Earnings |
| <b>Proposal No. 2:</b> | Election of Eight (8) Directors of the Board                |
| <b>Proposal No. 3:</b> | Election of Two (2) Corporate Auditors                      |
| <b>Proposal No. 4:</b> | Election of One (1) Substitute Corporate Auditor            |

\* If you attend the meeting in person, please submit your completed voting form at the reception desk.

\* In case any changes are made in the Reference Documents for the Exercise of Voting Rights, the Business Report and the Consolidated/Non-Consolidated Financial Statements, such changes will be posted on the Company's Web site: <http://www.fhi.co.jp/english/ir/>

## REFERENCE DOCUMENTS FOR THE EXERCISE OF VOTING RIGHTS

### Proposals and Information:

#### Proposal No. 1: Approval of the Proposed Appropriation of Retained Earnings

As for the appropriation of surplus for the year under review, it is proposed as follows.

##### Year-end dividend:

The Company positions return to shareholders as an important managerial issue and intends to maintain a stable payment of dividends over the long-term, while giving consideration to business performance, the payout ratio and other factors.

Upon consideration of the Company's business performance for the year under review and future business possibilities, as well as strengthening its business structure, it is hereby proposed that the year-end dividend for the 77th fiscal period be as follows:

##### (1) Type of Dividend:

Cash

##### (2) Amount of Dividend:

¥4.50 per share of the Company's common stock

Total dividends: ¥3,233,553,651

Including the paid interim dividend of ¥4.50 per share, the annual dividend for the year under review would be ¥9.00 per share.

##### (3) Effective Date:

June 26, 2008

#### Proposal No. 2: Election of Eight (8) Directors of the Board

The terms of office of eight (8) Directors of the Board will expire at the conclusion of this Ordinary General Meeting of Shareholders. It is hereby proposed that eight (8) Directors of the Board be elected.

Candidates for the position of Director of the Board are as follows:

No.	Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number of the Company's Shares Held
1	Ikuo Mori (August 19, 1947)	<p>Apr. 1970 Joined the Company</p> <p>Jun. 1995 Staff General Manager of North America Affiliate Department, Subaru Overseas Division</p> <p>Jun. 2001 General Manager of Sales Planning Department and Staff General Manager of Sales Promotion Department</p> <p>Jun. 2002 Corporate Vice President, Chief General Manager of Europe Region and Chief General Manager of Asia Pacific Region, Subaru Sales &amp; Marketing Division</p> <p>Jun. 2004 Corporate Vice President, Chief General Manager of Subaru Parts &amp; Accessories Division</p> <p>Apr. 2005 Corporate Senior Vice President, Chief General Manager of Subaru Overseas Sales &amp; Marketing Division</p> <p>Jun. 2006 Corporate Executive Vice President, Chief General Manager of Subaru Overseas Sales &amp; Marketing Division</p> <p>Jun. 2006 Representative Director of the Board, President and CEO (to the present)</p> <p><u>(Representative Positions in Other Companies)</u></p> <p>Chairman, The Society of Japanese Aerospace Companies</p>	24,000 shares

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No.	Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number the Company's Shares Held
2	Hiroshi Komatsu (May 7, 1945)	<p>Apr. 1968    Joined the Company</p> <p>Jun. 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>Jun. 1999    Corporate Vice President, Senior General Manager of Quality Assurance Division and General Manager of Quality Planning Department</p> <p>Jun. 2001    Corporate Senior Vice President, Senior General Manager of Subaru Engineering Division</p> <p>Jun. 2003    Corporate Executive Vice President, President of Industrial Products Company</p> <p>Apr. 2005    Corporate Executive Vice President, Chief General Manager of Subaru Manufacturing Division</p> <p>Jun. 2005    Director of the Board, Corporate Executive Vice President, Chief General Manager of Subaru Manufacturing Division</p> <p>Jun. 2006    Representative Director of the Board, Senior Executive Vice President (to the present)</p> <p><u>(Responsibilities in the Company)</u> Subaru Manufacturing Division, Subaru Purchasing Division, Subaru Cost Planning &amp; Management Division and Industrial Products Company</p>	28,000 shares

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No.	Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number of the Company's Shares Held
3	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>Jun. 1999 Corporate Vice President, General Manager of General Administration Department and Real Estate Department</p> <p>Apr. 2000 Corporate Vice President, General Manager of Human Resources Department, General Administration Department and Real Estate Department</p> <p>Jun. 2001 Corporate Senior Vice President, General Manager of Finance &amp; Accounting Department</p> <p>Jun. 2003 Director of the Board, Corporate Executive Vice President</p> <p>Apr. 2005 Director of the Board, Corporate Executive Vice President, Chief General Manager of Strategy Development Division</p> <p>Jun. 2005 Representative Director of the Board, Corporate Executive Vice President, Chief General Manager of Strategy Development Division</p> <p>Jun. 2006 Representative Director of the Board, Corporate Executive Vice President (to the present)</p> <p><u>(Responsibilities in the Company)</u> Strategy Development Division, Secretarial Office, Finance &amp; Accounting Department, Corporate Communications Department, Business Process &amp; Information System Management Department, General Administration Department, Legal Department and Internal Audit Department</p> <p><u>(Representative Positions in Other Companies)</u> Representative of the Board, President, Subaru Finance Co., Ltd. (Scheduled to assume the position on June 1, 2008.)</p>	30,000 shares

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No.	Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number of the Company's Shares Held
4	HiroYuki Oikawa (July 29, 1946)	<p>Apr. 1969 Joined the Company</p> <p>Apr. 1992 General Manager of 1st Production Department, Gunma Plant</p> <p>Jun. 1999 Senior General Manager of Gunma Plant</p> <p>Jun. 2001 Corporate Vice President, Senior General Manager of Manufacturing Division and Chief General Manager of Gunma Plant</p> <p>Jun. 2002 Corporate Senior Vice President, Chief General Manager of Subaru Manufacturing Division and Chief General Manager of Gunma Plant</p> <p>Jun. 2003 Corporate Senior Vice President, President of SUBARU of INDIANA AUTOMOTIVE, INC. (SIA)</p> <p>Jun. 2006 Director of the Board, Corporate Executive Vice President, President of SIA</p> <p>Apr. 2007 Director of the Board, Corporate Executive Vice President, Chairman of SIA (to the present)</p> <p><u>(Responsibilities in the Company)</u> Subaru Overseas Sales &amp; Marketing Division 1, SIA, SUBARU of AMERICA, INC.</p> <p><u>(Representative Positions in Other Companies)</u> Chairman of SIA</p>	18,000 shares
5	Norihisa Matsuo (February 21, 1948)	<p>Apr. 1970 Joined the Company</p> <p>Jun. 1991 General Manager of Advanced Project Development Office, Utsunomiya Plant, Aerospace Division</p> <p>Oct. 1998 General Manager of Marketing &amp; Sales Defense Programs Department, Aerospace Division</p> <p>Jun. 2001 Corporate Vice President, Senior General Manager of Aerospace Division (Defense Program)</p> <p>Jun. 2002 Corporate Vice President, Vice President of Aerospace Company</p> <p>Jun. 2003 Corporate Senior Vice President, President of Aerospace Company</p> <p>Jun. 2006 Director of the Board, Corporate Executive Vice President, President of Aerospace Company (to the present)</p> <p><u>(Responsibilities in the Company)</u> Aerospace Company and Eco Technologies Company</p>	26,102 shares

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No.	Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number of the Company's Shares Held
6	Kazushige Okuhara (January 27, 1948)	<p>Apr. 1970    Joined the Company</p> <p>Jun. 1993    Regional Manager of Regional Management Department, Domestic Sales Division (Chugoku, Shikoku and Kyusyu)</p> <p>Apr. 1994    General Manager of 4th Sales Department, Domestic Sales Division</p> <p>Jun. 2001    Corporate Vice President, Senior General Manager of Japan Region, Subaru Sales &amp; Marketing Division Chief General Manager of Subaru Parts &amp; Accessories Division and General Manager of Customer Service Center</p> <p>Jun. 2003    Corporate Senior Vice President, Chief General Manager of Subaru Japan Sales &amp; Marketing Division and Chief General Manager of Subaru Marketing Division</p> <p>Apr. 2005    Corporate Senior Vice President, General Manager of Human Resources Department</p> <p>Jun. 2006    Director of the Board, Corporate Executive Vice President, General Manager of Human Resources Department (to the present)</p> <p><u>(Responsibilities in the Company)</u> Human Resources Department, Subaru Global Marketing Division, Subaru Japan Sales &amp; Marketing Division, Subaru Parts &amp; Accessories Division and Subaru Customer Center</p>	20,000 shares

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No.	Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number of the Company's Shares Held
7	Masatsugu Nagato (November 18, 1948)	<p>Apr. 1972 Joined Industrial Bank of Japan, Limited. (IBJ)</p> <p>Jun. 2000 Executive Officer, General Manager, Corporate Banking Dept. No. 2 (Automobile and Electric Appliances) of IBJ</p> <p>Jun. 2001 Managing Executive Officer in charge of Research Headquarters, IBJ</p> <p>Apr. 2002 Managing Executive Officer, Mizuho Bank, Ltd.</p> <p>Apr. 2003 Managing Executive Officer and Head of Americas, Mizuho Corporate Bank, Ltd.</p> <p>Jun. 2006 Corporate Executive Vice President of the Company</p> <p>Apr. 2007 Corporate Executive Vice President, Chief General Manager of Subaru Overseas Sales &amp; Marketing Division 2</p> <p>Jun. 2007 Director of the Board, Corporate Executive Vice President, Chief General Manager of Subaru Overseas Sales &amp; Marketing Division 2 (to the present)</p> <p><i>(Responsibilities in the Company)</i> Subaru Overseas Sales &amp; Marketing Division 2</p> <p><i>(Representative Positions in Other Companies)</i> President, Subaru of China, Inc.</p>	25,000 shares
8	Jun Kondo (July 20, 1950)	<p>Apr. 1976 Joined the Company</p> <p>Apr. 1999 General Manager of 2nd Production Department, Gunma Plant</p> <p>Jun. 2001 Senior General Manager of Subaru Manufacturing Division and Senior General Manager of Gunma Plant</p> <p>Jun. 2003 Corporate Vice President, Chief General Manager of Subaru Manufacturing Division and Chief General Manager of Gunma Plant</p> <p>May 2004 Corporate Vice President, Chief General Manager of Subaru Cost Planning &amp; Management Division and General Manager of Cost Planning Department</p> <p>Jun. 2004 Corporate Senior Vice President, Chief General Manager of Subaru Cost Planning &amp; Management Division</p> <p>Jun. 2006 Corporate Senior Vice President, Chief General Manager of Subaru Cost Planning &amp; Management Division, Senior General Manager of Subaru Purchasing Division</p> <p>Apr. 2007 Corporate Senior Vice President, Chief General Manager of Strategy Development Division, Chief General Manager of Subaru Cost Planning &amp; Management Division (to the present)</p>	16,020 shares

Note: The candidates have no special interest relationships with the Company.

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**Proposal No. 3:** Election of Two (2) Corporate Auditors

Of the four current Corporate Auditors, the term of office of Outside Corporate Auditors Masatake Yashiro and Morihiko Tashiro will expire at the conclusion of this Ordinary General Meeting of Shareholders. It is hereby proposed that two (2) Outside Corporate Auditors be elected.

The proposal has been approved by the Board of Corporate Auditors Meeting.

The candidates for the position of Outside Corporate Auditor are as follows:

No.	Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number of the Company's Shares Held
1	Nobushige Imai (December 1, 1949)	<p>Apr. 1972    Joined The Industrial Bank of Japan, Limited</p> <p>Jun. 2000    Executive Officer, General Manager of General Fund Division, The Industrial Bank of Japan, Limited</p> <p>Apr. 2002    Senior Executive Officer, Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2004    President, IBJ Systems Ltd.</p> <p>Oct. 2004    Representative Director of the Board, Senior Executive Vice President, Mizuho Information &amp; Research Institute, Inc. (Scheduled to retire from this position on June 25, 2008) (to the present)</p>	0 share
2	Giichi Miyakawa (April 8, 1944)	<p>Feb. 1973    Joined Bridgestone Corporation</p> <p>Mar. 2000    Director, Western District Branch, Bridgestone Corporation</p> <p>Mar. 2002    Representative Director and President, Bridgestone Tire Tokyo Sales Co., Ltd.</p> <p>Mar. 2003    Member of the Board and Vice President and Senior Officer, Bridgestone Corporation</p> <p>Mar. 2007    Retired from the position of the Director of the Board and assumed the office of Advisor, Bridgestone Corporation (to the present)</p>	0 share

Notes:

1. The candidate has no special interest relationship with the Company.
2. The following are the items related to Article 76, Item 4, of the Enforcement Regulations for the Company Law with regard to these candidates for Outside Corporate Auditor.
  - (1) Nobushige Imai and Giichi Miyakawa are candidates for Outside Corporate Auditor.
  - (2) We chose Nobushige Imai as a candidate for Outside Corporate Auditor for his experience during his terms of office as Senior Executive Officer of Mizuho Corporate Bank, Ltd., and Representative Director of the Board, Senior Executive Vice President of Mizuho Information & Research Institute, Inc., and his ample knowledge. We believe Mr. Imai will be a capable Outside Corporate Auditor of the Company and should be able to fulfill the relevant duties if he takes office.
  - (3) We chose Giichi Miyakawa as a candidate for Outside Corporate Auditor for his management experience during his term of office as a Director of the Board of Bridgestone Corporation and his ample knowledge. We believe Mr. Miyakawa will be a capable Outside Corporate Auditor of the Company and should be able to fulfill the relevant duties if he takes office.
  - (4) In December 2004, during the time that Mr. Miyakawa served as a Director of the Board of Bridgestone Corporation, Bridgestone Corporation received a reprimand from the Japan Fair Trade Commission regarding breaches of the Anti-Monopoly Law in relation to a restrictive trade practice in bidding orders for tires from the Japan Defense Agency (currently the Ministry of Defense). Also, in February 2008, Bridgestone Corporation received a reprimand from the Japan Fair Trade Commission regarding breaches of the Anti-Monopoly Law in relation to a restrictive trade practice for marine hoses. Mr. Miyakawa was not directly involved in these matters and was committed to further disseminating the compliance system during his term.
  - (5) To allow the Company's Outside Corporate Auditors to fulfill their expected roles, Article 38 of the Company's Articles of Incorporation provides that the Company may conclude a contract with its Outside Corporate Auditors to limit liabilities for compensation of damages under Article 423-1 of the Corporation



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Law. Accordingly, if Nobushige Imai and Giichi Miyakawa assume office as an Outside Corporate Auditor, the Company will conclude such a contract with them. The outline of the contract is as follows.

- 1) The ceiling amount for liabilities under Article 423-1 of the Company Law for Outside Corporate Auditors shall be whichever is higher, a previously designated amount of ¥5 million or more, or an amount stipulated by laws and regulations.
- 2) The limitation of liabilities as described above shall be accepted only when the Outside Corporate Auditors performed the duty in good faith and without gross negligence that was associated with the damages they are liable for.

**Proposal No. 4:** Election of One (1) Substitute Corporate Auditor

The resolution on the election of a Substitute Auditor for Outside Corporate Auditor made at the 76th Ordinary General Meeting of Shareholders held on June 26, 2007, expires at the opening of this 77th Ordinary General Meeting of Shareholders. It is therefore proposed that one (1) Substitute Auditor for Outside Corporate Auditor be elected in case of vacancy of the statutory number of Corporate Auditors.

The candidate for the position of Outside Corporate Auditor is as follows:

The validity of the resolution on the election of Iwao Sekiya shall expire at the opening of the first Ordinary General Meeting of Shareholders to be held after said resolution was made, and can be nullified by resolution of the Board of Directors, with the consent of the Board of Corporate Auditors Meeting, only before he assumes office.

The proposal has been approved by the Board of Corporate Auditors Meeting.

Name (Date of Birth)	Biography, Posts and Responsibilities in the Company, and Representative Positions in Other Companies	Number of the Company's Shares Held
Iwao Sekiya (December 11, 1945)	Apr. 1973 Registered as a lawyer with the Tokyo Bar Association Oct. 1983 Established Sekiya Law Office Nov. 2006 Auditor of Keio University Apr. 2008 Outside Auditor, Ryoyo Electro Corporation (to the present)	40,800 shares

Notes:

1. The above candidate for Substitute Corporate Auditor has no special interest relationship with the Company.
2. The above candidate is nominated for Substitute Auditor for Outside Corporate Auditor.
3. We chose Iwao Sekiya as a candidate for Substitute Auditor for Outside Corporate Auditor in the belief that he is capable as an Outside Corporate Auditor of the Company and should be able to fulfill the relevant duties if he takes office.

Due to his long experience as a lawyer, Iwao Sekiya has advanced professional expertise in corporate legal affairs. Although he has no experience dealing directly with corporate management, he has adequate insights to guide corporate management based on his experience in corporate legal affairs.

4. To allow the Company's Outside Corporate Auditors to fulfill their expected roles, Article 38 of the Company's Articles of Incorporation provides that the Company may conclude a contract with its Outside Corporate Auditors to limit liabilities for compensation of damages under Article 423-1 of the Company Law. Accordingly, if Iwao Sekiya assumes office as an Outside Corporate Auditor, the Company will conclude such a contract with him. The outline of the contract is as follows.

- (1) The ceiling amount for liabilities under Article 423-1 of the Corporation Law for Outside Corporate Auditors shall be whichever is higher, a previously designated amount of ¥5 million or more, or an amount stipulated by laws and regulations.
- (2) The limitation of liabilities as described above shall be accepted only when the Outside Corporate Auditors performed the duty in good faith and without gross negligence that was associated with the damages they are liable for.