

# Message from the President

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A handwritten signature in black ink that reads "Ikuo Mori". The signature is written in a cursive, flowing style.

President and CEO  
Fuji Heavy Industries Ltd.

My name is Ikuo Mori. I assumed the office of President and CEO on June 27, 2006. I am pleased to have this opportunity to offer some brief introductory remarks on the occasion of the issuance of the 2006 Fuji Heavy Industries Environmental and Social Report.

First, I would like to express my appreciation for your interest in this report. In light of the recent trend which has seen the idea of CSR (corporate social responsibility) universally advanced, we at Fuji Heavy Industries, by establishing our CSR Policies in fiscal 2004, acknowledged that CSR is fundamental to our business activities. We believe that our mission is to contribute to society as a good corporate citizen by actively conducting a variety of activities with respect to our customers, products, the environment, legal compliance and social contributions based on our CSR Policies.

In order to grow as a company with a strong and appealing presence, I believe that it is essential for us to become a company, through our CSR Policies, worthy of the enduring trust of all members of society including our stakeholders. In keeping with this end, we will actively conduct the following activities.

First, we will alter our corporate culture to develop a customer oriented culture in order to meet customer demands and expectations. It has been observed that in some respects, we have attached too much importance to technologies, but we will change this tendency so that we can pursue, create

and provide products valuable to customers by further taking their viewpoints into account. In support of this idea, we at the Subaru Group will work together to become a company able to satisfy customers in all respects including products, quality and service.

Next, as a transportation manufacturer, we will actively conduct activities with consideration of the environment and society by clearly acknowledging the repercussions of our business activities on the environment and the motorized society.

While numerous environmental problems such as global warming have been occurring, we at the Subaru Group believe that we will not be able to survive, to say nothing of grow, if we do not become fully aware of our impact on the environment and if we do not discharge our responsibilities for environmental problems. By recognizing the environmental impact of all our processes including the design and development of Subaru products, procurement of materials and components, logistics, customer product usage and recycling, we will continue to create new voluntary plans to meet our challenges and make all our processes "clean."

We will also actively conduct research and business activities to realize traffic safety for all parties connected to Subaru, including passengers and pedestrians, and to ensure the safety of the motorized society by fully considering the impact

automobiles have on society. Our products such as the Legacy "SI-DRIVE," which fuses driving performance, safety and environmental performance at a high level by taking advantage of the unique advanced technologies accumulated from our experience as an aircraft manufacturer, and the Stella, a new mini car with class leading environmental performance and user-friendliness, are examples of such efforts. We hope that as many customers as possible will drive these vehicles and appreciate our attentiveness to these matters.

We have incorporated your comments and opinions into the 2006 Environmental and Social Report and by reviewing the contents of our previous reports tried to make this report more accessible so that more people who use Subaru products can understand our environmental and social activities. We have separately disclosed on our Web site detailed information concerning our achievements in environmental and social activities.

We hope that as many people as possible will read this report, and hope to receive your frank opinions about the Subaru Group's activities.

August 2006

**Subaru participates "Team Minus 6%"  
- national campaign to help prevent warming**



#### Subaru Environment Logo

In June 2005, we created the Subaru Group's environment logo. The environment logo has a leaf at the center, with "green earth" and "blue sky" to represent the globe. Into this logo, we incorporated our determination to actively work on providing *products that are friendly to the earth, society, and people*, which is stated in the FHI Environmental Policy.

# Corporate philosophy

## Corporate philosophy

The manufacturing principles of Fuji Heavy Industries Ltd. are built on the tradition of aircraft manufacture established by Nakajima Aircraft, the predecessor of FHI. The DNA of our company consists of *pursuit of the best performance*, the fundamental concepts for designing aircraft, *a concentrated, lean package* to materialize it, and *thorough implementation of safe operations*

*under all environments*. While maintaining an emphasis on these principles, we will strive to develop new values and actively work on environmental problems and compliance issues while treasuring our tradition, so that FHI will be able to provide customers and other stakeholders with more satisfaction and reliance, and subsequently coexist in harmony with society.

1. We will strive to create advanced technology on an ongoing basis and provide consumers with distinctive products with the highest level of quality and customers satisfaction.
2. We will aim to continuously promote harmony between people, society, and the environment while contributing to the prosperity of society.
3. We will look to the future with a global perspective and aim to foster a vibrant, progressive company.

## We Aim to Become What We Want to Be

We have been striving to move into our ideal picture of a company with a strong, appealing presence and develop new values. To achieve the goals, FHI reviewed the two-year plan from fiscal 2005 of the mid-term business plan, Fuji Dynamic Revolution 1 (from fiscal 2002), formulated the Revised FDR-1, and started new approaches. In accordance with Revision FDR-1, we aim to improve Subaru's brand value in order to increase profitability and, at the same time, strive to provide all customers with pleasure and

a sense of security when driving any car by integrating a higher level of Safety and Environment into Driving. It is our dream and desire to establish a Subaru brand loved and supported by customers all around the world and become a model company where employees work with pride. With these in mind, we will carry our activities forward steadily and make the most of our premium values in every business area, including automobiles, as a company which continues to evolve for the future.

## Corporate Code of Conduct

FHI set down a corporate code of conduct to comply with laws and regulations and to fulfill its social responsibilities, based on our corporate philosophy. We will continue to strive to become a company loved by all and contribute to

making society more affluent by respecting individuals and the corporate code of conduct and acting on the same sense of values.

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

# CSR (Corporate Social Responsibility)

## FHI's philosophy concerning CSR

FHI believes that the Corporate Philosophy is the CSR policy, or in other words, acknowledging that CSR is a reflection of our corporate philosophy and fundamental to our business activities.

## CSR Activities

FHI has been actively working on a variety of issues, including corporate governance, environment, compliance and social service action as its contribution to the society.

