



# Employees: Human Resource Development

## Human Resource Development (HRD) Philosophy

We provide support for skill development through a variety of training programs centered on on-the-job training forms, aiming to develop highly engaged, autonomous employees, which are the human resources ideal based on our HRD Philosophy. We promote initiatives at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics.

## HRD Philosophy

We seek to realize the SUBARU human resources ideal of highly engaged and autonomous employees by helping employees develop the ability to identify and solve problems themselves.



A Scene from grade-specific training

## Establishing the Training System

We have established diverse grade-specific and skill-specific training programs. Among our grade-specific training programs, we offer the Startup Program for all employees who have risen to a higher level and some mid-career recruits. In FY2016, approximately 1,800 employees took and completed training. With the goal of helping employees obtain and enhance business skills, we also offer training programs for each type of position within the company. We offer support for employees to attend business school.

With a view to accelerating our global HRD, we have also established programs to facilitate foreign language acquisition and training in companies overseas.

## Educational Organization Chart

Ability-based Grade	Company-wide Programs				Individual Programs at Each Site		
	Education by Grade		Education by Job Skill			Global-talent Development	Self-development Support
Manager Class	New training at the time of promotion	Career plan training for manager class	<b>Professional program</b> Examples: -Logical thinking -Leadership -Presentation -Financial accounting, etc. -Support for attending business school	<b>Education by job skill</b> Examples: -Intellectual property -Financial accounting -Legal work	<b>Educational program</b> Variety of programs is available according to employees' level. STEP 0-6	Correspondence education, etc.	Training at each business site Official certification support, etc.
Regular Employee		Performance review training					
New employees training							
New recruits training							

## Initiatives to Transmit Skills

We opened the SUBARU Technical School (STS) in 2006 with the goal of training young technicians to become future leaders. By transmitting to the next generation technical expertise and work methods that are tailored to all skill levels and reflect the highest standards of safety and excellence, STS is helping to ensure the high quality of SUBARU products going forward.

We provide training that matches the skill levels of trainees, who consist of employees ranging from new graduates to those in their mid-twenties. In FY2016, 559 students took and completed courses, bringing the cumulative number of successful trainees to 3,031.



Basic Skills Training at STS

### Comment from a Trainee

#### Aiming to Achieve “Customers Come First”

For those of us who are engaged in building cars, the rules and principles and the basic knowledge we learned here are essential for achieving an enduring “Customers Come First” approach. I will do my best to be worthy of being an FHI employee in order to further advance the building of cars that give customers peace of mind.

**Yuta Sugimura, No. 1 Paint Section, 1st Production Department, SUBARU Manufacturing Division**

## Fair Evaluations and Support for Development of Skills

Mechanisms for the upgrading of skills aimed at growth based on fair personnel evaluations are essential to develop the autonomous human resources that FHI is aiming for.

To this end, FHI positions and utilizes its personnel system which is made up of occupational skill certification programs, performance assessment system, goal management system, personnel rotations, and the education and training systems as a tool for the development of human resources. In addition to objectively evaluating job outcomes and performance levels for skills through the operation of the personnel system, supervisors and their subordinates share the challenges necessary for growth. Under the goal management system, all FHI employees have an interview with their supervisors three times a year (goal setting, interim confirmation, outcome confirmation).



### Promoting Work-Life Balance (Work-Life Balance Approach)

FHI aims to create a group of highly engaged, autonomous human resources, and we believe that it is important to establish an environment that allows each individual among our diverse employees to fully express their unique abilities.

We work on promoting diversity in work styles as well as enhancing our schemes in order to respect the diversity of our employees and achieve Work-Life Balance.

We promote initiatives to support work-life balance at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics.

### Supporting Each Employee's Work and Household

To support employees both at work and at home, we established our leave and short work-time systems, including the childcare leave system that can be extended to the first April after the child becomes two years old, the short work-time system available until children commence 4th grade in elementary school, and the leave or short-work time system for elderly care. In addition, we conduct lectures on the systems as part of our grade-specific training with aim of promoting awareness and utilization of these various programs.

In addition, in accordance with the Next Generation Education and Support Promotion Act, we formulated and implemented our corporate voluntary action plan. We achieved the targets for both the first phase (April 2005 through March 2007) and the second phase (April 2007 through March 2010) of the action plan. As a result, we acquired Certification by the Minister of Health, Labor and Welfare (the *Kurumin* Mark) twice. We applied for certification in June 2015 with regard to the activity performance of the third phase of the action plan (April 2010 through March 2015). We also finished formulating our fourth phase of the action plan (April 2015 through March 2017), and published it in June. Under the fourth phase of the action plan, we will promote efforts aimed at the newly introduced Platinum *Kurumin* Mark certification.

In the past, we have concentrated our efforts on establishing and enhancing a range of systems aimed at balancing child care and nursing responsibilities with work. However, as our systems are equal to or greater than statutory requirements, going forward we will step up to providing support for career development while balancing childcare responsibilities with work.



The *Kurumin* Mark

#### Comment from an Employee Taking Advantage of the Short Work-Time System

#### **I am grateful for the understanding and cooperation of my boss and workplace**

Before returning to work from childcare leave, I had an interview with my boss and was able to thoroughly discuss my intentions, concerns and so on, so I managed to return to work without any anxiety. Now there is understanding and cooperation in my workplace, so I can work without feeling uncomfortable or anything like that.

I can be involved in responsible work even with short work-time, and, while it is challenging, I feel a sense of satisfaction. On the other hand, there are always time restrictions, so there are things I cannot do, but I try as much as possible not to burden other people with my short work-time share of the load.

Female employee  
Subaru Global Marketing Division

## Initiatives Aimed at Reducing Long Working Hours

In addition to the set hours days (no overtime days) that we had already established, FHI established a new “ultra-set hours day” in FY2016 when all employees, including managers, leave work at the set time throughout the entire company. This required the formulation and implementation of even more efficient operations plans than in the past. As a result of this initiative, employee awareness about working hours has increased, including the situation regarding leaving work on no overtime days.

Moreover, starting in FY2017, we will reduce the core time for flexi-time work from four hours to two hours to facilitate work styles that are more tailored to fluctuations in work. This is also expected to help reduce working hours, such as in cases where employees can go home early at times when the workload is low.

## Work-life Balance Recommended Performance (FHI non-consolidated)

Implementation	Overview		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Childcare leave (persons)	System that enables employees to obtain leave for childcare	Male	2	3	6	3	2	<b>6</b>
		Female	90	68	124	68	91	<b>101</b>
		Total	92	71	130	71	93	<b>107</b>
	Rate of returning to work after childcare leave	Male	—	—	—	100	100	<b>100</b>
		Female	—	—	—		100	<b>98</b>
	Retention rate one year after returning to work	Male	—	—	—	98.5	100	<b>100</b>
Female		—	—	—	98.9		<b>95</b>	
Care leave (persons)	System that enables employees to obtain leave for family care with the necessary care conditions		5	6	3	5	5	<b>9</b>
Paid vacation acquisition rate	Promotion of once per month		86.6%	88.2%	85.7%	86.9%	88.7%	<b>84.2%</b>
No overtime day	Two days set in the week for increasing work efficiency and fulfillment of private life		Implemented continually					



## Employees: Diversity Initiatives

### Promoting Diversity

For our company to continue offering customers value not found in competing products, each FHI employee needs to be able express his or her abilities as an individual with unique values. For this reason, FHI values differences in gender, nationality, culture, and lifestyles of employees and strives to create workplace environments in which everyone finds it easy to work.

We also promote initiatives related to diversity at affiliated companies in Japan and overseas in accordance with the business content of each company and regional characteristics.



The main building at the Gunma Main Plant provides accessibility with wheelchair ramps



Creating workplace environments in which diverse employees find it easy to work, regardless of gender, nationality or lifestyle

### Establishment of Diversity Promotion Office

We established the Diversity Promotion Office in January 2015 in order to promote diversity at FHI even more proactively.

Under the Diversity Promotion Office, we have designated “promoting active roles for female employees,” “employing people with disabilities,” “planning and promoting employment of non-Japanese,” and “promoting employment of the elderly” as priority themes. Among these themes, we have placed particular emphasis on efforts to promote active roles for female employees.

For our efforts in FY2016, workplaces and human resources departments worked together to create training plans in support of career development for female employees, and we also introduced our first mentor system for female managers and candidates for manager. In addition, the formulation of an action plan aimed at promoting active roles for women is required under the Act on Promotion of Women’s Participation and Advancement in the Workplace established in August 2015. FHI has set a goal in our action plan for the number of female managers in 2020 to be five times more than the number in 2014 (four → 20), when we established our promotion targets, assuming promotion through merit based on demonstrated ability.

In FY2017, we will continuously promote these initiatives in addition to working to further enhance quality.

### Activities to Raise Awareness of Human Rights

FHI’s Conduct Guidelines clearly state that we do not unfairly discriminate on grounds of gender, age, nationality, race, ethnicity, beliefs, religion, social status, physical disability or any other pretext.

In order to raise awareness of our respect for human rights, we have introduced lectures on the importance of diversity and FHI’s efforts into training for new recruits and managers from FY2016. In FY2016, we held training 8 times for approximately 430 employees.

In addition, we have compiled rules and guidelines aimed at preventing all kinds of harassment. To prevent workplace bullying, we prepared a Workplace Bullying Explanatory Booklet, which we have distributed to all employees (except for nonpermanent employees) as well as posting it on the intranet. We distributed the Workplace Bullying Prevention Handbook, which compiles points to note in order to create a workplace free from workplace bullying, to all managers and supervisors. We established the Compliance Hotline and Sexual Harassment Helpline as points of contact for inquiries.

## Supporting Employees with Disabilities

At FHI, we strive to create workplace environments in which people with disabilities can truly shine. To achieve this goal, we leverage the ideas and opinions of our employees with disabilities and their family members.

We also aim to comply with the legally mandated rate of 2.0% for employees with disabilities as our corporate social responsibility. As of March 31, 2016, 246 employees with disabilities were employed at FHI, mainly in manufacturing work, and the percentage of employees with disabilities was 2.12% as of April 1, 2016. We will continue to promote stable and ongoing employment with a target of 2.2% for the percentage of employees with disabilities as of April 1, 2017.



Employees of SUBARU Bloom



The height of automatic door switches and work stations is set at a level that is convenient for those using wheelchairs.

### TOPICS

## Initiatives at Specified Subsidiary Company SUBARU Bloom Co., Ltd.

SUBARU Bloom Co., Ltd. (SBC), which gained accreditation as a specified subsidiary company under the Act on Employment Promotion, etc., of Persons with Disabilities in FY2015, made active efforts to employ people with disabilities again in FY2016. As of April 2016, 50 employees were engaged in cleaning operations for FHI's dormitories and plants.

In addition, SBC has gone beyond simply employing people with disabilities to actively host more than 100 people from the local area for observation and tours. In recognition of these employment and community contribution activities, the company received an Excellent Business for Employment of People with Disabilities Award from its hometown of Ota City, Gunma Prefecture in November 2015.

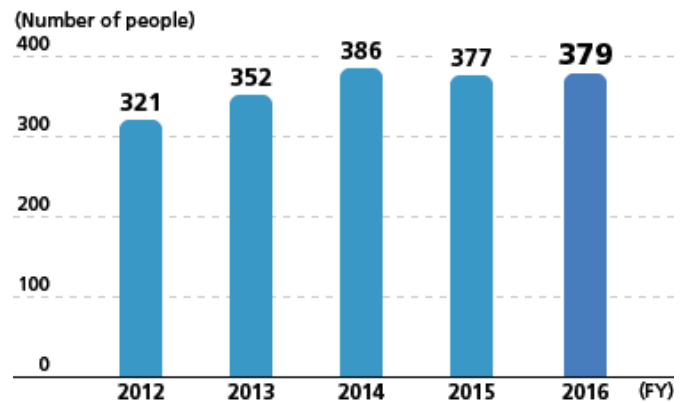
With many colleagues working at the company, we will strengthen initiatives aimed at retention going forward. We will not only strengthen our support systems and give guidance on work, but will also provide basic education on safety, compliance and other areas as well as creating programs that allow the joy of working to produce the results of the job to be experienced. In addition, after employees join the company, we will repeat skill checks and interviews to help increase motivation. We will also create a forum for experiencing the happiness of spending time with friends met through work by using holidays to hold regular events. In FY2017, we will continue striving for employment, retention, and community contribution with the aim of being a company that helps the individuality of every single employee to bloom.

## Senior Partner Program: Reemployment for Employees Over 60-year-old

We introduced the "Senior Partner Program" in 2003 to rehire employees after the 60-year-old retirement age. This reemploys the aged and better strengthens our human resources. In addition to meeting the demands of the "Revised Law Concerning Stabilization of Employment of Older Persons" since April 2013, we have revised the existing system so that retired workers can put their experience and skills to further use, and have devised a system whereby those who wish to work beyond retirement age can do so at FHI and at our associated group companies.

We have been improving the work environment so that the reemployed will be able to work more comfortably. We will promote re-hiring senior people after their retirement at 60 to use their experience and abilities for fostering a new generation of workers.

### Number of Workers Over the Age of 60

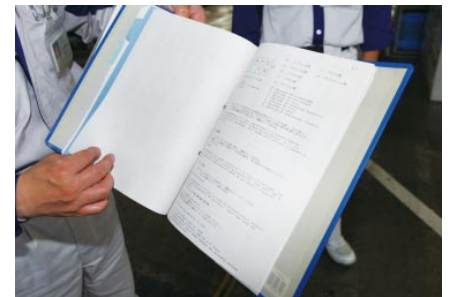


## Global Human Resource Development Initiatives

FHI recruits both new graduates and mid-career employees regardless of their nationality, and we employ non-Japanese nationals as permanent and temporary employees.

We also provide employees opportunities to receive language training and engage in extended training programs overseas, helping them enhance their communication with people from other countries and understand cultures different from their own. The interaction of international human resources also paves the way to the internal revitalization of FHI and stable supply of human resources.

Our overseas sites and affiliates each recruit human resources independently and make efforts to secure human resources that match the policies and business at each site.



Manual written in Portuguese

### TOPICS

## International Contribution through Skill Transfer (Gunma Manufacturing Division)

People from various countries, including Brazil, Peru, and China, work at the Gunma Manufacturing Division. As it can be difficult even for people who can converse in Japanese to understand detailed manufacturing instructions and terminology accurately, we accommodate them by providing foreign-language manuals and interpreting.

In addition, we are promoting the use and consolidation of the Foreign Trainee Internship Program with the aim of making an international contribution in terms of human resources development through skills transfer. When hosting interns, FHI respects human rights and is promoting the appropriate use of the program in accordance with legislation.

We are endeavoring to foster relationships of trust when hosting interns by carefully explaining the details of the internship, life in Japan and other issues not only to the interns but to their families as well. We are also promoting support for reemployment after interns return to their home countries in collaboration with local organizations. As of the end of FY2016, there were approximately 300 interns, and we plan to maintain the system in FY2017 and beyond.

## Program for Appointment of Contract Employees to Regular Employment

FHI has a program for appointing contract employees to regular employment. In the three years FY2013 through FY2016, 512 contract employees have been appointed to regular employment.

We offer opportunities to take qualifying examinations based on comprehensive consideration of the individual's wishes, workplace recommendations and other factors, which leads to enhanced motivation and engagement among our contract employees.

## Universal Design Initiatives

With the goal of achieving the guidelines for a comfortable working environment,\* we systematically plan continuous workplace improvements in the areas of work environment, work methods, and environmentally responsible facilities, among others. We practice universal design in our facilities, aiming to make break areas, toilets, smoking areas, and cafeterias as barrier-free as possible.

We have made universal design a reality for entry and exit gates, toilets, and other facilities at our new West Main Building in Ota City, Gunma Prefecture completed in April 2015 as we did at our head office in Shibuya-ku, Tokyo.

\* Guidelines for a comfortable working environment: "guidelines for measures to be taken by employers for the creation of a comfortable working environment" in the Industrial Safety and Health Act.



Entry and exit gates through which people in wheelchairs can also pass at the new West Main Building at the Gunma Manufacturing Division



Toilet that can be easily used by people in wheelchairs at the new West Main Building at the Gunma Manufacturing Division



## Employee Data (FHI non-consolidated)

		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Number of employees	Male	11,942	11,740	12,451	12,784	13,511	<b>13,858</b>
	Female	875	834	861	871	901	<b>929</b>
	Total	12,817	12,574	13,312	13,655	14,412	<b>14,787</b>
Male to female ratio (%)	Male	93	93	94	94	94	<b>94</b>
	Female	7	7	6	6	6	<b>6</b>
Average age		38.8	38.6	38.9	38.8	38.4	<b>38.4</b>
Average length of continuous employment (years)		17.7	18.0	17.3	16.6	16.0	<b>16.6</b>
Number of managers (persons)	Male	1,047	1,043	1,044	1,029	1,028	<b>1,032</b>
	Female	3	5	5	4	4	<b>7</b>
Number of new graduate recruits (persons)	Male	207	262	418	418	426	<b>481</b>
	Female	12	14	40	30	41	<b>69</b>
Number of mid-career recruits (persons)	Male	106	210	487	303	620	<b>302</b>
	Female	2	0	5	8	10	<b>22</b>
Total number of separated employees (persons/%)		-	-	-	-	159/1.1	<b>189/1.3</b>



## Philosophy of Occupational Health and Safety

In line with the Corporate Philosophy, we consider occupational health and safety to be a critical responsibility of management. Our Health and Safety Philosophy is, "We make health and safety the first priority in all of our work." Based on this philosophy, all managers and employees work to ensure health and safety in their workplaces while continuously striving to make a working environment more pleasant and comfortable for all.

We also establish occupational health and safety policies at affiliated companies in Japan and overseas in accordance with the business content of each company, regional characteristics, and the laws and regulations in each area and promote initiatives based on these policies.



Yajima Plant, Gunma Manufacturing Division

## Health and Safety Philosophy

We make health and safety the first priority in all of our work.

## Basic Policy of Health and Safety

Aiming for zero incidents of occupational accidents, traffic accidents, diseases, and fire disasters, all employees recognize the importance of health and safety and strive to improve equipment, environments, and work methods, while raising the level of management and awareness in order to create safe and comfortable workplaces.

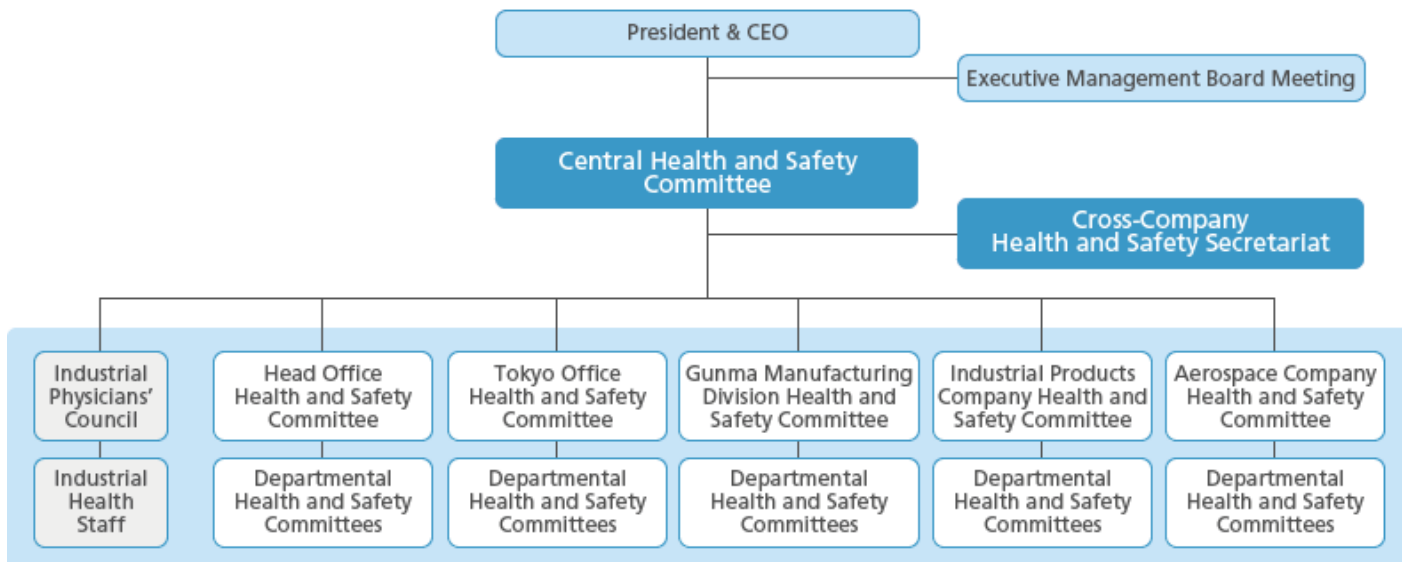
## Health and Safety Management System

FHI established the Central Health and Safety Committee composed of an equal number of members (7 each) from the company and the labor union for the purpose of preventing employee accidents and diseases and improving the working environment. The committee has one chairperson elected from the company and one vice-chairperson elected from the labor union.

The Central Health and Safety Committee engages in extensive discussion on themes that include the basic policy concerning occupational health and safety, investigations into the causes of industrial accidents and diseases and countermeasures to them, improvement of the working environment, health and safety education, road safety, fire prevention and other topics.

In addition, site Health and Safety Committees have been set up at each of the companies to deliberate on the policies issued by the Central Health and Safety Committee as well as basic issues. Furthermore, Health and Safety Committees at plants, departments and section have been established where necessary as sub-organizations.

## Health and Safety Organization Chart



## Aiming for Zero Industrial Accidents

At the start of each fiscal year, each FHI business site conducts a Health and Safety Kickoff Meeting that aims to raise awareness about preventing industrial accidents, road safety, and health management. With the ultimate goal of zero industrial accidents for the year, the general manager of each site talks to workplace leaders about the health and safety policies and initiatives for the fiscal year.

At the Health and Safety Kickoff Meeting for FY2017, staff from Labor Standards Inspection Offices and industrial physicians were invited to give presentations to disseminate the content of the Industrial Safety and Health Act, which was revised in June 2014. While aiming to promote the understanding that our employees have about the legislation, we also intend to draw on these presentations for our FY2017 safety and health activities as a company.

In addition, each site establishes activity targets and plans and promotes initiatives to achieve them so that employees constantly maintain awareness about preventing accidents while going about their day-to-day work.

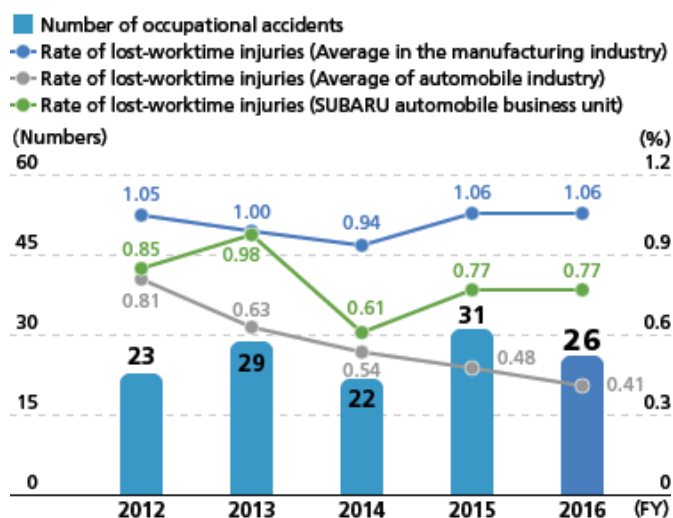
In FY2016, there were 26 incidents of industrial accidents, which included four lost-worktime accidents and zero fatal accidents. The accident rate in the Subaru Automotive Business was 0.77, and the lost-worktime injury rate, which indicates the severity of accidents, was 0.11, equal to the average for the automobile manufacturing industry as a whole.

In FY2017, we are aiming for zero industrial accidents. Employees will continue to wear safety declaration badges in order to further disseminate the focus on "Compliance with rules on standard working hours" and "Implementing hazard prediction for non-routine work."



FY2017 Safety and Health Kick Off Meeting held at Utsunomiya Manufacturing Division

## Occurrence of Industrial Accidents and Rate of Lost-Worktime Injuries



\* The number of accidents is calculated based on fiscal year while the frequency of accidents is calculated based on calendar year.

## Risk Assessment Activities

In order to create safer workplace environments, FHI carries out risk assessment activities that identify potential risks within the workplace and attempt to prevent them at each worksite. The results of assessments are reflected in annual health and safety activities in an effort to reduce risk systematically.

## Road Safety Support Activities

In order to prevent all traffic accidents whether they be during work, commuting or private time, FHI conducts driving aptitude testing that incorporates psychological testing for all employees of the Automotive Business, the Aerospace Company and the Industrial Products Company, in which commuting by car is popular. We inform the employees concerned about the results of aptitude testing and conduct follow-up activities every six months.

Moreover, at some sites we have implemented an initiative using drive recorders to identify employees' driving habits. Through continuing these activities, we are striving for further awareness about safe driving.



### Our Approach to Health Promotion

We are aggressively promoting employee health management. Our approach is not only to prevent health problems, but also to systematically maintain and promote mental and physical health. Specifically, we are working to prevent diseases and administer healthcare by assigning staff at each division for health checkups and specialized health guidance (e.g. remedies to avoid metabolic syndrome, exercise guidance, mental healthcare, nutritional guidance), individual health consultations to those diagnosed with a cautionary concern in a medical checkup, counseling and other healthcare services. In FY2016, we removed cigarette vending machines from some worksites as an internal anti-smoking measure.

#### Comments from a Public Health Nurse

### Supporting health promotion as a friendly face

For employees to be able to work with healthy bodies and minds is the source of a company's vitality as well as an asset. In terms of support for employees to be healthy, mental health measures are mentioned first. We not only promote self-care through workshops and so on but also the creation of a workplace in which employees care for each other.

In the area of health guidance, we naturally provide support and build systems to prevent lifestyle diseases and so that people receiving treatment can also be healthy, and we sometimes adjust menus in the employee canteen and the canteens in the dormitories for unmarried workers as well as sending letters to the families of employees about lifestyle improvements.

Health is something that you manage yourself, but family support and the environment are also important. We try to provide support that is closely matched to the individual, including the background of employees, and are committed to always being a friendly face for employees. Going forward, we will also continue providing support that enables employees to be healthy in their work as well as spend a healthy retirement.



**Michiko Suzuki**  
Public health nurse, Gunma  
Manufacturing Division

### Commitment to Mental Health

We work in cooperation with industrial physicians, clinical psychologists and health and safety staff (public health nurses and nurses) attached to the Health Support Office to conduct mental health measures. At the same time we are involved in providing mental health workshops and the like at each division for regular workers and managers. In FY2013, we created the "Mental Health Dealing Manual for Managers" in-house booklet and introduced the "Return to Work Program Schemes" (trial return to work, gradual return to work), a system effective from FY2014 that enables smooth resumption of work after a period of absence, among other measures to create a work environment in which employees are able to work with peace of mind.



## Employees: Communication with Labor Union

### Building Positive Labor–Management Relations

FHI's employees belong to the Fuji Heavy Industries Labor Union. Out of a total of 14,772 FHI employees, 13,865 employees belonged to the labor union as of October 1, 2015. There are also labor unions at sales companies and affiliates in Japan, and the Confederation of Fuji Heavy Industries Affiliated Labor Unions (Fuji Rouren), which includes these unions, had 24,853 members as of October 1, 2015.

FHI and its labor union hold a Labor and Management Council at least once a month for smooth corporate management and mutual communication, discussing issues such as management policy and overviews of business results, production, matters to do with sales and workers' conditions, issues concerning work styles and other topics. Changes to operations that will have a significant impact on employees are discussed in advance.

Labor-management relations in recent years have remained positive with the establishment of a relationship based on mutual understanding and trust through close communication.