



2006 Environmental & Social Report

2006 Environmental and Social Report Featured Articles

"To become a company friendly to people and the environment, we have started with what we can do." Niigata Subaru, Co. Ltd. **p.13**



Technologies to Make Dreams Come True
Clean Energy Vehicle Birth of the SUBARU "R1e" **p.7**



"Let's Protect Our Valuable Earth!"
Subaru Eco Class Delivery Service **p.11**



Editorial Policy

- This report has been issued to introduce the environmental and social achievements of Fuji Heavy Industries Ltd. (FHI) and its domestic and overseas affiliated companies in order to set the stage for communication with stakeholders including our customers, shareholders, partner companies, local communities and employees. We have included feature articles on special activities conducted in fiscal 2005 and separately placed environmental accounting and detailed site data on our Web site under the heading "Supplementary Volume for Data Related to the 2006 Environmental and Social Report." For better objectivity, we arranged for a third party to examine our Environmental and Social Report and placed the resulting assessment at the end of this report. We will continue to work to make this report accurate and easy to understand.
- Period covered
This report covers our achievements and activities in fiscal 2005 (April 2005 through March 2006; for overseas affiliated companies: January through December 2005) and some activities from prior fiscal years and others conducted just before the issuance of this report.
- Guidelines referenced
"Environmental Report Guidelines (2003)" by the Ministry of the Environment
- Editor of this environmental and social report and contact window:
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CSR & Environmental Affairs Promotion Office
Subaru building, 7-2 Nishi-shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8316 Japan
TEL 03-3347-2036 FAX 03-3347-2530
- Contents of our Web site and the "Supplementary Volume for Data Related to the 2006 Environmental and Social Report"
<http://www.fhi.co.jp/>

Contents of the "Supplementary Volume for Data Related to the 2006 Environmental and Social Report"

Data	Coverage and details
Corporate Overview	Fuji Heavy Industries Ltd., its domestic and overseas affiliate companies
Chronology of FHI's Environmental and Social Activities	Chronology of FHI's environmental and social activities
Financial Data	Most recent five year trends in FHI's sales, ordinary income, sales volume, paid-in capital, number of employees, capital investment and Research and Development costs
Environmental Management Report	FHI's system for promoting environmental conservation activities, voluntary environmental plans, environmental accounting (for FHI, its Japanese and overseas affiliated companies [reference value for trial]), number of employees who have acquired official certifications, number of company-owned cars, etc.
Product Data	Data on the products released by FHI in fiscal 2005
Plant Site Data	Environmental and social activities and compliance with environment-related laws and regulations, etc. at Gunma Manufacturing Division, Industrial Products Company, Utsunomiya Manufacturing Division and Tokyo Office
Affiliated Companies Site Data	Fuji Robin Industries Ltd., Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co. Ltd., Kiryu Industrial Co., Ltd. and Subaru Logistics Co., Ltd.

- Range of the report
Focusing mainly on the activities of the Automotive Business Unit, which generate considerable environmental impact, we introduce the activities of the Aerospace Company, the Industrial Products Company, and other divisions having to do with environmental equipment and devices. We also introduce the activities of six manufacturing and distribution companies participating in FHI's Domestic Affiliated Company Subcommittee and five overseas companies participating in the North American Environmental Committee, all of which are considered to impact the environment substantially.

Companies Covered in the Report

Fuji Heavy Industries Ltd. (Main manufacturing facilities)

- Subaru Automotive Business < Gunma Manufacturing Division (Gunma prefecture), Tokyo Office (Mitaka city) >
- Aerospace Company < Utsunomiya Manufacturing Division (Utsunomiya City, Tochigi prefecture, Handa city, Aichi prefecture) >
- Industrial Products Company < Saitama Manufacturing Division *(Kitamoto city, Saitama Prefecture) >
- Eco Technologies Company < Utsunomiya Manufacturing Division (Utsunomiya City, Tochigi prefecture) >

* For the sake of convenience, in this report, the production sites of the Aerospace Company and Eco Technologies Company are referred to as the Utsunomiya Manufacturing Division and the Industrial Products Company as the Saitama Manufacturing Division. Also, in order to make the coverage of the report clear, we use the following definitions:

"All manufacturing plants" is a collective term referring to the Gunma Manufacturing Division, the Utsunomiya Manufacturing Division (Aerospace Company and Eco Technologies Company), the Saitama Manufacturing Division (Industrial Products Company) and the Tokyo Office.

"Company-wide" is a collective term for FHI which includes the Head Office area (Tokyo and Saitama City, Saitama Prefecture), the Subaru Test & Development Center (Tochigi Prefecture), the Subaru Parts Distribution Center (Gunma Prefecture) and "all manufacturing plants" mentioned above. (However, welfare facilities such as the bachelor's dormitory, company housing, training facilities and test courses in Hokkaido are excluded.)

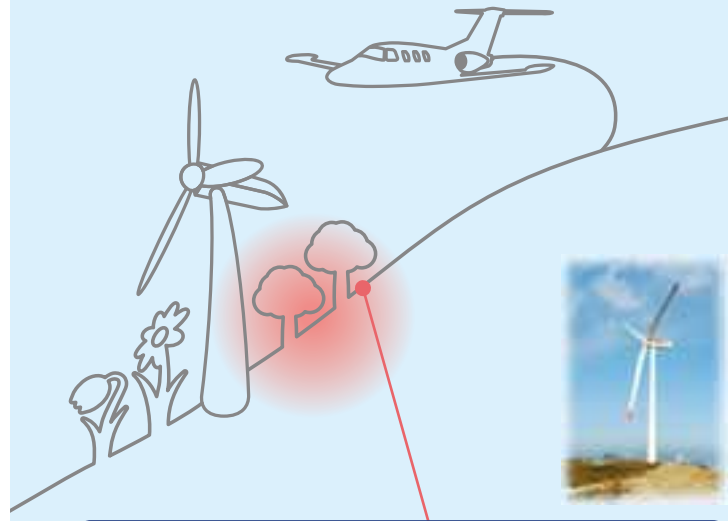
Domestic Affiliated Companies (Members of Domestic Affiliated Company Subcommittee)

- Fuji Robin Industries Ltd. (Numazu City, Shizuoka Prefecture)
- Yusoki Kogyo K.K. (Handa City, Aichi Prefecture)
- Fuji Machinery Co., Ltd. (Maebashi City, Gunma Prefecture)
- Ichitan Co., Ltd. (Ota City, Gunma Prefecture)
- Kiryu Industrial Co., Ltd. (Kiryu City, Gunma Prefecture)
- Subaru Logistics Co., Ltd. (Ota City, Gunma Prefecture)

Overseas Affiliated Companies (members of North American Environmental Committee)

- SIA: Subaru of Indiana Automotive, Inc. (Lafayette, Indiana)
- SOA: Subaru of America, Inc. (Cherry Hill, New Jersey)
- SCI: Subaru Canada, Inc. (Mississauga, Ontario)
- SRD: Subaru Research & Development, Inc. (Ann Arbor, Michigan)
- RMI: Robin Manufacturing U.S.A., Inc. (Hudson, Wisconsin)

We introduce the activities of other affiliate companies in addition to those of the above companies in this report under the heading "Topics."

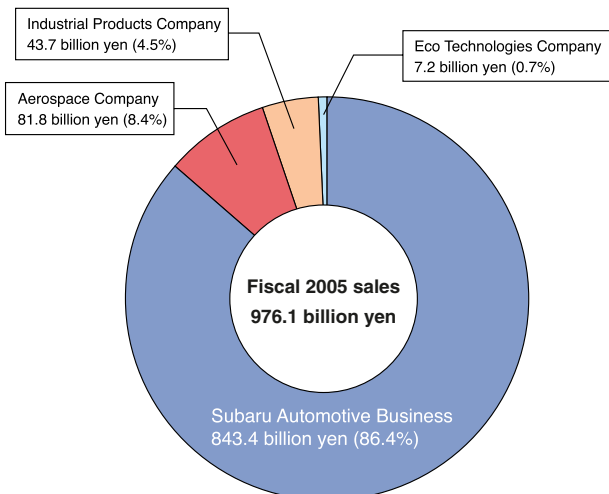


Let Us Bring Clean Energy to Your Town
Large-Scale Wind Turbine System "SUBARU 80/2.0" p.9

Corporate Overview (As of March 31, 2006)

Name	Fuji Heavy Industries Ltd.
Established	July 15, 1953
Paid-in capital	153.7 billion yen (as of March 31, 2006)
Employees	(Consolidated) 26,115 (as of March 31, 2006) (Non-consolidated) 13,111 (as of March 31, 2006)
Head Office	Subaru building, 7-2 Nishi-shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8316 Japan TEL: 03-3347 for every division (dial information 03-3347-2111)
Sales	(Consolidated) 1476.4 billion yen (for the fiscal year ended March 31, 2006) (Non-consolidated) 976.1 billion yen (for the fiscal year ended March 31, 2006)
Ordinary Income	(Consolidated) 46.8 billion yen (for the fiscal year ended March 31, 2006) (Non-consolidated) 41.4 billion yen (for the fiscal year ended March 31, 2006)
Number of Consolidated Subsidiary	(Domestic) 49, (Overseas) 19
Number of Affiliated Company	(Domestic) 10, (Overseas) 1

Net sales breakdown by division



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