Supplementary Volume for Data related to
the 2007 Social & Environmental Report

2007

Social & Environmental Report

SUBARU

2007

Contents of the "Supplementary Volume for Data related to the 2007 Social & Environmental Report"

*1 Domestic Affiliated Companies (6 companies) are Fuji Robin Industries Ltd., Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd.,Kiryu Industrial Co., Ltd. and Subaru Logistics Co., Ltd., which participate in Domestic Affiliated Company Subcommittee.

We divested Fuji Robin Industries Ltd. on May 15, 2007 by subscribing all the company's shares we had owned (7,525,000 shares) to the takeover bid by Makita Corporation.

*2 Overseas Affiliated Companies (4 companies) are SIA, SOA, SCI and SRD, which participate in North American Environmental Commiittee and conduct environmental accounting and data collection.

SIA：Subaru of Indiana Automotive, Inc. SOA：Subaru of America, Inc.

SCI：Subaru Canada, Inc. SRD：Subaru Research & Development, Inc.

SUBARU

Chronology of FHI's Social & Environmental Activities - 1 (1973 - 2001)

	Management Division	Automotive Business Unit	Other Companies
Aug. 1973		Established standards for making resin ingredients (automobile industry guidelines were determined in 1991)	
Oct. 1985			Developed the electric refuse collection vehicle EV405
Feb. 1987		Introduced the Subaru ECTV, the first electro-continuously variable transmission in the world to market	
Aug. 1990	Established an Environmental Issues Improvement Measures Project	Began setting up facilities at Subaru dealers for collection and reuse of CFCs used in air conditioners	
Apr. 1991	Established the Safety, Emission, Fuel Economy (SEF) Committee		
Oct.	Established the Recycling Committee (in 1997, the name was changed to the Recycling Engineering Development Committee and, in 1999, to the Recycling Promotion Committee)	Announced a Flexible Fuel engine at the Tokyo Motor Show	
Apr. 1992	Established the Environmental and Safety Technology Department		Announced three types of generators installed with OHV engines (2kW, 2.8kW, 4.1kW)
May		Became the first in the automobile industry to recycle painted bumpers for use in interior and exterior parts	
Nov.		Completed installation of fluorocarbon collection and reuse equipment for car air conditioners at Subaru dealers	
Jan. 1993		Began collecting scrapped bumpers in the Tokyo and Kanagawa areas in cooperation with a distribution company	
Mar.	・Established the Voluntary Environmental Protection Plan ・ Set up the Corporate Environment Committee ・ Set up the Engineering Environment Committee and the Plant Environment Committee developed from the SEF Committee		
Apr. 1994		Completed replacement of air conditioner refrigerants from CFC12 to HFC134a	
Jan. 1995			Began manufacturing multipurpose engines that met the California Air Resources Board (CARB) emission regulations
Apr.		Began sales of the electric vehicle, Sambar EV	
Jun.		Developed a new environment-friendly protective coating film and applied to Legacy and Impreza	
Aug.			Began delivering a low-pollution CNG refuse collection vehicle
Sep.			Delivered a transportation container and a container transport vehicle to Kawasaki City for Japan's first refuse railroad transportation.
Oct.		Displayed a direct gasoline injection engine and a hybrid electric vehicle at the Tokyo Motor Show	
Feb. 1996		Developed and implemented the Roller Press method, a new technique for removing the coating film, and began bumper-to-bumper recycling	
Apr.	Established the Environment Plan for 2000		
Oct.			Developed and began sales of the container collection and measurement system for refuse collected for a fee
Jul.	Set up the Environmental Affairs Promotion Office		Developed a solid waste ash melting furnace
Sep.			Delivered the first Fuswton, high-rise building waste management system
Feb. 1998	Established the Recycling Initiative for End-of-Life Vehicle Voluntary Action Plan for Automobile Recycling		
Apr.	Established Environmental Policy		
Jun.	Published the environmental pamphlet " For Harmony between People, Society, and the Earth"		
Oct.		Completed nationwide extension of JAMA's CFC-12 collection and destruction system	Announced the four-stroke OHV engine (EH09D) used in rammers, an alternative to the two-cycle engine
Nov.	SIA in the U.S.A. acquired ISO 14001 certification		
Mar. 1999	Gunma Manufacturing Division acquired ISO 14001 certification		
May	Saitama Manufacturing Division acquired ISO 14001 certification		
Jun.		Began recycling PET bottles for use in interior parts	
Jul.	・ Transportation and Ecology Systems Division in the Utsunomiya Manufacturing Division acquired ISO 14001 certification ・Hosted first Affiliated Companies Environmental Problems meeting		
Oct.	Started the General Managers' Meeting on the Environment at the Gunma Manufacturing Division		
Jan. 2000		Began reuse of painted bumper scrap from production process for the Pleo's mass-produced bumpers	
Mar.	Eliminated the incinerator at the Tokyo Office	Expanded the scrap bumper collection system to the Tohoku area and built a nationwide system in Japan	Fuswton won the Resource Recycling Technology System Award for fiscal 1999 from the Ministry of International Trade and Industry's Environment and Industrial Location Bureau
Aug.		Began sales of the new Impreza, and all models met authorized low emission standards	
Sep.	Published the 2000 Environmental Report, aggregating results of all environmental activities for fiscal 1999		
Oct.		Began recycling of auto window glass recovered from ELVs as glass wool soundproofing material	
Nov.			・Unveiled the Subaru Small Wing Turbine Generator System ・Began sales of the new LP0 low-noise refuse collection vehicle
Dec.	Eliminated the incinerator at the Yajima Plant of the Gunma Manufacturing Division.		
Mar. 2001	Achieved zero emissions at the Gunma Manufacturing Division		
May			Began sales of the multipurpose Robin EX series engine in order to lower exhaust emissions, the level of noise, and the level of vibration
Jun.	Published the 2001 Environmental Report, aggregating results of all environmental activities for fiscal 2000		
Sep.	Eliminated the incinerators at the Utsunomiya Manufacturing Division and the Saitama Manufacturing Division		
Oct.		Exhibited the next generation hybrid minicar, the HM-01, at the Tokyo Motor Show	

(Note) For information about railway cars and buses, please refer to pp. 58-59 of the '2003 Environmental Report'.

Chronology of FHI's Social & Environmental Activities - 2 (2002 - 2007)

	Management Division	Automotive Business Unit	Other Companies
Jan. 2002			The Subaru Small Wind-Power Generation System won the NEF Prize of fiscal 2001(the Agency of Natural Resources and Energy Drection-General Prize)
Feb.		Began sales of the new Forester. All models met the fiscal 2010 fuel economy standards and were accepted as good low emissions vehicles (G-LEV)	
Mar.	Utsunomiya Manufacturing Division and Saitama Manufacturing Division achieved zero emissions		
May	Established the Environmental Conservation Program (fiscal 2002 through fiscal 2006)	The company for the development of automobile batteries was jointly established by NEC Corp. and FHI	
Jun.	Published the 2002 Environmental Report		
Jul.		Consigned matters involving the collection and destruction of CFCs to the Japan Automobile Recycling Promotion Center	
Oct.		Limited marketing of the Legacy B4, CNG (Compressed Natural Gas) Vehicle	
Nov.			Switching to Pollution-Free Paint Remover for Regular Servicing of Airplanes won an award from Defense Procurement and Infrastructure Association
Apr. 2003	Saitama Manufacturing Division received a regular assessment for ISO 14001		Developed ASR Pre-Processing Separating System
May		・Full model change of Legacy to launch the New Legacy ・ All models met the fiscal 2010 fuel economy standards except for 2.0 GT spec.B ・ 2.0L SOHC engine equipped cars achieved a 75% reduction in emissions compared to 2000 standards	Development of the Pollution-Free Paint Remover for Regular Servicing of Airplanes won a special award from the Japan Aeronautical Engineer' s Association
Jun.	・ Published 2003 Environmental Report ・ Utsunomiya Manufacturing Division received a regular assessment for ISO 14001		
Jul.	・ Set up the six star mutsuraboshi corporate symbol ・ Established Subaru Visitor Center at the Yajima Plant of the Gunma Manufacturing Division.		Solid waste ash melting furnace developed jointly with Ogihara Co., Ltd. acquired technology authorization from the Japan Waste Research Foundation
Aug.		・ Legacy B4 CNG challenged to complete a full circuit of Japan ・ Conducted the presentation of Subaru Mobility techniques	
Sep.	Achieved zero emissions at the Tokyo Office		
Oct.	The Gunma Manufacturing Division won the fiscal 2003 3Rs Promotion Association Chairman's Award	・ Disclosed the system of sequential hybrid series ・ Set up the Subaru brand message “Think. Feel. Drive.”	
Nov.		The Legacy won the 2003‐2004 Japan Car of the Year Award	
Dec.		・ Developed a new processing technology for automotive parts, the “hard broaching method” ・ Launched a new minicar, the Subaru R2. Achieved fuel economy of 24.0 km/l(10/15 mode) (R) and a 75% reduction in emissions compared to 2000 standards. (R and i)	
Jan. 2004	The Head Office and the Tokyo Office acquired ISO 14001 certification		
May			The Industrial Products Company (V model two cylinder engine) received the “Supplier of the Year” award from Cummins Inc.
Jun.	Published the 2004 Environmental & Social Report		
Sep.		Subaru won the WRC championship “Rally Japan 2004“ held in Japan for the first time	
Nov.	Received public recognition of office excellence for the hiring of disabled people	・ Gunma factory paint sludge recycling plant received the “Resource Recycling Technology System Commendation” ・ Subaru's R2 won RJC's annual “Car of the Year” special award for best minicar of 2005	
Dec.		The R1 and the Impreza were newly adapted to Subaru Transcare series for the Disabled. New functions were added to the R2 and the Sambar	
Jan. 2005	Opened "Subaru Academy" in Hachioji, Tokyo	In response to the Japanese End-of-Life Vehicles Recycling Law, the Automotive Recycling System of SUBARU(ARSS) was implemented	
Feb.			The Natural Gas Engine Cogeneration system started operations at the Utsunomiya Manufacturing Division
Mar.	・ The Subaru Parts Distribution Center (Ota City) acquired ISO 14001 certification (extending the scope of Gunma Manufacturing Division's certification) ・ The Subaru Parts & Accessories Division (Saitama City) acquired ISO 14001 certification (extending the scope of head office's certification)	・Accumulated sales units of Subaru in domestic market achieved 10 million ・Hit the three million mark for worldwide Legacy production	
May	・ Views on corporate social responsibility were clarified in “CSR Policy”		Began sales for the new model refuse collection vehicle, the “Fuji Mighty LP71 model series“
Jun.	・FHI Group unveiled its “Environmental Logo” ・Published the 2005 Environmental & Social Report		
Jul.	FHI joined the “Team minus 6%”		
Oct.		Subaru R1 received "Good Design Award 2005" from Japan Industrial Design Promotion Organization	
Nov.		Released partially-improved Subaru R2(Refi) and R1 (S), with NA engines of 75% reduction beyond 2005 emission standards	
Dec.			Eco Technologies Company erected the prototype "SUBARU 80/2.0", a 2,000-kW class large-scale wind turbine system and began demonstration testing in Kamisu City, Ibaraki Prefecture
Feb. 2006	Environmental Affairs Promotion Office renamed to CSR & Environmental Affairs Promotion Office		
Mar.		Subaru Environmental Exchange Circle (Eco Class Delivery Service) received the 15th Energy Publicity Activities and Facilities Award	
May			Aerospace Company delivered the main wings for the Eclipse 500 mass production for the first time
Jun.		・The prototype of SUBARU “R1e”, a next generation electric vehicle jointly developed with TEPCO, was completed and delivered for business use at TEPCO ・Released a new mini-car, the Stella (L, LX, and R), which provides a user-frienly and comfortable interior in the car and realized fuel economy of 22.5km/l and met green tax plan	
Aug.	Published the 2006 Environmental & Social Report and together unveiled the Fourth Voluntary Plan for the Environment (fiscal 2007 thru 2011)		
Sep.		Announced the development of horizontally-opposed diesel engine was put into shape at Paris Motor Show	
Nov.		Published and released the Legacy SI-Radar Cruise Control (SUBARU Intelligent Radar Cruise Control)	
Dec.	The Head Office underwent renewal assessment for ISO 14001 certification	Electric vehicle, the Subaru R1e, received The Minister of the Environment Prize for global warming prevention activity	・Eco Technologies Company: The large-scale Wind Turbine System won the Agency of Natural Resources and Energy Director-General Prize ・Robot Department: received the 2006 Robot Awards established by the Ministry of the Economy, Trade and Industry. ・Industrial Products Company: released Subaru KX21, the engine for sport karts
Jan. 2007	The Tokyo Office underwent renewal assessment for ISO 14001 certification		Aerospace Company: made first shipment of Center Wing for Boeing 787
Feb.		Started operation of natural gas cogeneration systems at the Oizumi Plant of the Gunma Manufacturing Division	Industrial Products Company: released rechargeable lawn mowers

Corporate Overview (As of March 31, 2007)

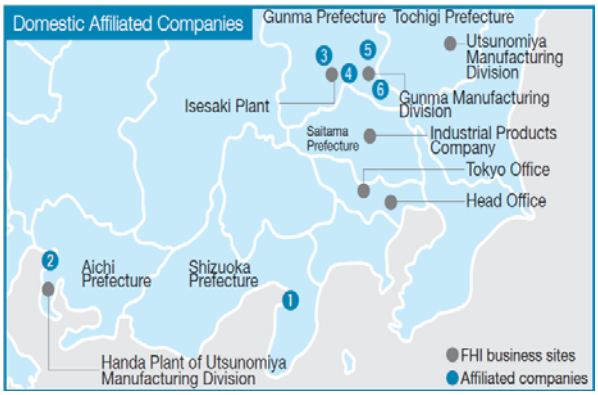
Name	Fuji Heavy Industries Ltd.
Established	July 15, 1953
Paid-in capital	153.7 billion yen
Employees	25, 598 (Consolidated) 12,801 (Non-consolidated)
Head Office	Subaru Building, 7-2 Nishi-shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8316 Japan Phone: 03-3347 for every division (Domestic), +81-3-3347 for every division (International) (dial information: 03-3347-2111 (Domestic), +81-3-3347-2111 (International))
Sales	1494.8 billion yen (Consolidated) 964.4 billion yen(Non-consolidated) (for the fiscal year ending March 2007)
Ordinary Income	42.2 billion yen (Consolidated) 27.1 billion yen (Non-consolidated) (for the fiscal year ending March 2007)
Number of Consolidated Subsidiary	43(Domestic), 18(Overseas) Number of Affiliated Company 16(Domestic), 2 (Overseas)

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 may be referred to as the Utsunomiya Manufacturing Division and the Industrial Products Company as the Saitama Manufacturing Division.

Locations of FHI's Major Facilities and Affiliated Companies (FHI's main manufacturing facilities and affiliated companies in the range of the repot)

Japan



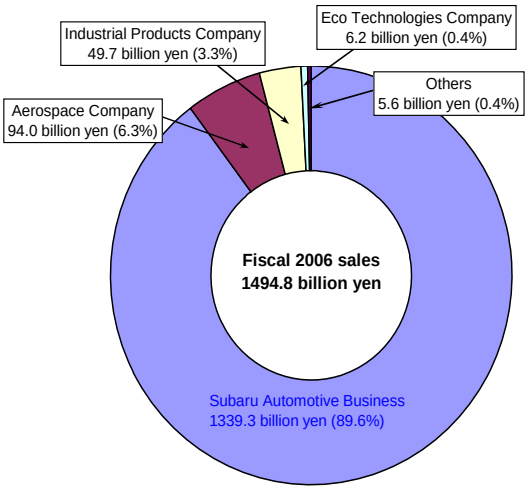
Company name	Location	Business
①Fuji Robin Industries Ltd.	Numazu City, Shizuoka Prefecture	Manufacture, service and sales of agricultural/forestry equipment, engines, and fire pumps
②Yusoki Kogyo K.K.	Handa City, Aichi Prefecture	Manufacture and sales of aerospace-related machinery components and crane trucks.
③Fuji Machinery Co., Ltd.	Maebashi City, Gunma Prefecture	Manufacture and sales of car parts, industrial machinery, and agricultural transmissions.
④Ichitan Co., Ltd.	Ota City, Gunma Prefecture	Manufacture and sales of forged parts for automobiles and industrial machinery
⑤Kiryu Industrial Co., Ltd.	Kiryu City, Gunma Prefecture	Manufacture of specially equipped Subaru automobiles and logistics control of Subaru automobile parts
⑥Subaru Logistics Co., Ltd.	Ota City, Gunma Prefecture	Logistics and logistics-related operation of Subaru automobiles, parts, and supplies

North America

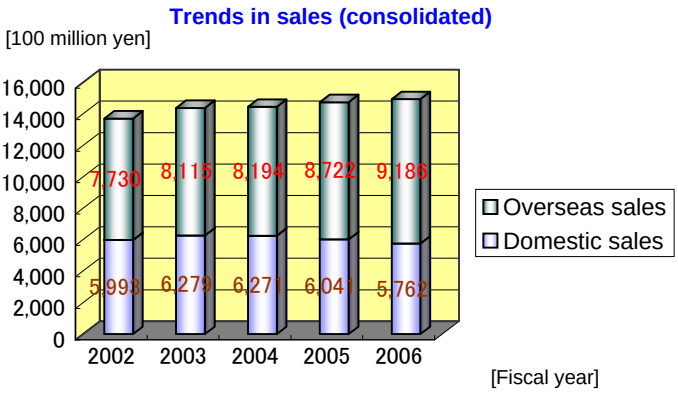
Company name	Location	Business
①SIA*1	Lafayette, Indiana	Production base for Subaru in the U.S.A.
②SOA*2	Cherry Hill, New Jersey	Distribution base for Subaru in the U.S.A.
③SCI*3	Mississauga, Ontario	Distribution base for Subaru in Canada
④SRD*4	Ann Arbor, Michigan	Research and development base for automobiles in the U.S.A.
⑤RMI*5	Hudson, Wisconsin	Production base for general-purpose engines in the U.S.A.

*1 SIA: Subaru of Indiana Automotive, Inc. *2 SOA: Subaru of America, Inc. *3 SCI: Subaru Canada, Inc.
*4 SRD: Subaru Research & Development, Inc. *5 RMI: Robin Manufacturing U.S.A., Inc.

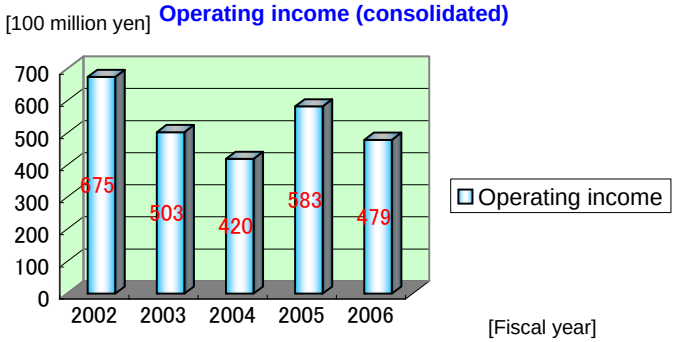
Fiscal 2006 Sales Ratio by Division



Trends in sales (consolidated)

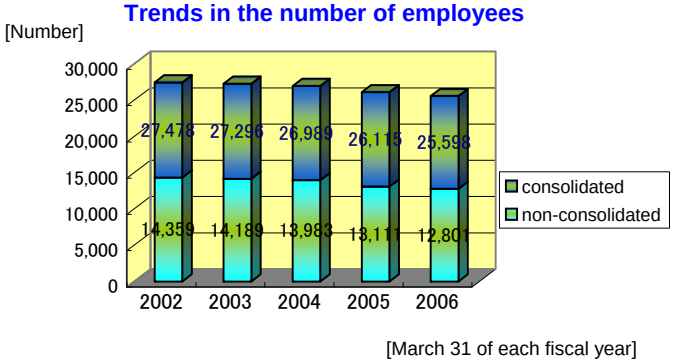


Operating income (consolidated)

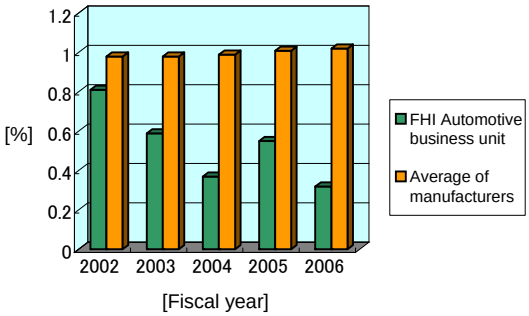


【Labor-Management Relations at FHI】
FHI and the FHI Workers' Union established a labor-management council for the promotion of smooth business operations and mutual communication, and the subsequent close communication built a platform of mutual understanding and trust. In recent years, labor and management have maintained good relations, and no disputes between labor and management have arisen.

Trends in the number of employees



Ratio of occupational accidents occurred



Financial Data

Trends in sales and ordinary income (consolidated)

Unit: 100 million yen

	2002	2003	2004	2005	2006
Domestic sales	5,993	6,279	6,271	6,041	5,762
Overseas sales	7,730	8,115	8,194	8,722	9,186
Total sales (consolidated)	13,723	14,394	14,465	14,764	14,948
Operating income	675	503	420	583	479
Ordinary income	585	566	436	468	422

Trends in sales volume (consolidated)

Unit: 1000 units

	2002	2003	2004	2005	2006
Domestic sales volume	246	246	254	230	227
Overseas sales volume	295	306	328	341	351
Total sales volume (consolidated)	541	552	582	571	578

Net sales breakdown by divisions (non-consolidated)

Unit: million yen

	2002	2003	2004	2005	2006
Subaru Automotive Business	792,057	835,541	844,687	843,369	823,225
Aerospace Company	63,029	56,788	59,434	81,787	94,012
Industrial Products Company	33,543	34,210	38,899	43,750	40,040
Eco Technologies Company	7,970	7,854	6,490	7,236	7,147
Others	15,626	2,516	-	-	-
Total sales (non-consolidated)	912,228	936,911	949,511	976,143	964,424

Trends in paid-in capital

Unit: 100 million yen

	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Paid-in capital	1,444	1,537	1,537	1,537	1,537

Trends in the number of employees

Unit: employees

	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Number of employees (consolidated)	27,478	27,296	26,989	26,115	25,598
Number of employees (non-consolidated)	14,359	14,189	13,983	13,111	12,801

Trends in capital investment and test/research cost (non-consolidated)

Unit: 100 million yen

	2002	2003	2004	2005	2006
Capital investment (consolidated)	646	745	853	562	596
Depreciation (consolidated)	488	532	511	575	589
Capital investment (non-consolidated)	346	327	256	239	330
Test/research cost	598	573	528	467	505

Data related to Employment

Trends in the number of employees (consolidated)

Unit: employees

	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Number of regular employees (consolidated)	27,478	27,296	26,989	26,115	25,598

Trends in the number of employees (non-consolidated)

Unit: employees

	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Number of regular employees	14,359	14,189	13,983	13,111	12,801
Male	13,403	13,242	13,060	12,303	11,914
Female	956	947	923	897	887
Average age (years old)	37.8	38.4	38.6	37.9	38.3
Average length of service (years)	17.3	17.9	18.1	17.5	17.8
Trends in the number of employees hired by periodic recruitment	280	321	349	219	296
Number of female of those employees	33	45	45	23	34
Trends in the number of mid-career recruitment*1	25	74	36	21	32
Number of female of those recruitments	3	8	3	3	3

Trends in the male/female composition ratio of regular employees (non-consolidated)

Unit: %

	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Male	93.3	93.3	93.4	93.8	93.1
Female	6.7	6.7	6.6	6.8	6.9

Trends in the proportion of employees with disabilities (non-consolidated)

Unit: %

	Mar. 31, 2003	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007
Proportion of employees with disabilities (Number of employees with disabilities)	1.87	2.00	1.89	1.80	1.95

Number of occupational accidents (non-consolidated)

Unit: cases

	2002	2003	2004	2005	2006
Number of occupational accidents	64	48	45	34	37

Number of occupational accidents in Automotive business unit

Unit: %

	2002	2003	2004	2005	2006
Frequency rate (FHI Automotive business unit)	0.81	0.59	0.37	0.55	0.32
Frequency rate (Average of manufacturers)	0.98	0.98	0.99	1.01	1.02

Trends in the number of FHI Workers' Union members

Unit: employees

	July 1, 2002	July 1, 2003	July 1, 2004	July 1, 2005	July 1, 2006
Number of the union members	13,493	13,224	13,111	12,987	11,998

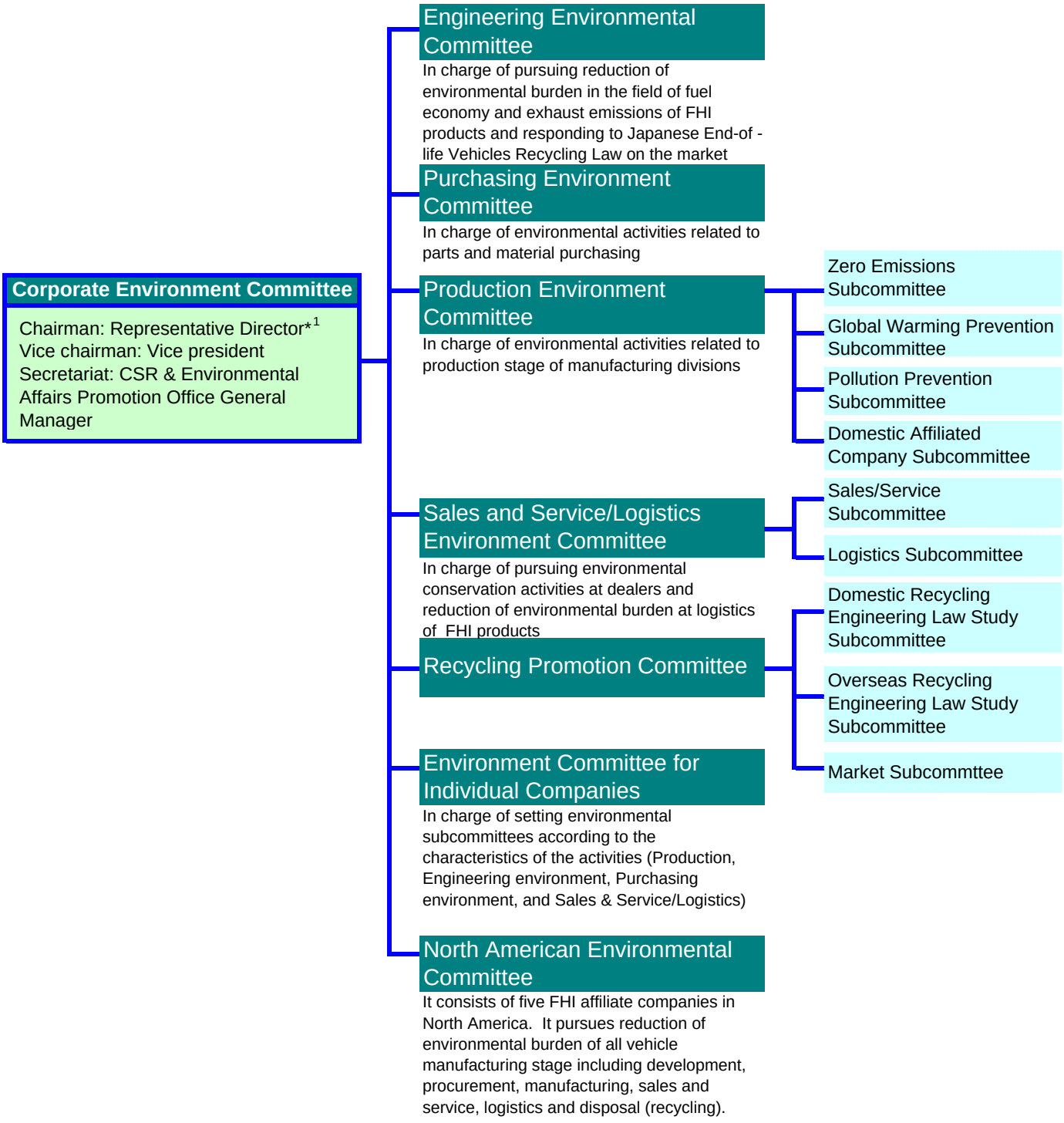
*1: the number of mid career employment is a sum of regular employment and employment on a short-time contract.

FHI's Environmental Conservation Organization

Organization

FHI Corporate Environment Committee consists of representative director as chairman and representative managers from all companies and divisions. Setting it as the hub of FHI's environmental conservation efforts, we are actively pursuing various activities to reduce environmental burdens by making whole-company strategies and plans and by collecting the achievements.
The progress of the Third Voluntary Plan for the Environment was confirmed at the two Committee meetings held in May 17 and December 5 in fiscal 2006.

Organization of the Corporate Environment Committee (As of April 2007)



*1 As of April 2007: Chairman: Shunsuke Takagi, Corporate Executive Vice President, Vice chairman: Mitsuru Takahashi, Corporate Vice President, Secretariat: Tatsuya Suzuki, General Manager of CSR & Environmental Affairs Promotion Office

FHI's Environmental Performance Data (1)

Qualified Personnel in Environment-related Certifications

FHI recognizes the necessity of acquiring environment-related certifications and is working systematically toward fostering qualified personnel every year.

The Number of Personnel Holding Official Qualifications (As of March 31, 2007)

Qualification type			Total number of qualified personnel
Pollution control managers	Chief managers		6
	Air-related	Type 1	6
		Type 2	7
		Type 3	46
		Type 4	14
	Water-related	Type 1	10
		Type 2	22
		Type 3	12
	Dioxin-related		21
	Noise-related		47
	Vibration-related		42
	Tokyo Pollution Control Managers		4
	Managers Responsible for Tokyo Water Quality		4
Energy management experts	(Heat / Electronic)		37
Soil contamination risk management experts			1
Working environment measurement experts			2
Engineering manager for industrial waste			13
Management representatives for industrial waste subject to special control			41

The Number of ISO14001 Internal Environmental Auditors

(in fiscal 2006)

Qualification type	Division/Company name	Number of internal auditors
ISO14001 Internal environmental auditors (internal qualifications)	Gunma Manufacturing Division	134
	Aerospace / Eco Technologies Companies	140
	Industrial Products Company	27
	Tokyo Office	65
	Head Office area	74
Overall FHI total		440

Fiscal 2006 the Number of Environment-related Complains and Details

We received eight complains related the environment in fiscal 2006 as following table, and we have already taken appropriate corrective measures for all of them. The number of the compalins in fiscal 2006 has increased by three compared to fiscal 2005 (five complains). Accepting the result with sincerity, we will proceed with our effort to reduce complains.

Name of manufacturing division:	Number of cases:		Details:	Main corrective measures:
Aerospace Company (Utsunomiya Manufacturing Division)	6 (noise)	①②③	Two complaints about noise from grounded aircraft, and one about noise from flying aircraft.	When the need arises to operate aircraft engine, we will give careful consideration to avoid weekday nights and all day on holidays.
		④⑤	Two complaints about noise caused by rivet operations (at night) at the South No.2 Plant.	We have made it a rule to close the large door before starting rivet work during evening to night hours. (We have put up relevant instructions on the door.)
		⑥	One complaint about noise caused by the autoclave exhaust system at the Handa West Plant.	We have reduced the noise by sticking sound-proof sheets to the exhaust ducts.
Eco Technologies Company (Utsunomiya Manufacturing Division)	1 (odor)	①	One complaint regarding the odor of paint was received from a local resident living west of the plant.	Although an investigation was conducted, the cause could not be determined. We will continue to be very careful about air emissions.
	1 (noise)	②	We received one complaint regarding the noise generated by forklifts from a local resident living west of the plant.	We carried out a training program for forklift drivers.

FHI's Environmental Performance Data (2)

Fiscal 2006 The Number of Cases Where Limits Set in Environment-Related Laws were Exceeded and Details

FHI established voluntary standards, which are 20% stricter than environment-related laws, and is working to achieve zero cases where these standards are exceeded.
However, four cases have exceeded voluntary standards (one has exceeded the limits set in environment-related laws)in fiscal 2006 as following table, and we are taking appropriate corrective measures for them. The number of cases is fewer than fiscal 2005 (six cases) by two.

Name of manufacturing division:	Number of cases:		Details:	Main corrective measures:
Gunma Manufacturing Division	1 (noise)	①	Some of the noise levels measured at the south side of the Yajima Plant exceeded acceptable levels as defined by the voluntary standards.	Countermeasures were taken by installing inverters in exhaust fans in the plant and by changing the angle of the exhaust outlet. As a result, values dropped to within the voluntary standards.
Saitama Manufacturing Division	1 (noise)	①	The noise levels measured at the Akabori river bed, northeast of the plant, exceeded the acceptable levels stipulated by law.	This has been reported to the government, and is being managed in an appropriate manner. No complaints have been made regarding this matter.
	2 (water pollution)	②	On one occasion, a BOD measurement of the final effluent to the sewer exceeded the voluntary standard.	Replacing the absorbent used in the effluent treatment equipment resulted in a reduction that met the voluntary standard. Regular replacement has been integrated into standard procedure.
		③	On two occasions, pH measurements of the final effluent to the sewer exceeded the voluntary standard.	As a result of numerous investigations, these were found to be caused by clogging of the drain pipe in the lavatory. We are now conducting exhaustive cleaning routines.

Fiscal 2006 The Number of Environmental Accidents and Details

FHI is working to reduce the number of incidents by keeping count of environmental accidents (including those solved internally by the relevant office or division) and by taking proactive measures so that accidents, which can have an environmental impact that extends beyond our premises, do not occur.
11 accidents occured (one had influence to the outside) in fiscal 2006 as following table, and we are taking appropriate corrective measures for all of them. The number of accidents is fewer than fiscal 2005 (15 cases) by four. We will keep working on prevention of environmental accidents.

Name of manufacturing division:	Number of cases:		Details:	Main corrective measures:
Gunma Manufacturing Division	5, of which 1 involved water flowing off the premises.	①	There was white water (muddy water) runoff from the site of plant foundation construction.	Although accident prevention training is provided to constructors every year, cautions and instructions were reissued to constructors.
		②	Rain fell during operations to remove the underground gasoline tank in the Main Plant causing alkaline effluent to discharge from the concrete waste.	We have set up measures to prevent a recurrence of such problems by reviewing the operation procedure and revising the check sheet.
		③	While the sludge dolly for the centralized coolant equipment was being moved by forklift at the Oizumi Plant, due to a malfunction the dolly turned over, and the coolant spilled out into the rainwater ditch.	Subsequently we have inspected all our dollies, and transferred responsibility of cargo handling operations to the outsourcing companies.
		④	A fuel hose disconnected from the parts-transport truck and the fuel flowed out onto the premises of the Oizumi Plant.	We reviewed the daily check items, and requested all transport companies to inspect their fuel hose systems. We have followed up these measures to prevent similar incidents.
		⑤	Agent used for the cogeneration system was accidentally allowed to spill into a water conduit at the Yajima Plant.	We have reviewed the operation procedure, and re-implemented emergency response training to prevent the same thing happening again.
Aerospace Comapany (Utsunomiya Manufacturing Division)	4	①	When air conditioners were loaded onto a truck, the coolant spilled out into the rainwater ditch.	We have instructed the contractor to take the necessary measures to prevent any recurrence of coolant leakage.
		②	When the inside of the cooling tower was being cleaned, the cleaning liquid overflowed into the rainwater ditch.	We have added steps to the cooling tower's management procedure for when repair work is required.
		③	While chrome waste was being transferred to a tank truck, the transfer hose suddenly jerked, and some of the chrome waste spilled out into the rainwater ditch.	Reviewing the operation method and location, we have made changes to ensure that chrome waste is only handled at the tank truck depot.
		④	A chrome-containing paint can dropped from the loading platform of a truck, and some of the paint spilled out into the rainwater ditch.	We have made changes to ensure that the paint cans are put in a container when transported.
Tokyo Office	2	①	There was an oil leak when a test vehicle was driven for inspection.	To prevent oil leaks, we reviewed the operation procedure for running test vehicles with multiple sensors attached. (Preparation and operation of the check sheet)
		②	During transport of waste oil by dolly, the oil leaked.	We have revised the operation procedure for oil and grease transport in an attempt to prevent similar accidents.

Fiscal 2006 Administrative Advice from Government Authorities

There were no administrative advice and recommendations from governmental authorities.

(1) FHI (non-consolidated) Results of the Aggregated Environmental Costs and Effects

Concept and calculation method of environmental cost and economic effect

With reference to the guidelines of the Ministry of the Environment, FHI formulated its own guidelines (calculation method has been partly changed from fiscal 2005 data coleection) according to its environmental conservation activity organization, based on which the environmental cost and economic effects are calculated. (The same method is applied to FHI's group companies.)
Please refer to p.9 to p.13 in the Supplementary Volume for Data related to 2006 Environmental & Social Report for the detail of calculation method.
The data in this counting including the data of fiscal 2004 are calculated according to the method.

Definition and Categorization of Environmental Cost

1) Costs for reducing environmental burden	Costs for reducing environmental burden during the production process	Cost / Effect / Time
2) Investment cost	Costs for obtaining environmental conservation effects that continue for several terms	Cost / Effect / Time
3) Other costs	Cost not belonging to the above categories	
* Investments in environment-related facilities	Not included in environmental cost and indicated separately [Depreciation cost of facility investment are excluded from the environmental cost from the viewpoint of placing value on the cashflow]	

Method used for calculating the environmental cost and the amount of money invested in facilities

The amount of money invested (amount invested ≧ 25 million yen) in facilities that have been introduced for both environmental and other purposes, plus related cost (maintenance, and management etc.), and finally labor cost are calculated on differential or pro-rata basis. For example, investment amount and environmental cost for energy saving at one manufacturing facility is calculated as follows

Amount invested in facilities, environmental cost = K x (amount invested in the manufacturing facilities, maintenance cost, etc.)
This K is an environmental impact factor that is calculated by the following scheme:
K = (Total amount invested – Amount invested without energy-saving targets) / Total amount invested

Regarding small facilities whose investment amount is less than 25 million yen, and anything purchased primarily for environmental purposes, any costs related to these environmental facilities, such as investment amount and maintenance cost, are all included in the calculation. Please note that depreciation cost of facilities invested is not included in the environmental cost from the viewpoint of placing value on cash flow. Small expenses such as fixed asset tax and insurance cost are also extracted from the total.
Environmental cost and economic effect by environmental facilities are only recorded for 3 years starting from the 2nd year after the facilities are put into operation.

Method used for calculating the economic effect

This calculation is based on information in the Ministry of the Environment's guidelines that states the attendant reductions in cost that can be gained from reducing environmental impact, interlinked with FHI's own independent ideas.
In detail, the reduction in waste treatment costs achieved by better control of waste output and changes in the waste treatment methods, and the reduction in energy costs, are all calculated according to their respective cost categories. With regard to environmental improvement measures that require no facilities, the difference in cost from the previous fiscal year (or the cost difference from cases where no such measures were taken) is recorded as an economic effect. Because currently it is difficult to obtain enough supportive evidence, other factors such as contributing to value-added products, and reducing risks (exempting the manufacturer from any liability, etc.), are excluded from this part of the economic effect calculation.

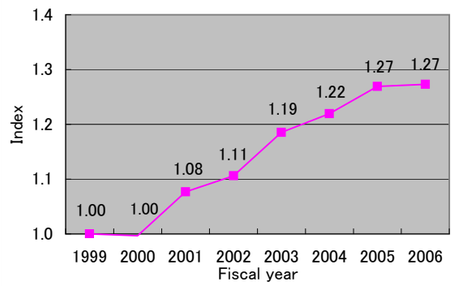
Fiscal 2006 calculation result

・Environmental cost was 15.9 billion yen, an increase of 350 million yen (2.3%) compared with the previous fiscal year. The cost increased due to the increase in product R&D cost (+230 million yen) and due to cost for the countermeasures taken against environmental problems (+270 million yen), etc.
・Economic effect was 1.9 billion yen, an increase of 140 million yen compared with the previous fiscal year. Increase in profit from the sales of valued materials (+200 million yen) contributed significantly to the increased economic effect.
・Environmental performance (quantitative effects) targets set in the Third Voluntary Plan for the Environment were fulfilled through successful implementation of reductions in CO_2 discharge, PRTR chemicals and VOC discharge .

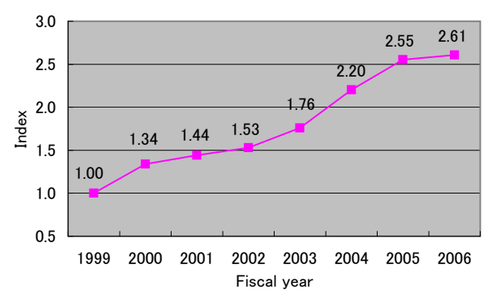
Environmental management indexes

Environmental efficiency of business activities, which is one of the environmental management indexes, was regarded as [sales ÷ environmental burden]. They are calculated with the environmental burden in the production process by regarding the fiscal 1999 levels as the standard. The results are indicated in the following graphs. Efficiency in CO_2 discharge and PRTR discharge moved have been improved well. The efficiency in waste generation has slightly decreased due to the increase of waste such as metal sold as valued materials. No graph is shown for landfilled waste as it has achieved "zero level" of waste and got maximum environmental efficiency since fiscal 2004.

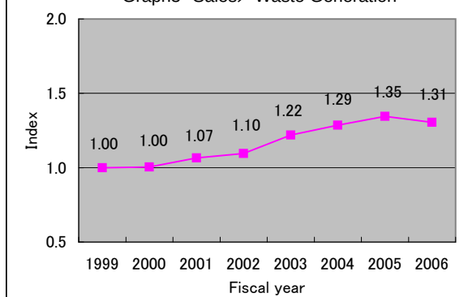
Graph1 Sales／CO_2 Discharge



Graph2 Sales／PRTR Discharge Moved



Graph3 Sales／Waste Generation



Results of the Aggregated Environmental Costs and Effects in Fiscal 2006

Note: As figures are rounded, some totals are not precise.
Data collection period: from April 2006 to March 2007

Environmental costs					Facility investment (million yen)			Economic effects				Environmental performance (quantitative effects)					
Cost categories in [ ] at the bottom is based on the Guideline by the Ministry of Environment*1		Costs (million yen) FY2006	FY2005	FY2004	Main activities ☆:New measures in fiscal 2006 (cost increase factor)	FY2006	FY2005	FY2004	Description	Effects (million yen) FY2006	FY2005	FY2004	Category	unit	FY2006 result	gap vs. FY2005	FY2005 result	FY2004 result
A) Costs for reducing environmental burden (at manufacturing stage)	Waste treatment/recycling and waste reduction [①-3]	418	434	410	☆Introduction of paint sludge collection system ☆Installation of new plant waste station Operation of the recycling center	18	11	17	Reduced costs through waste control and treatment method changes Profit from the sales of valued materials obtained through recycling Utilization of renewed engine oil	1,496	*1,293*	1,370	Amount of waste materials	ton	73,062	*1,362*	71,700	73,024
													Amount of landfilled waste (directly and indirectly)	ton	1	*0*	1	0
	Energy conservation and CO_2 emissions reduction [①-2]	41	37	38	☆Construction work for introducing natural gas (duct work, through flow boiler installed, plant heating) ☆Air conditioner of the manufacturing facility renewed ☆Inprovement of lighting facility	254	254	487	Reduced energy costs Integrated mini-car line Effect of introducing co-generation systems	265	362	305	Energy consumption (crude oil equivalent)	1,000kL	134.2	*0.2*	134.0	134.8
													Energy consumption per sales	kL/100 million yen	14.0	*0.2*	13.8	14.3
													CO_2 discharge	10,000ton-CO_2	22.7	*-0.3*	23.0	23.3
	Reduction of CFC alternative discharge [①-2]	0.7	0.7	0.5	☆A facility to fill/collect fluorocarbon installed	0.3	1	0	Collected and recycled CFC alternative	4	0	0						
	Pollution control such as wastewater and exhaust gas treatment [①-1]	383	427	476	☆Measures to cope with odor from a paint booth ☆Installation of new plant waste liquid treatment facility ☆Installation of water-purifer tank	268	558	368	Reduced treatment costs	5	3	0	PRTR chemicals *2					
													Amount handled	ton	3,989	*-13*	4,002	4,285
													Amount released and handled	ton	869	*-13*	882	1,013
	Reduction of VOC discharge [①-1]	7.0	3.5	2.5	☆PTFE spray gun cup	8.4	0	82	Electrostatic painting of bumpers	111	96	83	VOC discharged (Automobiles only)	g/m^2	43.8	*-2.4*	46.2	46.4
	Total of A) cost	849	902	927		548	825	954	Total savings from the effects of reducing the environmental burden	1,880	1,754	1,758						
B) Investment costs	Education and ISO14001 related matters [③]	115	120	122	Environmental education, maintenance of ISO Maintaining ISO14001 (application fee, labor cost of full-time EMS staffs)	–	–	–	–	–	–	–						
	Product research and development [④]	14,131	13,898	15,514	Improved fuel economy, cleaner emissions, and better recycling efficiency Development of eco products	532	647	973										
	Total of B) cost	14,246	14,017	15,637		532	647	973	(Total investment effects) N/A for the time being	0	0	0						
C) Other costs	Measures for end-of-life products [②]	258	318	550	Collection of used bumpers and recycling of other parts Measures to cope with the ELVs Recycling Law	5	116	694	Reduced virgin material purchasing costs by using recycled materials	34	23	20						
	Social contribution and other environmental measures [③⑤⑥⑦]	586	346	903	Preparation of Environmental & Social Report, cleaning around the plants Environment-related projects by JAMA Planting trees, measures for environmental discrepancies	0	0	0.0		0	0	0						
	Total of C) cost	844	664	1,453		5	116	694	Total of other effects	34	23	20						
Grand Total		15,938	15,584	18,017		1,085	1,587	2,621		1,914	1,777	1,778						

*1 Cost categories based on the Guidelines by the Ministry of Environment: ① Costs in the business area; ①-1 Pollution prevention costs; ①-2 Global environment conservation costs; ①-3 Resource circulation costs; ② Upstream and downstream costs; ③ Management activity costs; ④ R&D costs; ⑤ Social activity costs; ⑥ Environmental damage costs; ⑦ Other costs

*2 Totaling chemicals, of which annual amounts handled are one ton or more (0.5 tons or more for class I designated chemical substances).

Rates of Environmental Conservation Activities in FHI Business Activities

	FY2006	FY2005	FY2004
Proportion of the R&D cost for environmental conservation to the test and research costs	28%	30%	29%
Proportion of the investment for environmental conservation to facility investment	3%	7%	10%

(2) Domestic Affiliated Companies (6 companies) Results of the Aggregated Environmental Costs and Effects

Calculation method and the basis for recording

Calculation was conducted according to FHI new environmental accounting guideline introduced in fiscal 2005 counting. Please refer to the previous page, (1) FHI (non-consolidated) Results of the Aggregated Environmental Costs and Effects, for outline of the new guideline, also p.9 to13 in the Supplementary Volume for the Data related to the 2006 E & S Report for the detail on our Web site.

Fiscal 2006 calculation result

Regarding the environmental burden reduction activities in the manufacturing stage of the six domestic affiliated companies, environmental costs was 270 million yen (the same level as in the previous fiscal year) and economic effects increased by 1.0% to 200 million yen, compared with the previous year.
Generally the actual results of the environmental performance have been reduced. Especially amount of landfilled waste was reduced to a level equivalent to the 51% of the fiscal 2005 and 16% of the fiscal 2004. The total amount of the six companies maintained the zero emission level (the amount of the landfilled waste is 1% or less of the total waste generated) this year again.
They continue to make efforts to reach zero level of waste at each company.
Total amount of energy consumption and CO_2 emissions decreased and CO_2 emissions (26900 ton) have been reduced by 4.3% compared to fidcal 2005.
We aim at further reductions of energy consumption and CO_2 emissions to prevent global warming.
As for PRTR chemical substances, both the amount handled and the amount released and handled have been reduced.

Results of the Aggregated Environmental Costs and Effects in Fiscal 2006

・Companies subject to data collection: Fuji Robin Industries Ltd., Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.

Note: As figures are rounded, some totals are not precise.
・Data collection period: from April 2006 to March 2007

Environmental cost					Economic effect				Environmental performance (quantitative effects)				
Cost categories in [ ] at the right bottom is based on the Guideline by the Ministry of Environment*1		Cost(million yen)			Description	Effects (million yen)			Category	Unit	FY2006 result	FY2005 result	FY2004 result
		FY2006	FY2005	FY2004		FY2006	FY2005	FY2004					
A) Costs for reducing environmental burden (at manufacturing stage)	Waste treatment/recycling and waste reduction [①-3]	88	94	136	Reduced costs through waste control and treatment method changes, profit from the sales of valued materials obtained through recycling	157	155	158	Amount of waste materials	ton	9,081	10,656	13,009
									Amount of landfilled waste (directly and indirectly)	ton	30	59	194
	Energy conservation and CO_2 emissions reduction [①-2]	12	13	17	Reduced energy cost	42	27	8	Energy consumption (crude oil equivalent)	kL	15,641	16,663	18,401
									Energy consumption persales	kL/100 million yen	35.64	37.08	35.13
									CO_2 discharge	ton-CO_2	26,949	28,170	31,208
	Pollution control such as wastewater and exhaust gas treatment [①-1]	24	17	44	—	0	0	0	PRTR chemicals *2				
									Amount handled	ton	39	40	116
									Amount released and handled	ton	4	5	72
	Total of A) cost	124	124	198	Total savings from the effects of reducing the environmental burden	199	182	166					
B) Investment costs	Education and ISO14001 related matters [③]	27	30	36	—	—	—	—					
	Product research and development [④]	110	106	90									
	Total of B) cost	137	136	125	(Total investment effects) N/A for the time being	0	0	0					
C) Other costs	Change of raw materials, measures for end-of-life products, social contribution and other environmental measures [②⑤⑥⑦]	10	12	17	—	0	0	0					
	Total of C) cost	10	12	17	Total of other effects	0	0	0					
Grand Total		272	272	339		199	182	166					

*1 Cost categories based on the Guidelines by the Ministry of Environment:
① Costs in the business area
①-1 Pollution prevention costs
①-2 Global environment conservation costs
①-3 Resource circulation costs
② Upstream and downstream costs
③ Management activity costs
④ R&D costs
⑤ Social activity costs
⑥ Environmental damage costs
⑦ Other costs

*2 Totaling chemicals, of which annual amounts handled are one ton or more (0.5 tons or more for class I designated chemical substances).

(3) Overseas Affiliated Companies (4 companies) Results of the Aggregated Environmental Costs and Effects

We expanded the companies subject to data collection to four affiliated companies related to Subaru automobiles in North America in this fiscal year and prepared environmental accounting trial value for fiscal 2006 (from January to December 2006).
The results shown below are the first trial calculation and only for reference purpose.

Calculation method and the basis for recording

We started calculation this time according to FHI new environmental accounting guideline introduced by FHI (non-consolidated) and six domestic affiliated company subcommittee members in fiscal 2005. Please refer to p.11, (1) FHI (non-consolidated) Results of Aggregated Environmental Costs and Effects, for outline of the new guideline.

Fiscal 2006 calculation result (trial)

・Economic effects (755 million yen) has surpassed environmental costs (687 million yen) due to reduction of waste treatment cost.
・Environmental performance (quantitative effects) have been reduced since fiscal 2005.
Especially SIA, automobile production site, has continued to maintain zero waste materials directly landfilled.

Trial Value of Fiscal 2006 Environmental Costs and Economic Effects

・Companies subject to data collection:SIA, SOA, SCI and SRD　・Data collection period: from January to December 2006

Environmental cost			Economic effect		Environmental performance (quantitative effects)			
Cost categories in [ ] at the right bottom is based on the Guideline by the Ministry of Environment*1		Costs (million yen) FY2006	Description	Effects(million yen) FY2006	Category	Unit	FY2006 result	【trial】FY2005
A) Costs for reducing environmental burden (at manufacturing stage)	Waste treatment/recycling and waste reduction [①-3]	95	Reduced costs through waste control and treatment method changes, profit from the sales of valued materials obtained through recycling	751	Amount of waste materials	ton	15,083	16,226
					Amount of landfilled waste (directly and indirectly)	ton	616	790
	Energy conservation and CO_2 emissions reduction [①-2]	4	Reduced energy cost	4	Energy consumption (crude oil equivaler	kL	42,161	45,446
					CO_2 discharge	ton-CO_2	81,252	89,738
	Pollution control such as wastewater and exhaust gas treatment [①-1]	94		0				
	Total of A) cost	192	Total savings from the effects of reducing the environmental burden	755				
B) Investment costs	Education and ISO14001 related matters [③]	42	—	—				
	Product research and development [④]	424						
	Total of B) cost	467	(Total investment effects) N/A for the time being	0				
C) Other costs	Change of raw materials, measures for end-of-life products, social contribution and other environmental measures [②⑤⑥⑦]	28		0				
	Total of C) cost	28	Total of other effects	0				
Grand Total		687		755				

Note: As figures are rounded, some totals are not precise.

*1 Cost categories based on the Guidelines by the Ministry of Environment:

① Costs in the business area
①-1 Pollution prevention costs
①-2 Global environment conservation costs
①-3 Resource circulation costs
② Upstream and downstream costs
③ Management activity costs
④ R&D costs
⑤ Social activity costs
⑥ Environmental damage costs
⑦ Other costs

Environmental Levels Data (1)-1 Gunma Manufacturing Division

Gunma Manufacturing* Fiscal 2006 Plant Site Data

1. Energy, Water, and Waste *

CO_2 emission

<Unit: ton-CO_2>

Item	Fiscal 2006 actual result
CO_2 emission (ton-CO_2)	175,791
Index (fiscal 1990 = 100)	84.3

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO2 conversion factor is taken from JAMA (in some cases other conversion factors are used)

Water consumption

(Unit: m^3)

Item	Fiscal 2006 actual result
Water consumption	2,510,395
Index (fiscal 1999 = 100)	49.9

Waste materials and scrapped metals

(Unit:t)

Item	Fiscal 2006 actual result
Scrapped metal	61,416
Amount of materials recycled within FHI	1,705
Waste materials directly landfilled	0
Waste materials externally treated	5,035
Waste materials landfilled after external treatment	1

* Range of data calculation: Manufacturing plants of Gunma Manufacturing Division. Subaru Test & Development Center and Subaru Parts Distribution Center are not included.

2. Water Pollution Data (Each plant and Subaru Test & Development Center)

Main plant

Water pollution data (Water Pollution Control Law, Gunma Prefectural Ordinances) Water conduit No.1,2,3,4, and 5

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.1～8.3	7.5	6.2	7.2
BOD	25	20	18.5	0.5	3.6
SS	50	40	7.6	1.3	2.5
Oil content (inorganic)	5	4	2.1	0.1	0.8
Fluorine	8	6.4	1.1	0.2	0.6
Zinc	2	1.6	1.2	0.1	0.1
Soluble iron	10	8	0.2	0.1	0.1
Soluble manganese	10	8	0.2	0.1	0.1
Total phosphrus	16(8)	6.4	4.4	0.2	2.0
Total nitrogen	120(60)	48	16.0	1.7	5.0
Bacilus coli	3,000	2,400	240	0	64

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･Bacillus coli= number/ml, all others except pH: mg/L
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.

Yajima plant

Water pollution data (Water Pollution Control Law, Gunma Prefectural Ordinances) Water conduit No.1

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.1～8.3	7.6	6.9	7.3
BOD	25	20	12.3	1.9	4.1
SS	50	40	5.2	1.0	2.3
Oil content (inorganic)	5	4	2.1	0.1	1.2
Fluorine	8	6.4	1.3	1.0	1.2
Zinc	2	1.6	0.3	0.1	0.2
Soluble iron	10	8	0.1	0.1	0.1
Soluble manganese	10	8	0.1	0.1	0.1
Total phosphrus	16(8)	6.4	1.5	0.5	1.2
Total nitrogen	120(60)	48	7.9	4.1	5.5
Bacilus coli	3,000	2,400	230	46	138

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･Bacillus coli= number/ml, all others except pH: mg/L
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.

Ota north plant

Water pollution data (Water Pollution Control Law, Gunma Prefectural Ordinances) Water conduit No.1& No.5

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.1～8.3	7.6	7.2	7.3
BOD	25	20	9.6	0.2	1.9
SS	50	40	11.4	1.4	6.4
Oil content (inorganic)	5	4	1.6	0.1	0.6
Fluorine	8	6.4	0.2	0.2	0.2
Zinc	2	2	0.0	0.0	0.0
Soluble iron	10	8	0.2	0.1	0.2
Soluble manganese	10	8	0.1	0.1	0.1
Total phosphrus	16(8)	6.4	5.4	2.1	3.5
Total nitrogen	120(60)	48	2.6	0.9	1.6
Bacilus coli	3,000	2,400	220	140	180

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･Bacillus coli= number/ml, all others except pH: mg/L
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.

Oizumi plant

Water pollution data (Water Pollution Control Law, Pollution Control Agreement with Ota City and Oizumi Town) Water conduit No.1

Substance	Regulated values (by agreement)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.1～8.3	8.2	6.9	7.5
BOD	25(10)	8	6.3	2.1	4.0
SS	50(10)	8	7.5	0.3	0.5
Oil content (inorganic)	5(3)	2.4	2.0	0.1	1.0
Fluorine	8	6.4	0.2	0.2	0.2
Zinc	2(2)	1.6	0.3	0.1	0.2
Soluble iron	10(5)	4	0.1	0.1	0.1
Soluble manganese	10(5)	4	0.1	0.1	0.1
Total phosphrus	16(8)	6.4	0.6	0.1	0.4
Total nitrogen	120(60)	48	11.0	2.1	4.8
Bacilus coli	3000(1000)	800	60	38	49

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･Bacillus coli= number/ml, all others except pH: mg/L
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.

Isesaki plant

Water pollution data (Sewerage Law) Effluent outlet G

Substance	Regulated values (by agreement)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.7～8.7	6.0～8.4	7.5	6.7	7.1
BOD	300	240	110	4.2	59.0
SS	300	240	25	3.0	18.4
Oil content (inorganic)	5	4.0	1or lower	1or lower	0.0
Fluorine	8	6.4	2.5	0.5	1.5
Zinc	2	1.6	1.7*	0.1	0.6
Soluble iron	10	8	0.1	0.0	0.1
Soluble manganese	10	8	6.1	0.3	3.2
Total phosphrus	20	16	13.0	0.3	5.2
Total nitrogen	150	120	25.5	2.4	12.1

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･all except pH: mg/L
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.
*The max value of zinc, 1.7mg/L, was measured before the amendment for sewage works regulations became effective on Dec. 11, 2006. The voluntary standard at this time was 4.0mg/L.
All the measured values after the amendment have been within the voluntary standard.

Subaru Test & Development Center

Water pollution data (Water Pollution Control Law, Gunma Prefectural Ordinances and Pollution Control Agreement with Sano-city) Regulating pondage

Substance	Regulated values (by agreement)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.1～8.3	7.5	7.4	7.5
BOD	25	16	1.0	1.0	1.0
SS	40	32	1.0	1.0	1.0
Oil content (inorganic)	5	4	1or lower	1or lower	1 or lower
Fluorine	8	6.4	0.2	0.2	0.2
Zinc	2	1.6	0.0	0.0	0.0
Soluble iron	3	2.4	0.1	0.1	0.0
Soluble manganese	3	2.4	0.1	0.1	0.1
Total phosphrus	8	6.4	0.1	0.1	0.1
Total nitrogen	60	48	0.4	0.4	0.4

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･all except pH: mg/L
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.

Environmental Levels Data (1)-2 Gunma Manufacturing Division

3. Air Pollution Data (each plant)

Main plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Boiler (No.5 & No.6)	NOx	150	120	101	86
	SOx	60.3	48.2	0.21	0.2
	PM	0.25	0.2	0.059	0.028
Dry-off furnace (Electrocoat, 2nd&final coat)	NOx	230	184	51	38
	PM	0.2、0.3	0.16、0.28	0.013	0.006

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N
*Among the 32 facilities specified by Law, we present here data of big boilers and dry-off furnaces. Also at the specified facilities not indicated here, measured values were in the range of values specified by Law.

Yajima Plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Co-generation system (Gas turbine)	NOx	70	56	2.5	2.4
	PM	0.05	0.04	0.002	0.002
Boiler (No.1 & No.2)	NOx	230	184	150	98
	SOx	62	50	0.8	0.39
	PM	0.25	0.2	0.075	0.035
Dry-off furnace (Electrocoat, 2nd&final coat, PP)	NOx	230、250	184	57	
	PM	0.2、0.35	0.16、0.28	0.032	0.020

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N
*Among the 25 facilities specified by Law, we present here data of co-generation system, big boilers and dry-off furnaces. Also at the specified facilities not indicated here, measured values were in the range of values specified by Law.

Ota north plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Air conditioner (heater)	NOx	250	200	88	77.5
	PM	0.3	0.24	0.015	0.010
Dry-off furnace	NOx	230	184	50	30.5
	PM	0.35	0.28	0.064	0.039

【Unit】NOx: ppm, PM: g/m^3N
*We present here data of 3 facilities specified by Law.

Oizumi plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Dry-off furnace	Dioxines	5	4	0.004	0.0037
Boiler (No.1)	NOx	150	120	100	83.8
	SOx	8	6.4	0.3	0.3
	PM	0.25	0.2	0.064	0.02
Alminum melting furnace	NOx	180	144	74	37.57
	PM	0.2	0.16	0.085	0.02

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N
Dioxines: $ng\text{-}TEQ/m^3N$
*Among the 9 facilities specified by Law, we present here data of melting furnace and big boilers. Also at the specified facilities not indicated here, measured values were in the range of values specified by Law.

Isesaki plant

We have no facilities specified by Air Pollution Control Law except two small boilers with respite of emission standard, however we voluntarily measure NOx and PM emitted from those boilers and results are within the voluntary standard.

4. PRTR

Gunma Manufacturing Division (Main plant, Yajima plant, Ota north plant and Oizumi plant) (Unit: kg/year, Dioxins: mg-TEQ/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
1	none	Zinc compound (Water-soluble)	25,951	0	284	5,068	20,598	0	0
9	103-23-1	Bis (2-ehtylhexyl) adipate	1,785	0	0	0	1,767	18	0
16	141-43-5	2-Aminoethanol	2,078	0	168	19	0	1,891	0
30	25068-38-6	Polymer of 4,4'-isopropylidenediphenol and 1-chloro-2,3-epoxypropane (liquid)	12,455	0	0	1,130	11,240	84	0
40	100-41-4	Ethylbenzene	316,346	185,805	0	0	46,510	22,017	62,014
43	107-21-1	Ethylene glycol	1,670,293	0	0	0	1,670,293	0	0
63	1330-20-7	Xylene	680,304	341,032	0	0	209,701	40,065	89,505
179	none	Dioxins	0	(0.13)	0	0	0	0	0
224	108-67-8	1,3,5-trimethylbenzene	25,911	12,627	0	0	1,957	3,153	8,173
227	108-88-3	Toluene	623,129	286,092	0	0	274,347	39,721	22,969
232	none	Nickel compound	7,169	0	319	5,247	1,603	0	0
272	117-81-7	Bis (2-ehtylhexyl) phthalate	12,092	0	0	246	11,846	0	0
283	none	Hydrogen fluoride and water-soluble salts	4,195	0	1,244	2,951	0	0	0
299	71-43-2	Benzene	16,694	56	0	0	16,638	0	0
309	9016-45-9	Poly (oxyethylene) = nonylphenyl ether	1,215	0	91	940	86	98	0
310	50-00-0	Formaldehyde	2,936	2,936	0	0	0	0	0
311	none	Manganese and its compounds	12,062	0	332	5,812	5,917	0	0
		Total	3,414,614	828,549	2,438	21,413	2,272,504	107,048	182,662

Isesaki Plant (Unit: kg/year, Dioxins: mg-TEQ/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
63	1330-20-7	Xylene	4,067	117	0	0	3,950	0	0
227	108-88-3	Toluene	4,722	18	0	0	4,704	0	0
272	117-81-7	Bis (2-ehtylhexyl) phthalate	2,162	0	0	108	2,054	0	0
		Total	10,950	135	0	108	10,708	0	0

Subaru Test & Development Center (Sano City, Tochigi Prefecture) (Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethylbenzene	3,224	11	0	0	3,213	0	0
63	1330-20-7	Xylene	15,279	52	0	0	15,227	0	0
227	108-88-3	Toluene	39,406	137	0	0	39,269	0	0
299	71-43-2	Benzene	992	3	0	0	988	0	0
		Total	58,901	204	0	0	58,697	0	0

Environmental Levels Data (2)-1 Utsunomiya Manufacturing Division

Utsunomiya Manufacturing Fiscal 2006 Plant Site Data

1. Energy, Water, and Waste

CO_2 emission <Unit: ton-CO_2>

Company	Fiscal 2006 result	Index (fiscal 1990 = 100)
Aerospace only	25,203	92.4
Incl. Eco Technologies	27,707	79.1

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO_2 conversion factor is taken from JAMA (in some cases other conversion factors are used)

Water consumption (Unit: m^3)

Company	Fiscal 2006 result	Index (fiscal 1999 = 100)
Aerospace only	700,307	80.6
Incl. Eco	727,950	70.8

Waste materials and scrapped metals (total of Aerospace and Eco Technologies)

(Unit:t)

Item	Fiscal 2006 actual result
Scrapped metal	637
Industrial wastes & specially-controlled industrial wastes except scrapped metal	2,184
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0

2. Water Pollution Data

Main plant

Water pollution data (Sewerage law, Utsunomiya city ordinances)
Water discharge effluent and public sewerage

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5<，>9	5.4～8.6	7.9	6.3	7.2
BOD	less than 600	480	284.0	<0.5	41.0
SS	less than 600	480	152.0	<1.0	45.9
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	14	<1.0	6.1
Fluorine compounds	8	6.4	1.6	<0.2	0.6
Cadmium	0.1	0.08	0.02	<0.005	0.0
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	0.08	<0.01	0.02
Hexavalent chromium	0.1	0.08	<0.02	<0.02	<0.02

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Water pollution data (Water Pollution Control Law) Water discharge and public river

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.0～8.3	7.9	6.3	7.5
BOD	30	24	6.4	<0.5	1.6
SS	50	40	5.2	<1.0	2.4
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	<1.0	<1.0	<1.0
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	<0.01	<0.01	<0.01
Hexavalent chromium	0.5	0.4	<0.02	<0.02	<0.02

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

South plant

Water pollution data (Sewerage law, Utsunomiya city ordinances)
Water discharge effluent and public sewerage

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5<，>9	5.4～8.6	8.3	6.3	7.2
BOD	less than 600	480	166	6.5	51.6
SS	less than 600	480	147	11.0	52.5
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	23.7	<1.0	5.6
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	0.14	<0.01	0.02
Hexavalent chromium	0.1	0.08	<0.02	<0.02	<0.02

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Water pollution data (Water Pollution Control Law) Water discharge and public river

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.0～8.3	8.0	6.6	7.4
BOD	30	24	4.3	<0.5	1.7
SS	50	40	2.8	1.6	2.0
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	<1.0	<1.0	<1.0
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	<0.01	<0.01	<0.01
Hexavalent chromium	0.5	0.4	<0.02	<0.02	<0.02

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

South No.2 plant

Water pollution data (Sewerage law, Utsunomiya city ordinances)
Water discharge effluent and public sewerage

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5<，>9	5.4～8.6	7.8	6.4	7.3
BOD	less than 600	480	153	<0.5	43.9
SS	less than 600	480	245	<1.0	49.5
Oil content (inorganic)	5	4	3.4	<1.0	1.1
Oil content (norganic)	30	24	23.5	<1.0	7.3
Fluorine compounds	8	6.4	2.2	<0.2	0.6
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	0.20	<0.01	0.06
Hexavalent chromium	0.1	0.08	<0.02	<0.02	<0.02

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)

Water pollution data (Water Pollution Control Law) Water discharge and public river

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8～8.6	6.0～8.3	8.0	6.4	7.4
BOD	30	24	3.7	<0.5	1.5
SS	50	40	3.2	<1.0	2.1
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	<1.0	<1.0	<1.0
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	<0.01	<0.01	<0.01
Hexavalent chromium	0.5	0.40	<0.02	<0.02	<0.02

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Handa plant

Water pollution data (Water Pollution Control Law, Aichi Prefectural Ordinances and Water Pollution Control Agreement with Handa City, etc.)

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	6～8	6.2～7.8	7.7	6.5	7.1
BOD	25	20	14.8	<1.0	4.6
SS	25	20	20	2.0	8.4
COD	25	20	17	1.9	8.4
Bacilus coli (number/ml)	3000	2400	1,380	30.0	345.0

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Handa west plant

Water pollution data (Water Pollution Control Law, Aichi Prefectural Ordinances and Water Pollution Control Agreement with Handa City, etc.)

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	6～8	6.2～7.8	7.2	6.4	6.9
BOD	15	12	11.0	5.7	8.0
SS	15	12	6	3	3.6
Oil content (inorganic)	2	1.6	<0.5	<0.5	<0.5
Oil content (norganic)	2	1.6	<0.5	<0.5	<0.5
Fluorine compounds	5	4	0.3	<0.02	0.1
Syanide	0.5	0.4	<0.1	<0.1	<0.1
Total chromium	0.2	0.16	<0.04	<0.04	<0.04
Hexavalent chromium	0.3	0.24	<0.04	<0.04	<0.04

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Environmental Levels Data (2)-2 Utsunomiya Manufacturing Division

3. Air Pollution Data (each plant)

Main plant (Aerospace/ Eco Technologies Company)

Air Pollution data（Air Pollution Control Law）

Substances	Facilities	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
SOx	Boiler	8	6.4	—	—	—
	Furnace	8	6.4	—	—	—
NOx	Boiler	250	200	81	77	79
	Boiler	180	144	74	59	67
	Furnace	230	184	40	33	36
	Co-generation	600	480	191	161	178
PM	Boiler	0.3	0.24	0.015	0.007	0.011
	Dry-off furnace	0.2	0.16	0.004	0.001	0.003

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N

South plant (Aerospace)

Air Pollution data（Air Pollution Control Law）

Substances	Facilities	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
SOx	Boiler	8	6.4	—	—	—
NOx	Boiler	180	144	101	94	98
PM	Boiler	0.3	0.24	0.002	0.001	0.002

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N

Handa plant (Aerospace)

Air Pollution data（Air Pollution Control Law）

Substances	Facilities	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
SOx	Boiler	1.5	1.2	0.07	0.02	0.04
NOx	Boiler	180	144	29	21	24
PM	Boiler	0.1	0.08	0.002	0.002	0.002

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N

Handa west plant (Aerospace)

Air Pollution data（Air Pollution Control Law）

Substances	Facilities	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
SOx	Boiler	1.5	1.2	0.03	0.02	0.03
NOx	Boiler	180	144	31	26	28
PM	Boiler	0.1	0.08	0.002	0.002	0.002

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N

4. PRTR

Utsunomiya Manufacturing Division (Aerospace company except Handa plant) (Unit: kg/year, Dioxins: mg-TEQ/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions (Public water)	Water emissions (Sewarage)	Transfer	Consumption	Solvent wiping Removal	Recycle
30	25068-38-6	Chloro-2,3-epoxypropane	2,694	152			1,036	1,506		
40	100-41-4	Ethylbenzene	405	112			23	270		
63	1330-20-7	Xylene	5,385	3,330			682	1,373		
227	108-88-3	Toluene	24,951	18,957			3,883	2,111		
69	none	Hexavalent chromium compounds	3,450			7	1,540	1,215	688	
311	none	Manganese and its compounds	1,175				929	246		
		Total	38,060	22,551		7	8,093	6,721	688	

Utsunomiya Manufacturing Division (Handa Plant [Aerospace company]) (Unit: kg/year, Dioxins: mg-TEQ/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions (Public water)	Water emissions (Sewarage)	Transfer	Consumption	Solvent wiping Removal	Recycle
227	108-88-3	Toluene	1,529	960			197	372		
311	none	Manganese and its compounds	1,123				449	674		
		Total	2,652	960			646	1,046		

Utsunomiya Manufacturing Division (Eco Technologies Company)

(Unit: kg/year, Dioxins: mg-TEQ/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions (Public water)	Water emissions (Sewarage)	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethylbenzene	6,978	3,240			2,089			1,649
63	1330-20-7	Xylene	19,007	8,327			5,368			5,312
227	108-88-3	Toluene	3,107	1,823			1,176			108
		Total	29,092	13,390			8,633			7,069

Environmental Levels Data (3) Saitama Manufacturing Division*

Industrial Products Company Fiscal 2006 Plant Site Data

1. Energy, Water, and Waste

CO_2 emission

Item	Fiscal 2006 actual result
CO_2 emission (ton-CO_2)	8,580
Index (fiscal 1990 = 100)	74.1

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO_2 conversion factor is taken from JAMA (in some cases other conversion factors are used)

Water consumption (Unit: m^3)

Item	Fiscal 2006 actual result
Water consumption	33,882
Index (fiscal 1999 = 100)	88.4

Waste materials and scrapped metals (Unit:t)

Item	Fiscal 2005 actual result
Scrapped metal	1,310
Industrial wastes & specially-controlled industrial wastes	380
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0

* Currently we have no organization called "Saitama Manufacturing Division", but in this report we sometimes use in the meaning of a manufacturing plant of the Industrial Products Company for convenience purpose.

2. Water Pollution Data

Water pollution data (emission to public sewerage, Kitamoto City ordinances)

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.0～9.0	5.4～8.6	8.7*	7.3	8.3
BOD	600	480	590*	93	222
SS	600	480	190	25	115
Oil content (norganic)	30	24	14	3.5	7.8

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)
* Please refer to p.10 in the Supplementary Volume for handling pH and BOD which exceed Voluntary Standards.

3. Air Pollution Data

We stopped operation of incinerators for waste materials on September 28, 2001 and we have no other working facilities specified by Air Pollution Control Law.

4. PRTR

Industrial Products Company (Unit: kg/year, Dioxins: mg-TEQ/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethylbenzene	1,293	12	0	0	1,281	0	0
43	107-21-1	Ethylene glycol	2,394				2,394		
63	1330-20-7	Xylene	6,910	40	0	0	6,870	0	0
227	108-88-3	Toluene	10,517	115	0	0	10,402	0	0
Total			21,114	167	0	0	20,947	0	0

Environmental Levels Data (4) Tokyo Office

Tokyo Office Fiscal 2006 Plant Site Data

1. Energy, Water, and Waste

CO_2 emission

Item	Fiscal 2006 actual result
CO_2 emission (ton-CO_2)	14,474
Index (fiscal 1990 = 100)	76.9

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO_2 conversion factor is taken from JAMA (in some cases other conversion factors are used)

Water consumption

(Unit: m^3)

Item	Fiscal 2006 actual result
Water consumption	111,630
Index (fiscal 1999 = 100)	94.3

Waste materials and scrapped metals

(Unit:t)

Item	Fiscal 2005 actual result
Scrapped metal	116
Industrial wastes & specially-controlled industrial wastes	271
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0

2. Water Pollution Data

Tokyo Office No.1 wastewater catch basin (final)

Water pollution data (emission to public sewerage Regulation: Mitaka City ordinances)

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.7～8.7	5.9～8.4	8.4	7.6	8.0
BOD	300	240	230	13	102
SS	300	240	140	14	69
Oil content (norganic)	30	24	16	<5	5.8
Total nitrogen	120	96	52.8	3.7	32.5
Total phosphrus	16	12.8	6.3	0.4	3.5

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter: smaleer than 2mm)
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.
【Units】･･･mg/L (except pH)

Tokyo Office No.2 wastewater catch basin (final)

Water pollution data (emission to public sewerage/Regulation: Mitaka City ordinances)

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.7～8.7	5.9～8.4	8.4	7.2	7.9
BOD	300	240	110	1.5	32.8
SS	300	240	67	5	22.4
Oil content (norganic)	30	24	10	1	5
Total nitrogen	120	96	38.2	1.0	15.5
Total phosphrus	16	12.8	4.2	0.1	1.6

【Notations】･･･pH：Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter: smaleer than 2mm)
Regulated values for Total Phosphorus and Total Nitrogen are daily average value.
【Units】･･･mg/L (except pH)

3. Air Pollution Data (each plant)

Air Pollution data（Air Pollution Control Law）

Facilities	Substances	Regulated	Voluntary	Data
Boiler of Eng'g No.2 building (for heating)	NOx	100	80	67
	SOx	out of scope	out of scope	<0.001
	PM	0.3	0.24	0.001

【Unit】SOx:m^3N/h, NOx: ppm, PM: g/m^3N

4. PRTR

Tokyo Office

(Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethylbenzene	20,291	0	0	0	20,291	0	0
43	107-21-1	Ethylene glycol	3,768	0	0	0	3,768	0	0
63	1330-20-7	Xylene	92,189	2	0	0	92,187	0	0
224	108-67-8	1,3,5-trimethylbenzene	12,213	0	0	0	12,213	0	0
227	108-88-3	Toluene	274,571	16	0	0	274,555	0	0
299	71-43-2	Benzene	6,821	2	0	0	6,819	0	0
Total			409,853	20	0	0	409,833	0	0

Environmental Levels Data (5)-1 Domestic Affilitated Companies (6 companies)

1. Energy and Waste

Fiscal 2006 Energy consumption and CO_2 emission

	Fuji Robin Industries	Yusoki Kogyo	Fuji Machinery	Ichitan	Kiryu Industrial	SLCO*	6 companies total	Index (Fiscal 2001 = 100)
Energy consumption (crude oil equivalent KL)	1,271	697	5,213	7,534	276	651	15,642	86
CO_2 emission (ton-CO_2)	2,281	300	10,690	12,068	453	1,157	26,949	88

*SLCO = Subaru Logistics Co. Ltd.

Fiscal 2006 Amount of waste materials and amount landfilled

	Fuji Robin Industries	Yusoki Kogyo	Fuji Machinery	Ichitan	Kiryu Industrial	SLCO*	6 companies total	Index (Fiscal 2001 = 100)
Amount of waste materials(ton)	308	113	1,660	5,838	612	550	9,081	63
Waste materials directly landfilled (ton)	6.0	4.0	12.5	6.7	0.3	0.5	30	5.8

2. Water Pollution Data (companies that emit subject materials)

Fuji Robin Industries Ltd.

Substance	Regulated values	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.0~8.5	7.5	7.1	7.3
BOD	max.25, avg.20	20	17	3.4	7.8
COD	max.160, avg.120	100	11	4.3	6.9
SS	max.160, avg.120		3	3	3
Oil content (inorganic)	5		1.6	<0.5	0.8
Zinc	2		<0.2	<0.2	<0.2
Soluble iron	10.0		<0.4	<0.4	<0.4
Chromium	2		0.4	<0.2	0.2
Hexavalent chromium	1	0.1	<0.05	<0.05	<0.05
Fluorine and its compounds	8.0		5.7	1.6	3.4

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Yusoki Kogyou K.K.

Water Pollution Control Agreement with Handa City

Substance	Regulated values	Max.imum values	Minimum Values	Average values
COD	(15)	7.1	3	5.5
Total nitrogen	120	4.1	0.9	1.6
Total phosphrus	16	0.59	0.16	0.31

【Notations】･･･COD: Chemical oxygen demand
【Units】･･･mg/L (except pH)

Fuji Machinery Co., Ltd.

Headquarters Plant wastewater (Sewerage Law)

Substance	Regulated values	Maximum values	Minimum Values	Average values
pH	5.7~8.7	7.3	7.0	7.2
BOD	300	16	1	3.6
COD	-	15	3	6.2
SS	300	16	2	6.4
Oil content (inorganic)	5	2	1	1.1

【Notations】･･･pH:Hydrogen-ion concentration, BOD:Biochemical oxygen demand, COD:Chemical oxygen
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Jonan Plant (Water Pollution Control Law)

Substance	Regulated values	Maximum values	Minimum Values	Average values
pH	5.8~8.6	7.2	6.1	6.9
BOD	20	10	1	3.3
SS	20	5	2	2.4
Oil content (inorganic)	3	1	1	1

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Haga Plant (Sewerage Law)

Substance	Regulated values	Maximum values	Minimum Values	Average values
pH	5~9	7.2	6.6	6.9
BOD	600	6	1	2
COD	-	8	1	3.9
SS	600	19	2	6.7
Oil content (inorganic)	5	1	1	1

【Notations】･･･pH:Hydrogen-ion concentration, BOD:Biochemical oxygen demand, COD:Chemical oxygen
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Ichitan Co., Ltd.

Plant wastewater (Water Pollution Control Law)

Substance	Regulated values	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.0~8.4	7.2	6.7	6.9
BOD	25	20	16	1.3	3.9
SS	50	40	12	<0.1	2.0
Oil content (inorganic)	5	4	2.8	<0.1	0.4

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
【Units】･･･mg/L (except pH)

Subaru Locistics Co. Ltd

Wastewater from the Center (Water Pollution Control Agreement with Oizumi Town)

Substance	Regulated values	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.63	6.83	7.30
BOD	10	8	8.6*	2.4	4.6
SS	10	8	6	2.7	4.6

【Notations】･･･pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter:smaller than 2mm)
*: BOD has exceeded Voluntary Standard once and appropriate control has been done.
【Units】･･･mg/L (except pH)

Environmental Levels Data (5)-2 Domestic Affilitated Companies (6 companies)

3. Air Pollution Data (each company)

Fuji Robin Industries Ltd.

Air Pollution data（Air Pollution Control Law）

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
No.11 Boiler	NOx	250	100	56	55
	PM	0.3	0.1	<0.02	<0.02
Heater	NOx	250	100	70	54
	PM	0.3	0.1	<0.03	<0.03

【Unit】NOx: ppm, PM: g/m^{3}N

Ichitan Co., Ltd.

Air Pollution data（Air Pollution Control Law）

Facilities	Substances	Regulated values	Voluntary Standard	Amount measured	
				Jun. 2006	Dec. 2006
N III (Boiler)	SOx	8	4	0.18	0.36
	NOx	180	90	<33	62
	PM	0.25	0.15	0.009	0.003

【Unit】SOx:m^{3}N/h, NOx: ppm, PM: g/m^{3}N

Fuji Machinery Co. Ltd.

Air Pollution data（Air Pollution Control Law）

Facilities	Substances	Regulated values	Amount measured
Headquarters Boiler	SOx	0.28	<0.01
	NOx	-	65
	PM	-	<0.001
Haga Plant Boiler(1)	SOx	0.28	<0.01
	NOx	-	60
	PM	-	<0.001
Haga Plant Boiler(2)	SOx	0.28	<0.01
	NOx	-	71
	PM	-	<0.001

【Unit】SOx:m^{3}N/h, NOx: ppm, PM: g/m^{3}N

Yusoki Kogyou K.K.

Air pollution data (Air Pollution Control Agreement with Handa City)

Facilities	Substances	Regulated values	Data
Heater	PM	0.1	0.002
			0.002
			0.004

【Unit】PM: g/m^{3}N

*Kiryu Industrial Co. Ltd. and Subaru Logistics Co. Ltd. do not have any specified facilities.

4. PRTR (companies that emit subject materials)

Fuji Robin Co. Ltd.

(Unit: t/year)

Code	CAS No.	Chemical Substances	Fiscal2006		
			Amount handled	Emission	Transfer
40	100-41-4	Ethylbenzene	1.5	0	0.02
63	1330-20-7	Xylene	8.3	0	0.08
68	none	Trivalent Chromium compound	4.5	0.22	0
69*	none	Hexavalent Chromium compound	6.2	0	0
227	108-88-3	Toluene	2.3	0.01	0.15
283	108-67-8	Hydrogen fluoride and water-soluble salts	1.7	0.2	0
Total			24.5	0.43	0.25

PRTR (Materials handled 1ton or more/year are shown in this table. *:Class I designated chemical substance is 0.5ton or more）

* In fiscal 2006, at each domestic affiliated company except Fuji Robin and Yusoki Kogyo K.K, the amount of chemical substance subject to PRTR handled was less than 1 ton/year (Class I designated chemical substance: less than 0.5 ton/year).

Yusoki Kogyou K.K.

(Unit: t/year)

Code	CAS No.	Chemical Substances	Fiscal2006		
			Amount handled	Emission	Transfer
227	108-88-3	Toluene	1.5	1.44	0.03

5. ISO14001 Environmental Management System Certification Status

Company name	Timing of certification	Auditor
Fuji Robin Industries Ltd.	Nov. 2002	TÜV Rheinland Japan Ltd.
Fuji Machinery Co., Ltd.	Jun. 2002	TÜV Rheinland Japan Ltd.
Ichitan Co., Ltd.	Mar. 2004	Japan Quality Assurance Organization
Kiryu Industrial Co., Ltd.	Oct. 2004	TÜV Rheinland Japan Ltd.
Subaru Locistics Co. Ltd	Feb. 2004	Japan Automobile Research Institute Registration Body
Yusoki Kogyou K.K.	On August 25, 2006, Yusoki Kogyo returned its ISO14001 certification to the certification organization (TÜV Rheinland Japan). The company returned the certification in order to be able to become a member participating in the Environmental Management System activities conducted by FHI's Utsunomiya Manufacturing Division. Since October 2006, the company has been preparing for ISO14001 recertification in July 2007 as part of the investigation that will be conducted for the Utsunomiya Manufacturing Division to update its ISO14001 certification.	

Gunma Manufacturing Division


Main Plant


Yajima Plant


Ota North Plant


Oizumi Plant


Isesaki Plant

Outline for Each Plant

(As of the end of March, 2007)

Name	Location	Site Area (m^2)	Building Area (m^2)	Number of Employees	Main Products Manufactured
Main Plant	1-1, Subaru-cho, Ota City, Gunma Prefecture	585,521	319,360	2,937	Stella, R1, R2, Pleo, and Sambar models
Yajima Plant	1-1, Shoya-machi, Ota City, Gunma Prefecture	549,845	256,864	2,549	Legacy, Impreza, and Forester models
Ota North Plant	27-1, Kanayama-cho, Ota City, Gunma Prefecture	43,750	26,841	83	Automotive parts
Oizumi Plant	1-1-1, Izumi, Oizumi-machi, Ora-gun, Gunma Prefecture	376,038	179,984	1,485	Automotive engines, transmission
Isesaki Plant*	100, Suehiro-cho, Isesaki City, Gunma Prefecture	149,236	58,957	72	Automotive repair parts

* Includes Subaru Customize Kobo Corporation and Fuji Houren Co., Ltd

1.The Gunma Region's* Environmental Policies

The Gunma Region further created its own environmental policies in line with FHI corporate philosophy and company-wide environmental policy, from which it has been actively conducting various environmental conservation activities.

-- The Gunma Region's Environmental Policies -- (Revised in June 2002)

The FHI Gunma Region is determined to provide greener Subaru from clean plants in its desire to create environmentally friendly automobiles to ensure preservation of our rich natural environment for generations to come.

(1) We are committed to environmental conservation that takes into consideration all the repercussions our Automotive sector renders upon the environment.
(2) Observing all the relevant laws and regulations, community agreements and industry standards, we will carry out our activities based on our independently determined environmental objectives and targets.
(3) Through the understanding of the importance of continual improvement and early pollution prevention, every one of us can realize the responsibility we carry as we go about our work.
(4) We will endeavor to raise environmental consciousness by providing educational opportunities for our employees according to their job status and job description.
(5) We will regularly perform audits and inspections to improve our environmental conservation activities.
(6) As a responsible member of society, we are committed to working with the community and engaging in joint activities to further environmental conservation.

*The Gunma region is a collective term subject to external assessment through the ISO14001 Environmental Management System. It consists of a group of car manufacturing sites centered around the Gunma Manufacturing Division, also including the Subaru Engineering Division, an organization under direct control of Head Office which is located in the Gunma Manufacturing Division, the Subaru Test & Development Center located in Sano City, Tochigi Prefecture, and the Subaru Parts Distribution Center located in Asahi-cho, Ota City.

2. Major Environmental Conservation Achievements of Fiscal 2006

Curbing Global Warming

We implemented several measures in fiscal 2006, such as adjusting the temperature in the painting process and improving the energy efficiency of the dehumidifying devices and the parts cleaners, successfully reducing CO_2 emissions by 15.7% compared with fiscal 1990 (3.2% compared with the previous fiscal year). In efforts to save water resources, we checked and improved water pipes, which reduced water consumption by 50.1% compared with fiscal 1999 (5.1% compared with the previous fiscal year). On top of which, we set up two natural gas cogeneration systems at the Oizumi Plant in February 2007 which are expected to further reduce CO_2 emissions by 14,000 tons from fiscal 2007 onwards.


Natural gas cogeneration systems at the Oizumi Plant

Reducing Waste Material

We have been working hard to reduce the amount of waste material we generate. In fiscal 2006, by reducing the amount of discharged sludge, and because of other such measures we were able to reduce waste material (excluding scrap metal) by 117 tons compared to fiscal 2005.

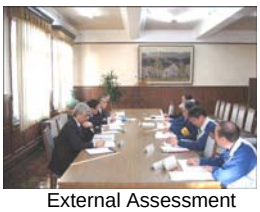
Preventing Environmental Pollution

Although we received zero claims in fiscal 2006, there were five accidents where chemical substances were inappropriately discharged, and one case where noise levels exceeded the voluntary standards. In order to eliminate such problems completely, we will continue to promote environmental risk assessments and guidance for external companies. We were able to meet the target set in the Third Voluntary Plan for the Environment concerning VOC discharged in the painting process etc. We will continue to make every effort to fulfill the new targets presented in the Fourth Voluntary Plan for the Environment.

3. Results of Environmental Audits

Results of the Internal Audits as part of the Environmental Management System

We classified all departments in the Gunma region into seventy sections, and conducted internal audits at all the sections during the period from July 12 to October 23 2006. At the same time, we conducted a legal compliance audit with all seven sections in charge of handling environment-related laws and regulations.
As a result, eighty five cases were identified for further corrective actions. We have been pressing ahead with both corrective and preventive actions in order to raise the standard of environmental activities across the entire Gunma region. We will also continue to further improve the abilities of our internal auditors and the mechanisms involved with our internal audits.


External Assessment

Results of the ISO14001 External Assessment

Our ISO14001 renewal application was assessed during the period from January 22 to 24 2007, identifying one minor nonconformity and five cases deemed in need of further inspection. We took corrective actions immediately and our ISO14001 certification was successfully renewed.

4. Major Local Community Activities of Fiscal 2006 ≪Social Contributions≫

Communication

In order to contribute to creating a prosperous society in coexistence with local communities, the Gunma Manufacturing Division has been working with local residents, offering friendship and community exchange events, accepting plant tours and participating in cleanup activities and local events. The major activities of fiscal 2006 are introduced here.

May: Cleanup of Kanayama organized by the Subaru Community Exchange Association

Jul: 1,000 employees participated in carrying the Subaru Mikoshi at the Ota Summer Festival

Oct: 35,000 people enjoyed the Subaru Appreciation Festival at the Yajima Plant

Quarterly: Flower gifting, organized by the Subaru Community Exchange Association

Quarterly: Friendship Concert organized by the Subaru Community Exchange Association (a total of 2,000 invitations)

Subaru Environmental Exchange Circle held at 28 local elementary schools (a total of 2,282 people participated)

Education

The Gunma Manufacturing Division provides educational opportunities for its employees according to their job status and job description. The Division also provides education as part of its support for its affiliated and partner companies.

Jun: Health & safety and environmental education for affiliated and partner companies (26 people from 26 companies attended)

Jul: Lectures on traffic safety organized by the Subaru Community Exchange Association

Others

We dispatched instructors to local high schools, such as Ota Higashi High School and Tatebayashi Commercial High School, and gave lectures on automotive technologies and the mental attitude required of members of society.

Every June is designated Environmental Campaign Month and we switch the paper cups used in beverage vending machines around our sites, to those with a printed FHI Environment Logo as part of our activities to promote awareness of environmental conservation. (See photo on the right)

We organize a social gathering with the heads of neighboring communities every December, to explain the kinds of environmental activities taking place within the Gunma Manufacturing Division and listen to requests from the neighboring communities.

A paper cup with the FHI Environment Logo
* This activity is conducted at the Utsunomiya Manufacturing Division and the Tokyo Office as well.

Utsunomiya Manufacturing Division*1 [Aerospace Company, Eco Technologies Company]


Main Plant


South Plant


South No.2 Plant


Handa Plant

Outline for Each Plant

(As of the end of March, 2007)

Name	Location		Site Area (m^2)	Building Area (m^2)	Number of Employees	Main Products Manufactured
Main Plant	1-1-11, Yonan, Utsunomiya City, Tochigi Prefecture	Aerospace Company	337,802	176,877	2,040	Aircraft, unmanned aircraft, space-related equipment
South Plant	1388-1, Esojima, Utsunomiya City, Tochigi Prefecture					Aircraft
South No.2 Plant	2-810-4, Miyanouchi, Utsunomiya City, Tochigi Prefecture					Aircraft
Main Plant	1-1-11, Yonan, Utsunomiya City, Tochigi Prefecture	Eco Technologies Company	171,816	50,614	187	Refuse collection vehicles, wind turbine system, robots*2, etc
Handa Plant	1-27, Shiohi-cho, Handa City, Aichi Prefecture		49,041	20,092	176	Aircraft

*1: At present, FHI has no organization officially named Utsunomiya Manufacturing Division. For this Report, Utsunomiya Manufacturing Division is used as a collective term for the Aerospace Company (Utsunomiya City, Tochigi Prefecture, and Handa City, Aichi Prefecture) and the Eco Technologies Company (Utsunomiya City, Tochigi Prefecture).

*2: Note that robots / cleaning robots are manufactured and sold by FHI's Robot Department.

1. The Utsunomiya Manufacturing Division's Environmental Policies

The Utsunomiya Manufacturing Division further created its own environmental policies in line with FHI corporate philosophy and company-wide environmental policies, from which it has been actively conducting various environmental conservation activities.

--- The Utsunomiya Manufacturing Division's *1 Environmental Policies --- (Revised in June 2005)

Through positive environmental conservation that aims to bring about harmony between industry and environment, and for a prosperous and healthy society, we (the Aerospace Company and the Eco Technologies Company) have decided on the following plans of action.

(1) We will endeavor to reduce the environmental impact in all areas from development, design, production, logistics, to service and waste disposal, as our contribution to creating a less polluted, resource recycling society.
(2) Remaining true to our corporate activities, observing all the relevant laws and regulations, community agreements and industry standards, we will further determine our own voluntary standards, based on which we will organize our environmental activities.
(3) Through conducting voluntary activities with our own environmental conservation objectives and targets, with regular reviews we will continue to improve for the better.
(4) We recognize the importance of curbing global warming and preventing environmental pollution, and will endeavor to reduce the amount of pollutants and waste that we produce and that subsequently accelerate global warming and environmental pollution, all the while promoting the reduction and recycling of waste material.
(5) As a responsible member of society, we are committed to working with the community and engaging in joint activities to further environmental conservation.
(6) Through the promotion of environmental education for every person working in or working with our organizations, every one of us can understand for ourselves our responsibility to the environment as we go about our work.
(7) We will openly and proactively make known all information about our environmental activities, promoting communication and mutual understanding with the local communities and society in general.

2. Major Environmental Conservation Achievements of Fiscal 2006

Curbing Global Warming

Aerospace Company: Although CO_2 emissions increased over the previous fiscal year by 3,000 tons due to factors that included energy consumption increases at the Handa West Plant, compared to fiscal 1990, we recorded a 7.6% reduction. The Company will push ahead with CO_2 emission reductions to meet the targets set in the Fourth Voluntary Plan for the Environment.

Eco Technologies Company: The Company succeeded in reducing CO_2 emissions by 900 tons compared with the previous fiscal year by implementing several measures that included improving the energy efficiency of the lighting equipment installed inside the plants. Compared with fiscal 1990, this was a reduction of 67.7%. The Company will promote further reductions focusing on the energy conservation of the facilities which consume the most energy.

Reducing Waste Material

Aerospace Company: Unfortunately, the amount of waste material increased by 445 tons from the previous fiscal year due to increases in waste wood from packing-crates, waste liquid discharged in the painting process, and general waste material. With efforts focused on achieving these reductions we will also work on reducing the costs involved with treating waste material.

Eco Technologies Company: The amount of waste material reduced by 16 tons from the previous fiscal year because of several activities including the reuse of cardboard and recycling of thinner. To improve further, the Company will work on reducing the quantity of scrap metal produced.

Preventing Environmental Pollution

The Utsunomiya Manufacturing Division received eight claims* in fiscal 2006, despite the measures implemented to prevent such environmental accidents including the creation of an environmental patrol. In response to the claims, the Division issued a set of Management Guidelines for the Prevention of Environmental Accidents, and has been making efforts in this vein.

* For details of the claims, please refer to page 9 of the Supplementary Volume for Data related to the 2007 Social and Environmental Report.

3. Results of Environmental Audits

Results of the Internal Audits as part of the Environmental Management System

We conducted an internal audit at all eighty seven sections of the Utsunomiya Manufacturing Division (for both the Aerospace Company and the Eco Technologies Company) in May, October and November 2006. As a result, forty four cases were identified for corrective actions. The sections concerned took countermeasures immediately, raising EMS to the required standards.


External Assessment

Results of the ISO14001 External Assessment

Our ISO14001 renewal application was assessed from June 21 to 23, 2006. Although sixteen cases were identified to be in need of improvement, all of these were minor cases and nonconformity was zero and our ISO14001 certification was successfully renewed. Furthermore, so that our affiliated company Yusoki Kogyo K.K. can make use of this, we will need to apply for an ISO14001 expansion in 2007.

4. Major Local Community Activities of Fiscal 2006

Communication

We at the Utsunomiya Manufacturing Division recognize the importance of coexisting with local communities as responsible members of society, and equally the importance of maintaining a prosperous society. In keeping with these ends, we have been contributing to local communities through various activities, by offering friendship and community exchange events for local communities and actively cooperating in cleanup activities and fund-raising campaigns. A few of these efforts and activities from fiscal 2006 are introduced here.

・Jun and Oct: Cooperated in local cleanup activities (a total of 330 employees participated).
・Oct: Held the FHI Friendship Festival at the Main Plant inviting approximately 10,000 people.
・Oct: Exhibited a booth at the Utsunomiya Eco Project 2006 to publicize the environmental conservation activities conducted within the Utsunomiya Manufacturing Division.
・Nov: Organized an interaction meeting with thirteen board members from neighborhood community associations (plant tour, social gathering).
・ As of fiscal 2006, we started offering the Eco Class Delivery Service to local elementary schools. In this fiscal year, we put on classes on the subject of global warming for grade fives at five elementary schools (358 students in total) in Utsunomiya City. For next year, we will expand this activity to include more schools.
・ In October, the yearly Green Fundraising Activities saw ¥310,355 generously contributed by our employees to the Committee for the Promotion of a Green Prefecture.
・As part of the special activities for June, designated the Environmental Campaign Month, all employees at every workplace were required to check their own environmental activities, raising awareness of energy and resource conservation, elimination of emissions and prevention of pollution.

Oct: The Utsunomiya Manufacturing Division had an exhibition booth at the Utsunomiya Eco Project to publicize its environmental activities

Education

・The Utsunomiya Manufacturing Division systematically implements several kinds of education, correlated to job title, etc, environmental education, internal auditors' education and follow-up education. In addition, as part of the support extended to its local affiliated and partner companies, it has been actively conducting an environmental patrol (at six companies in fiscal 2006) and other such activities.

The Environmental Improvement Case Study Presentations are held periodically every year, presenting all the activities and achievements involved in some of the best examples of environmental improvement from individual workplaces. In addition, emergency drills are held frequently at every workplace in order to ensure proper management for preventing accidents, and minimize environmental damage that may occur in the event of an environmental accident.

The environmental patrol at our partner companies

Emergency drills are held every year to prepare for emergencies such as environmental accidents and fires.

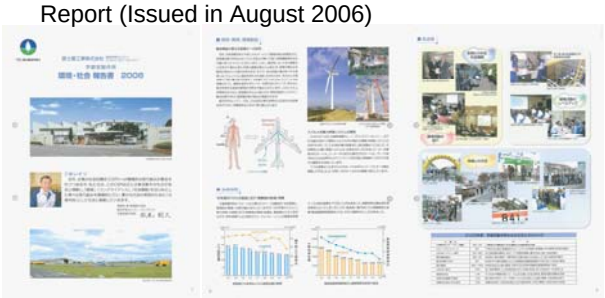
Others

One of our employees helped in the arrest of a man charged with the attempted murder of elementary school students in Utsunomiya City

～～A Certificate of gratitude was presented by the Tochigi Prefectural Police～～

October 2006: A man rammed his car into a group of elementary school students in Esojima, Utsunomiya City, and also injured Mr. Miyazawa with a chopper, one of our employees who had been trying to restrain the man at the scene. Mr. Miyazawa and Mr. Sakawa a temporary worker working at FHI, received certificates of gratitude and commemorative gifts from the Chief of the Tochigi Prefectural Police for their courageous act and cooperation in arresting the suspect. Then later in December, they were presented with the FHI's President's Commendation in honor o their bravery.

The Utsunomiya Manufacturing Division's Site Report (Issued in August 2006)



Saitama Manufacturing Division*

Industrial Products Company* Saitama Manufacturing Division

Major products manufactured by the Industrial Products Company

Robin engines

Power generators

Rechargeable lawn mowers

Outline for Plant

(As of the end of March 2007)

Name	Location	Site Area (m^2)	Building Area (m^2)	Number of Employees	Main Products Manufactured
Industrial Products Company*	4-410, Asahi, Kitamoto City, Saitama Prefecture, etc	143,438	91,942	549	General-purpose engines (Robin engines), engine generators, etc.

* At present, FHI has no organization officially named Saitama Manufacturing Division. In this Report, for the sake of convenience, this refers to the manufacturing plants belonging to the Industrial Products Company.

1. The Industrial Products Company's Environmental Policies

The Industrial Products Company created its own environmental policies in line with FHI corporate philosophy and company-wide environmental policies, from which it has been actively conducting various environmental conservation activities.

--- The Industrial Products Company's Environmental Policies --- (Revised in May 2005)

To build a prosperous future, the Industrial Products Company will actively promote conservation of global environment that could be affected by engines and their associated products through every stage from product development to material disposal.

(1) We endeavor to reduce the environmental burden in all areas from development and product design to logistics and material disposal.
(2) Observing all the relevant laws and regulations, community agreements and industry standards, we will further determine our own voluntary standards, based on which we will organize our environmental conservation activities.
(3) Through understanding the importance of continual improvement and early pollution prevention, every one of us can realize the responsibility we hold as we go about our work.
(4) We will endeavor to raise environmental consciousness by providing educational opportunities for our employees according to their job status and job description.
(5) We will regularly perform audits and inspections to improve our environmental conservation activities.
(6) As a responsible member of society, we are committed to interacting within the community and engaging in joint activities to further environmental conservation.

2. Major Environmental Conservation Achievements of Fiscal 2006

Curbing Global Warming

CO_2 emissions in fiscal 2006 decreased by 167 tons over the previous fiscal year owing to reduced consumption of petroleum-based energy This is a reduction of 26% compared with fiscal 1990. By inspecting the air piping in our plants for leaks, and drawing on other similar modifications, we will further reduce CO2 emissions.

Reducing Waste Material

In fiscal 2006, we were able to reduce the amount of waste material by 15 tons compared to the previous fiscal year because of the reduction of oil waste, etc. In fiscal 2007, with the introduction of a compressor for treating ground metal and by applying longer lasting metal machining oil, we can bring about further reductions in waste material.

Preventing Environmental Pollution

Although we were able to keep the number of environmental accidents and claims to zero, there were three cases* where measurements of some substances exceeded the values stipulated by environmental-related laws and regulations, or set by the voluntary standards. We took immediate corrective actions for all of them, and have brought them under proper control. We will implement activities like the Environmental Risk Assessment to completely eliminate breach of standards, environmental accidents, and claims.

*For details of these breaches of standards, please refer to page 10 of the Supplementary Volume for Data related to the 2007 Social and Environmental Report.

3. Results of Environmental Audits

Results of the Internal Audits as part of the Environmental Management System

We conducted internal audits at eighteen sections from September 13 to October 4, 2006, and identified one nonconformity, while seventeen items for improvement were recommended. We have completed all necessary corrective measures.

Results of the ISO14001 External Assessment

We had our ISO14001 renewal assessed from February 5 to 6 in 2007 and although the results recommended ten items for improvement, there were no nonconformities and our ISO14001 certification was renewed.

External Assessment

4. Major Local Community Activities of Fiscal 2006

Communication

Cleanup in the neighborhoods around the plants
We participated in the Kitamoto Cleanup Program organized by Kitamoto City, and are conducting cleanup activities in the neighborhoods around our plants. In fiscal 2006, overall 819 employees took part in seven cleanup activities.

Active Participation in Local Events
Approximately 300 employees and their family members participated in the Nebuta Hiki (or gigantic lantern parade) for the Kitamoto Evening Festival (on November 4, organized by Kitamoto City). The festival was as fun as ever.

Education

Activities during the Environmental Campaign Month --- Participation in the Eco Life Day 2006 Saitama ---
We asked our employees to check how they are contributing to an eco life at home by getting them to fill in the Eco Life Day Check Sheet. 80% or more participants answered yes to five statements out of the twenty listed, including “I do not leave the water running from the tap” and “I turn off the light when leaving a room”. Then in February 2007, we organized a winter version of the same event.

Emergency Drills
We conduct emergency drills in accordance with proper procedures, to ensure that our employees can prevent environmental damage and do the right thing in the event of an accident or emergency at their workplaces. In fiscal 2006, we conducted emergency drills at the 1st to 3rd Experiment Sections of the Engineering Department etc.

Education for Employees
We organized environmental education for fifty seven employees who included fourteen new recruits, focusing on education suitable to position and title. We also provide lectures on traffic safety.

Participation in the Energy Saving Case Symposium Kanto Conference (September 26, 2006)
The Ecology Circle, one of the Industrial Products Company’s small-group activity circles reported on the multistage use of spring water under a manhole and use of exhaust heat from compressor rooms for heating. A total of three teams, including representation from the Gunma region, reported their activities at this Conference.



Lectures on traffic safety

5. The Industrial Products Company’s New Products

In February 2007, the Industrial Products Company released the Subaru rechargeable lawn mower e-Cutter PRO, which has been designed to balance between people’s needs and those of the environment’s. The features of the e-Cutter PRO are briefly introduced here.


e-Cutter PRO: Rechargeable Lawn Mower


Auxiliary recharger and battery

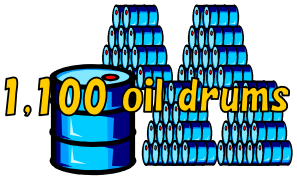
e-Cutter PRO

Three Es	ENVIRONTALLY FRIENDLY	:Zero exhaust gas emissions and reduced noise make the product kind to people and the earth.
	ELECTRIC	:The product is equipped with lithium-ion batteries which allow for high-speed charging.
	EASY (for users)	:The reversible-rotation function makes the product easy to operate
PRO	Our conventional electric lawn mowers were designed mainly for home gardening and domestic use. But this product delivers a performance that can satisfy professional use.	

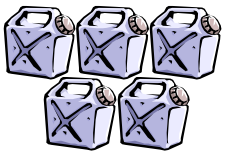
The technologies that developed from the Subaru Inverter Generator are applied to the high-performance brush-less motor and the control system mounted to the e-Cutter PRO. In addition, by adopting large-capacity lithium-ion batteries from technologies developed on our electric vehicle (the Subaru R1e), this new product can be more lightweight and compact than if it were using conventional secondary batteries , thereby achieving equally high standard environmentally-friendly features and practical features.

Feature 1: Zero exhaust gas emissions

We achieved zero exhaust gas emissions while still making sure the performance lived up to professional standards parallel with engine-type lawn mowers of the same class. This is a truly environmentally-friendly product.
Comparison with conventional engine-type lawn mowers (equipped with two-stroke engines),



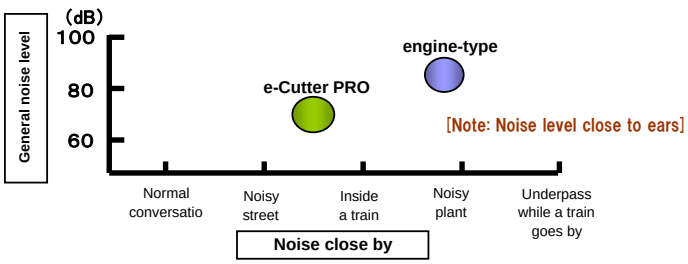
※ CO_2 emissions per product is reduced by the equivalent to 1,100 oil drums per year.
[Note: The above emissions are based on the product being used for four hours a day for one hundred days per year.]



※ Emissions of HC + NOx per product is reduced by the equivalent of five 18-liter containers per year.

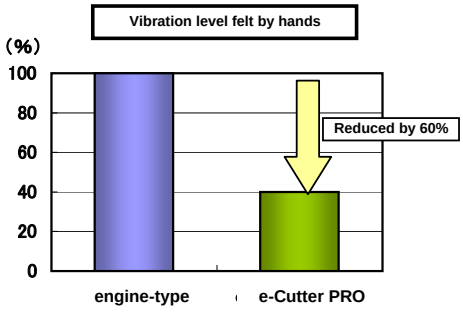
Feature 2: Reduced noise

The noise level has been lowered significantly because the new product is electrically operated. It can be used in any working environment at any time of the day.



Feature 3: Reduced vibration

Smoother motor rotation significantly reduces vibration felt by the user.



Tokyo Office

←Site Report of the Tokyo Office issued in April 2006

Outline for Tokyo Office (As of the end of March, 2007)

Name	Location	Site Area (m^2)	Building Area (m^2)	Number of Employees	Main Products Manufactured
Tokyo Office	3-9-6, Osawa, Mitaka City, Tokyo	157,568	94,354	943	R&D and experiment of automotive engines and transmissions, R&D of Subaru products

1. The Tokyo Office's Environmental Policies

The Tokyo Office further created its own environmental policies in line with FHI corporate philosophy and company-wide environmental policy, from which it has been actively conducting various environmental conservation activities.

--- The Tokyo Office's Environmental Policies --- (Issued in September 2003)

The FHI Tokyo Office is determined in its desire to create environmentally friendly automobiles and develop greener power units to ensure preservation of our rich natural environment for generations to come.

We have decided on the following operating criteria to consummate our environmental policies.
(1) We are committed to environmental conservation that takes into consideration all the repercussions the Automotive Business Unit renders upon the environment.
(2) Observing all the relevant laws and regulations, community agreements and industry standards, we will further determine our own voluntary standards, based on which we will organize our environmental activities.
(3) Through understanding the importance of continual improvement and early pollution prevention, every one of us can realize the responsibility we carry as we go about our work..
(4) We will endeavor to raise environmental consciousness by providing educational opportunities for our employees according to their job status and job description.
(5) We will regularly perform audits and inspections to improve our environmental conservation activities.
(6) As a responsible member of society, we are committed to working with the community and engaging in joint activities to further environmental conservation.

2. Major Environmental Conservation Achievements of Fiscal 2006

Curbing Global Warming

In fiscal 2006, despite our efforts to save energy, such as installing smaller boilers and lighting apparatus that consumes less energy, CO_2 emissions increased by 147 tons compared with the previous fiscal year due to factors that include the high rate at which the Development Division's testing equipment operates. However, CO_2 emissions were 23.1% lower than that of fiscal 1990. We will implement achievable energy-saving measures based on the precondition that our testing equipment operates at a high rate.

Reducing Waste Material

Like CO_2 emissions, the amount of waste also increased by 19 tons compared with the previous fiscal year due to the Development Division's high rate of operation. This however is lower than fiscal 2006's targeted value by 63 tons, owing to reductions in general waste material and office paper.

Preventing Environmental Pollution

In fiscal 2006, there were two environmental accidents* caused by spillage of grease on our sites. In response, we took several countermeasures that included revising our work procedures and the check sheets used for related jobs.

*For details of these environmental accidents, please refer to page 10 of the Supplementary Volume for Data related to the 2007 Social and Environmental Report.

3. Results of Environmental Audits

Results of the Internal Audits as part of the Environmental Management System

We conducted internal audits at all eighteen sections of the Tokyo Office from October 16 to November 8, 2006, which identified four nonconformities and forty six cases that would require further observations. The required corrective actions were carried out and have since proved effective.

Results of the ISO14001 External Assessment

We had our ISO14001 renewal application assessed from January 17 to 19, 2007. Although three nonconformities and twenty seven items recommended for improvement were identified, there were no major nonconformities and our ISO14001 certification was renewed.

4. Major Local Community Activities of Fiscal 2006

As a responsible member of society living side by side with local communities, the Tokyo Office is determined in its contribution to a prosperous society. It has been actively interacting with local communities through a variety of activities, including office tours to assist local schools with their social studies classes, also friendship events and traffic safety classes. Some of the major activities are introduced here.

Aug: Summer Evening Festival with local residents

Nov: Office tour for elementary fifth graders' social studies class

Mar 2007: Exemplary Fire Prevention Product Certificate for the Testing block issued by the Mitaka Fire Department Compliance education

Compliance education

Emergency drills

Safe Motor Cycle Driving Classes run by the Mitaka Police Motorbike team

Head Office*

Shinjuku Business Site

Omiya Business Site

Outline for Head Office (as of the end of March 2007)

Name	Location	Site Area (m^2)	Building Area (m^2)	Number of Employees	Main Products Manufactured
Shinjuku Business Site	7-2, Nishi Shinjuku 1-chome, Shinjuku-ku, Tokyo	1,600	7,241	520	Planning, marketing and sales of Subaru products, and corporate operations
Omiya Business Site	1-1-2, Miyahara-cho, Kita-ku, Saitama City, Saitama Prefecture	84,853	4,255	39	

*Head Office is a collective term referring to a scope of operations which are subject to external assessment by the ISO14001 Environmental Management System. It consists of the Shinjuku Business Site responsible for the planning, marketing and sales of Subaru products, and corporate operations, and the Omiya Business Site responsible for the marketing and sales of Subaru parts, and constructing Subaru's IT system.

1. Head Office's Environmental Policies (Shinjuku and Omiya Business Sites)

Head Office (Shinjuku and Omiya Business Sites) further created its own environmental policies in line with FHI corporate philosophy and company-wide environmental policy, from which it has been actively conducting various environmental conservation activities.

--- The Shinjuku and Omiya Business Sites' Environmental Policy --- (Issued in July 2003)

Always aware of the vital connection that holds between the environment and business activities, we will endeavor to create products and conditions that are friendly to the earth, society and people, striving towards a prosperous future.

((1) We endeavor to participate actively in conservation, considering the environmental repercussions from every stage of our office operations at the Shinjuku Business Site, from planning, development, design, manufacturing, sales, servicing, to the scrapping of automobiles.
(2) Observing all the relevant laws and regulations, community agreements and industry standards, we will further determine our own voluntary standards, based on which we will organize our environmental activities.
(3) Through understanding the importance of continual improvement and early pollution prevention, every one of us can realize the responsibility we carry as we go about our work..
(4) We endeavor to raise environmental consciousness by providing educational opportunities for our employees according to their job status and job description.
(5) We will regularly perform audits and inspections to improve our environmental conservation activities.
(6) As a responsible member of society, we are committed to working with the community and engaging in joint activities to further environmental conservation.

2. Major Environmental Conservation Achievements of Fiscal 2006

Curbing Global Warming

CO_2 emitted in fiscal 2006 came to just 524.2 tons because of our continuous and unstinting energy-saving efforts that included implementation of the cool-biz and similar activities, achieving a reduction of 4.7% compared with the previous fiscal year.

Reducing Waste Material

In fiscal 2006, waste from sales promotion material (such as product brochures) was just 56.3 tons, achieving a reduction of 45% compared with the previous fiscal year, on top of which, all of this waste is recycled. The amount of general combustibles and waste was 19.5 tons, marking a reduction of 4.4% compared with the previous fiscal year. We will continue to push to achieve a reduction of at least 1% every year.

3. Breaches of Environment-Related Laws and Regulations, Administrative Advice from Governmental Authorities, Claims

There were no cases.

4. Results of Environmental Audits

Results of the Internal Audits as part of the Environmental Management System

We classified all the departments in the Head Office area into thirty two sections, and conducted an internal audit at every section from October 14 to 19, 2006.

Forty five cases requiring corrective actions were identified. Subsequently the recommended corrective actions were taken and we issued a report to disseminate the results of the audit and bring about improvements equally across the Head Office area.

Results of the ISO14001 External Assessment

Our application for ISO14001 renewal was assessed from December 6 to 8, 2006. Although sixteen cases requiring further assessment were identified, there were no nonconformities and our ISO14001 certification was renewed.

5. Major Local Community Activities of Fiscal 2006

Some of the activities conducted in the Head Office area are introduced here


Jun: Fiscal 2006 Kick-Off Ceremony for ISO14001 at the Omiya Business Site


Jul: The Operations Improvement Case Study Presentation held every year to disseminate outstanding examples throughout the company


Aug: Education for internal ISO14001 auditors


Dec: ISO14001 renewal assessment. Our certification was renewed as no nonconformities were identified.

Domestic Affiliated Companies

FHI set up a Domestic Affiliated Company Subcommittee for six manufacturing and distribution companies, from FHI's domestic affiliates, that have been found to run many operations that seriously affect the environment. The meeting is held regularly at least twice a year to share and disseminate examples of environmental action between each other and promote further efficient and rational environmental action.

Outline for Each Company (As of the end of March, 2007)

Company Name	Location	Number of Employees	Main Products Manufactured
Fuji Robin Industries, Ltd.	35, Ooka, Numazu City, Shizuoka Prefecture	268	Manufacturing, service, and sales of agricultural/forestry equipment, engines, fire pumps, accessories and spare parts
Yusoki Kogyo K.K.	102, Kamihama-cho, Handa City, Aichi Prefecture	80	Manufacturing and sales of aerospace-related machinery components and crane trucks
Fuji Machinery Co., Ltd.	2-24-3, Iwagami-machi, Maebashi City, Gunma Prefecture	406	Manufacturing and sales of automotive parts, industrial machinery and agricultural transmissions
Ichitan Co., Ltd.	74, Shindo-cho, Ota City, Gunma Prefecture	201	Manufacturing and sales of forged parts for automobiles and industrial machinery
Kiryu Industrial Co., Ltd.	2-704, Aioi-cho, Kiryu City, Gunma Prefecture	129	Manufacturing of specially equipped Subaru automobiles and logistics control of Subaru automotive parts
Subaru Logistics Co., Ltd.	558-1, Asahi-cho, Ota City, Gunma Prefecture	153	Packing, shipping, transportation, warehousing, maintenance and insurance brokerage of automobiles and parts

1. Major Achievements by the Subcommittee

The Subcommittee meeting was held on August 4 and November 6 in fiscal 2006, and it was confirmed that the targets for waste material reduction, for curbing global warming, and to save energy were being achieved.

Principle matters reported and discussed at the 12th Subcommittee meeting in August

・Matters reported by FHI: Outline of the FHI Corporate Environment Committee; the Fourth Voluntary Plan for the Environment; pollution prevention and actions to be taken when a pollution-related accident has occurred.

・Each company's environmental conservation achievements from fiscal 2005 and each company's plans for fiscal 2006

Principle matters reported and discussed at the 13th Subcommittee meeting in November

・Each company's achievements in the first half of fiscal 2006 and the outlook of achievements expected for the end of the fiscal year

・Reports on excellent energy-saving examples, etc.

*The 14th Subcommittee was held on May 11, 2007, and it was confirmed that the fiscal 2006 targets for waste material reduction, curbing global warming, and energy-saving wei achieved.

For data, please refer to page 20 of the Supplementary Volume for Data related to the 2007 Social and Environmental Report.

2. Major Environmental Conservation Achievements

Setting up the Environmental Management System

The six companies participating in the Domestic Affiliated Company Subcommittee have already acquired the ISO14001 Environmental Management System certification, and have been making efforts to prevent pollution and reduce environmental burden through several measures including education, training, urging legal compliance at certain facilities, and internal audits. Yusoki Kogyo K.K. returned its ISO14001 certification in August 2006, and has been preparing itself to be integrated into the ISO14001 certification held by FHI's Utsunomiya Manufacturing Division.

Curbing Global Warming

CO_2 emissions from the six companies totaled 26,949 tons in fiscal 2006, marking a reduction of 4.3% from the previous year.

Reducing Waste Materials

The six companies achieved a zero level of landfilled waste by changing their disposal methods and enforcing separation of waste. (The amount of landfilled waste in 2006 achieved 30 tons, 29 tons of reduction compared with the previous year.)

*Data on each company's activities is provided on pages 20 and 21 of the Supplementary Volume for Data related to the 2007 Social and Environmental Report.

3. Breaches of Environment-Related Laws and Regulations (Breaches of Voluntary Standards), Administrative Advice from Governmental Authorities

Breaches of Environment-Related Laws and Regulations, or Voluntary Standards

Ichitan Co., Ltd.: Noise measurements in January 2007. (1) A measurement at night on the western boundary of its plant site was 51db, exceeding the 50db stipulated by the Noise Regulation Law. (2) A measurement on the boundary of its site by the side of Sports Plaza's parking lot was 52 db, exceeding the 50db stipulated by the same Law. As a countermeasure for case (1), a compressor that had been the main source of the noise, was replaced with a compressor which generates less noise. For case (2), a rule was introduced that the doors of the Sports Plaza facilities should not be left open at night, and since then noise levels have been monitored consistently. There have been no further claims.

Subaru Logistics Co., Ltd.: Water quality measurements in February 2007. A measurement of BOD (biochemical oxygen demand) was 8.6 mg/liter, exceeding the 8.0 mg/liter stipulated in our voluntary standards. The company has been investigating possible causes and monitoring the BOD level continuously. A measurement in the following March was 4.0 mg/liter, which was within the stipulated range.

There were no breaches of environment-related laws and regulations or voluntary standards in the measurements other than that of shown above, and the remaining four companies.

Administrative Advice and Recommendations from Governmental Authorities

None of the six companies received any administrative advice in fiscal 2006.

Concerning the Storage of Equipment Containing PCB

Equipment containing PCB has been stored appropriately at Fuji Robin Industries, Ltd., Yusoki Kogyo K.K., Ichitan Co., Ltd. and Kiryu Industrial Co., Ltd, using a control log.

4. Claims and Incidents Related to the Environment

The six companies received no claims related to the environment during fiscal 2006.

There was one incident at Yusoki Kogyo K.K., which is described below. The other five companies had no incidents.

On December 14, 2006, a contractor who was collecting scrap metal at one of Yusoki Kogyo K.K's sites accidentally spilled oil from the container he was using onto property ground, and when rain fell, the spilt oil flowed into the terminal waste water treatment tank. 40 liters of water containing the oil was removed from the tank. Countermeasures taken included, (1) sealing the outdoor scrap metal containers with coverings, (2) making scrap metal containers for indoor use, and (3) Yusoki Kogyo K.K employees to watch over scrap metal collection.

5. Results of Environmental Audits

Results of the ISO14001 External Assessment

Each company received assessment independently, and has been taking immediate actions for the following minor nonconformities and items requiring further assessment, identified during the assessment.

Company Name	Assessment Date	Nonconformity	Item requiring further assessment
Fuji Robin Industries, Ltd.	Nov 14-16, 2006	4	59
For Yusoki Kogyo K.K., please refer to "2. Major Environmental Conservation Achievements" on page 30.			
Fuji Machinery Co., Ltd.	Aug 22-24, 2006	4	0
Ichitan Co., Ltd.	Jan 23-26, 2007	2	7
Kiryu Industrial Co., Ltd.	Oct 18-19, 2006	0	7
Subaru Logistics Co., Ltd.	Nov 7-10, 2006	0	2

During this last assessment, the Fukuoka PDI Center was added to Subaru Logistics Co., Ltd.'s scope of authentication. (Range Expansion Assessment)
For the 2007 assessment, by adding the Toki PDI Center to the scope of authentication, we plan to complete the acquisition of authentication for all of Subaru Logistics Co., Ltd.'s business sites.

(For the ISO14001 Environmental Management System registration dates for each company, and details of the external body used by each company, please refer to page 21 of the Supplementary Volume for Data related to the 2007 Social and Environmental Report.)

6. Major Local Community Activities of Fiscal 2006

Communication

Each company conducts regular beautification and cleanup activities around its properties. Some of their activities are introduced here.

Kiryu Industrial Co., Ltd.

Subaru Logistics Co., Ltd.

Cleanup Activities around Operation Sites

In June 2006, 90 employees of Kyushu Ichitan Co., Ltd. (895, Kushino In-nai-machi, Usa City, Oita Prefecture), an affiliated company of Ichitan Co., Ltd., mowed grass along the roadsides around the company.

Subaru Logistics Co., Ltd. and Ichitan Co., Ltd. also play an active role in the Subaru Community Exchange Association*'.

* 1 Subaru Community Exchange Association: An association organized by FHI and its fifty-four suppliers and partner companies, which organizes a variety of local activities in order to interact with the residents of Ota City and neighboring communities, develop local communities and create good towns to live in.
The Association's activities are introduced on its Website (http://www.chiiki-kouryuukai.com/index.html).

7. Implementation of Environmental Activities, Education and Emergency Drills

Every company is implementing environmental education and drills for a variety of emergencies.

Company Name	Date	Description	Number of Participants	Date	Description	Number of Participants
Fuji Robin Industries, Ltd.	September 5	Education on ISO14001	6	November 7	Emergency drills at tanks and plating facilities	26
Yusoki Kogyo K.K.	January 10	Education on handling deleterious and toxic substances	11	–	–	–
Fuji Machinery Co., Ltd.	April 3	Basic education on the environment	6	November 29	Emergency drills to deal with gas leaks	25
Ichitan Co., Ltd.	October 19	Education on internal environmental auditing	38	December 15	Emergency drills for preventing disasters	131
Kiryu Industrial Co., Ltd.	June 26	Education of ISO14001 internal auditors	2	December 13	Emergency drills for preventing disasters	110
Subaru Logistics Co., Ltd.	October 1	Environmental and management policies	127	November 23	Emergency drills for preventing disasters	118

There is in fact a lot more being implemented and only some of the education and drills are presented in the table above.

Kiryu Industrial Co., Ltd.

Emergency drills for preventing disasters

Subaru Logistics Co., Ltd.

Subaru Logistics Co., Ltd's improvements to the environment

A water passage in a parking lot was repaired in fiscal 2005, because the wooden side walls were rotten and interrupting smooth water flow.

Improved