



**SUBARU**

# CSR Report

Corporate Social Responsibility Report

## 2009

[Full-Fledged Report]

Balancing human activity with protecting the environment is what we seek.



What SUBARU Wants to Be  
We will Move Forward to Turn Our Vision to be:  
“A Compelling Company with Strong Market Presence”



Feature Article1 "Round-table Talk at Fuji Heavy Industries Ltd."

## Where CSR Activities Oriented to the Local Community is and Where It is Going

We have had a Round-table Talk inviting the people responsible for CSR promotion from each Manufacturing Divisions/ Offices to talk their aspiration in future CSR activities.



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Feature Article2 "Dealerships in Action"

## CSR in FUJI SUBARU Inc.

Focusing the CSR activities of FUJI SUBARU, we tried to search the secret of keeping on winning the prize, "SUBARU Diamond", for 34years.



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Feature Article3 SUBARU's "Approaches to Prevention of Global Warming"

## Efforts in Product Development

Introduce SUBARU's approaches to "prevention of the Global Warming" which is the one of world common issue.



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Feature Article4 "Pleasant and Dependable, it's New SUBARU's driving."

## What SUBARU's 7 seater, "EXIGA", has aimed at

SUBARU has made efforts for developing new car fitted the customers' needs and finally succeed the development of SUBARU-like multi-passenger car, EXIGA.



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Feature Article5 "Toward the World and Local communication"

## The Relation between Industrial Products Company and Society

Introduce the global contributions with "Robin"-brand products of Industrial Products Company and its local contributions as a corporate based in Saitama Prefecture.



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The CSR Report 2009 is issued by Pamphlet version (Digest) [Japanese only] and Website version (Full-Fledged). As for our thought on the Media to Report, please see P.3-4.

## Editorial Policy

This Report, which introduces the outcome of efforts by Fuji Heavy Industries Ltd. with its domestic and overseas affiliates in CSR (Corporate Social Responsibilities), has been released to promote communication with stakeholders such as customers, shareholders, business associates, local communities and employees for stepping up our involvement to a new height.

The Report is available in two versions, a digest in pamphlet form and a full-fledged report on our Web site. The former has the gist of activities at our plants and facilities of our affiliated firms, while the latter offers details of these activities for on-line access. Unique undertakings to which we would like to invite our stakeholders' attention are taken up as feature articles.

(Refer P.4 about the pamphlet form and the web site form)

[Address of our website introducing our Environmental and CSR activities:  
<http://www.fhi.co.jp/english/envi/report/index.html> [In English]

To ensure the quality of the Report content, we asked Ms. Mizue Unno, a CSR consultant and Managing Director of So-Tech Consulting Inc. for three consecutive years since 2007 for a third-party assessment. This is because we think it vital to keep receiving feedback of opinions and evaluations which will be helpful in pushing forward what it takes to be a corporate fulfilling its social responsibilities. Her assessment is found in P.83 of this Report.

## Range of the Report

### Companies Covered in the Report

#### Fuji Heavy Industries Ltd.,(Main manufacturing facilities)

- SUBARU Automotive Business  
 [Gunma Manufacturing Division(Ota City, Gunma Prefecture) ,Tokyo Office (Mitaka City, Tokyo)]
- Industrial Products Company [Saitama Manufacturing Division (Kitamoto City, Saitama Prefecture)]
- Aerospace Company [Utsunomiya Manufacturing Division (Utsunomiya City, Tochigi Prefecture)]
- Eco Technologies Company [Utsunomiya Manufacturing Division (Utsunomiya City, Tochigi Prefecture)]

#### Domestic Affiliated Companies(Members of Domestic Affiliated Company Subcommittee)

- Yusoki Kogyo K.K.(Handa City, Aichi Prefecture)
- Fuji Machinery Co.,Ltd.(Maebashi City, Gunma Prefecture)
- Ichitan Co.,Ltd.(Ota City, Gunma Prefecture)
- Kiryu Industrial Co., Ltd.(Kiryu City, Gunma Prefecture)
- SUBARU Logistics Co., Ltd. (Ota City, Gunma Prefecture)

#### Overseas Affiliated companies(Members of North American Environmental Committee)

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

We introduce some activities of other affiliate companies in addition to those of the above companies in this report.

### Period Covered

Part of activities of affiliates other than those listed above is also introduced. They includes their approaches during the FY2008 (April, 2008 through March, 2009) and some taken before the period as well as others up to the release of this Report.

※As for the overseas affiliates, their performance during January through December, 2008 is covered.

## Time of Issue

Last Issue : July,2008  
 This Issue : August,2009  
 Next Issue schedule : July,2010

## Guidelines Referenced

"Environmental Report Guidelines (2007)" by the Ministry of the Environment

## Inquiries about This Report

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 SUBARU Building,7-2 Nishi-shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8316, Japan  
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## Our Response to the Third Party Evaluation of the 2008 Social Environmental Report

We have been dealing with the last year's third-party assessment as follows:

### [Overview of CSR Activities]

- Continuous involvements of all employees of Fuji Heavy Industries, to say nothing of those in direct charge of CSR programs, to be aware of their roles
- ◆CSR promotion requires not only a top-down approach on an organizational level as a corporate, but also a bottom-up approach on an individual level.

We have hoisted three pillars (environment, traffic safety and contribution to local communities) which are common areas of activities, toward which all the employees would constantly orient themselves on an individual level. All of our manufacturing plants and business units have been and will be systematically forging ahead around these common guideposts.

- Keeping both fundamental (defensive) as well as strategic (offensive) CSR approaches as a manufacturing company with products centered around automobiles

- ◆We have revised our CSR Policies to clarify both the defensive and offensive aspects of CSR as basic requirements for a corporate which offers satisfactory products and services to customers. We will get the revised CSR Policies deployed and infiltrated to the rank and file.

### [CSR Policies]

1. We will respect laws and regulations, human rights, international standard of behavior and stakeholders' rights and morale, (As defensive CSR, the corporate code of conduct and items of vital importance have been clearly expressed.)
2. We, as a corporate citizen, will grapple with issues for improvement of issues facing the society today. (As offensive CSR, it has been clarified that we are a corporate citizen which will contribute to the society by addressing to such issues through our business activities.)

- Reports for easy and clear understanding by readers, underlined with unique strategies as an automotive entity

- ◆We have worked to make this report for readers easy to understand how we are addressing to a variety of social problems including issues of global nature such as environmental protection and offering safe and care-free services, Such efforts will be kept pushed forward as an important element for better readability.

### [Activities By topic]

- Systematic preparation for establishing CSR procurement guideline

- ◆A revised Green Procurement Guideline was issued in June, 2008 to cope with most recent environmental laws and regulations and social needs. We will systematically press forward to set a new CSR Procurement Guideline for 2011, aligning with CSR-related moves outside including the industrial trend.

- Getting "Customer Comes First Policy" sink deeper inside the group of Fuji Heavy Industries

- ◆It is indispensable to provide products and services to please customers as a manufacturing entity. This Report will present to our readers an overview of activities aimed to further upgrade this "Customer Comes First Policy", and feature articles on dealerships involved in such activities.

By sharing actions taken and views by other sections and departments, the customer-oriented policy will get firmly rooted.

- Thorough deployment of PDCA in CSR

- ◆The cross-organizational CSR and Environmental Committee is promoting management of company-wide CSR activities by PDCA. In 2008, "North American CSR Committee" was incepted with affiliated companies in North America as core members. We will work on sure deployment of globally group-oriented CSR activities and their thorough implementation.

- Sorting out the report Media (pamphlet, Web, etc.) and content in order

- ◆The name of the Report has been changed to "the CSR Report" from this issue, and the pamphlet and Web version have been reviewed and sorted for proper presentation. Such review will be continued for improvement of the Report quality.

 <p><b>Pamphlet version</b> (Digest report)</p> <p>Report the gist of CSR activities points of Fuji Heavy Industries Group</p> 	 <p><b>Website version</b> (Full- Fledged Report)</p> <p>Report all-inclusively the CSR activities of Fuji Heavy Industries Group in detail including each Division and Company.</p> 
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[Address of our website introducing our Environmental and CSR activities]

<http://www.fhi.co.jp/english/envi/report/index.html> [In English]

## Website version (Full-fledged report) CONTENTS

★ : an item doesn't appear in the pamphlet version  
▶ : an item appear in the Website version

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- The 4th Voluntary Plan for the Environment

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### Site Report

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## Top Message

# We will Move Forward to Turn Our Vision to be: “A Compelling Company with Strong Market Presence” and “A Company Fulfilling its Social Responsibilities” into Reality.

First of all, we would express our gratitude to readers for your interest in this Report.

In December, 2009, COP15 (the 15th Conference of the Parties) to the UN Framework Convention on Climate Change will be held in Copenhagen, Denmark to decide on the mid-term reduction target against global warming for 2013 and thereafter. In Japan, on June 10, 2009, the target reduction of greenhouse gases for 2020 set at 15 percent less against the level of 2005 (8-percent reduction against 1990).

SUBARU will devote the utmost effort as a member of the industrial sector to contribute to achieving this target in coordination with the automotive industry.

In the midst of crying for endeavor to realize a sustainable society on a global scale, we believe that it is necessary to reinforce and promote our undertakings for solution of all kinds of environmental issues, including prevention of global warming which is becoming increasingly serious.

SUBARU acknowledges the environment as the most serious issue in the CSR activities and has been pressing forward as the whole SUBARU group, taking it our due responsibility as a “corporate citizen” to address these social problems.

Specifically, in our efforts toward fulfilling the 4th Voluntary Environmental Conservation Plan which started in FY2007, as a transportation equipment manufacturer with automobiles as core products, we will plow ahead with the spectrum of social issues for realization of a low-carbon society and prevention of global warming with as-proactive-as-ever group approaches throughout the whole business stages from product development, production, logistics, sales and recycling of automobiles.

We put in the market place the “new LEGACY”, a driver’s car with fuel economy and emission performance significantly improved, the electric-car “plug-in STELLA”, and the multi-passenger car “EXIGA” as Green Products. Particularly, the electric car emits no CO<sub>2</sub> while driving and even with the amount of CO<sub>2</sub> in electric generation process taken in account, the

emission level is much lower than an gasoline-powered car, by which we are proposing a new feasible means of mobility with less burden on the environment, utilities and practical cruising distance all in one package.

In the development at SUBARU, “to integrate the pleasure of driving and environmental responsibility” has been pursued. In practice, as an approach to environmental preservation, to say nothing of improvement of existing power trains, electric and hybrid vehicles are positioned as one of important technologies, to which more research and development efforts will be harnessed.

The financial crisis which stemmed from the sub-prime loan issue in the latter half of 2008 affected the real economy, resulting in stagnant demand for automobiles, progressive yen appreciation and falling stock prices, which created very tough economic environment. While we are taking advantage of the collaboration with the Toyota group to expand the product lineup and proceed with setting up cooperative framework in development and production, we will grapple with belt-tightening through structural reforms with streamlining by improving production facilities and their efficiencies, realigning of SUBARU’s domestic sales network and dealing with environmental and cost reduction issues as their main components. All of these are oriented toward realization of “A Compelling Company with Strong Market Presence” and “A Company Fulfilling its Social Responsibilities”.

We would be pleased if we could get the involvement of the SUBARU group in social and environment issues understood better by people through this 2009 CSR Report. Any frank comments and opinions from readers are much appreciated.

## Ikuo Mori

President and CEO  
Fuji Heavy Industries Ltd.

We have set “Company Fulfilling its Social Responsibilities” as the business vision in the ongoing new medium-term management plan. We as a manufacturer of transport equipment have great social responsibility in environment-related issues. Creating a company which can properly handle the global environmental issues and changing economic conditions in the course of business activities is just the embodiment of this business vision.

In FY2008, we reviewed our CSR Policies for sure realization of “Company Fulfilling its Social Responsibilities”, taking account of the surging interest in CSR at large, our approaches taken so far and keeping pace with moves for group orientation and globalization. As a result, in June, 2009, the CSR Policies was revised to clarify the basic concept of “fundamental and strategic CSR”. Availing ourselves of the opportunity of the revision of the CSR Policies, we changed the name of this report from “the Social & Environmental Report” to “the CSR Report” for release from this fiscal year.

Also, in order to promote and to have the understanding of CSR activities infiltrate, three pillars of CSR activities (environment, traffic safety and contribution to local communities) have been posted, to which activities by each employee are expected to be harnessed.

Furthermore, the North American CSR Committee was formed as part of the CSR Environmental Committee which is a company-side management mechanism in connection with CSR and environmental issues, for promotion of globally group-oriented approaches. We will make headway in CSR activities with due considerations to characteristic local culture and practices, while putting our own initiatives into practice.

With various responsibilities for environment, traffic and safety and contribution to local communities, among others, as a transportation equipment manufacturer with automobiles as core products, firmly in mind, we will squarely face issues collectively as a group from a global perspective, while offering attractive products and services, in the course of business activities.

Let us count on your continued support to SUBARU.

### Kazushige Okuhara

Director of the Board, Corporate Executive Vice President  
Chairman of the CSR and Environmental Committee





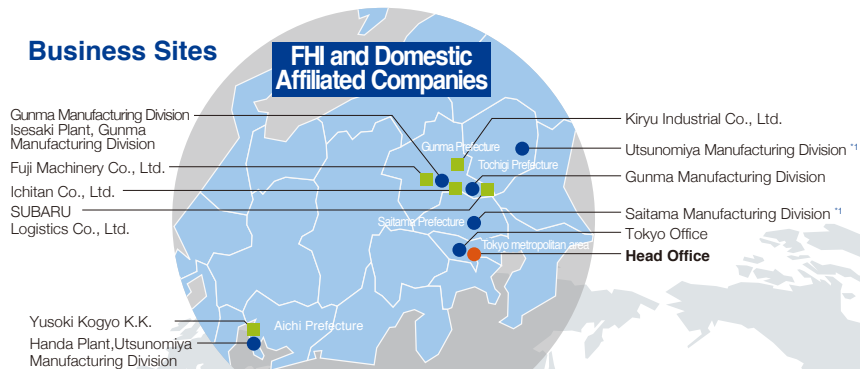
# Overview of Fuji Heavy Industries Ltd. Group

## Corporate Overview

(As of March 31, 2009)

<b>Name</b>	Fuji Heavy Industries Ltd.
<b>Established</b>	July 15, 1953
<b>Paid-in Capital</b>	153.7 billion yen
<b>Employees</b>	27,659(Consolidated) 12,843(Non-consolidated)
<b>Head Office</b>	SUBARU Building, 7-2 Nishi-shinjuku, 1-chome, Shinjuku-ku, Tokyo, Japan ZIP: 160-8316 Phone 03-3347-2111(Main switchboard)[Domestic] +81-3-3347-2111[International]
<b>Sales</b>	1,445.8 billion yen (Consolidated) 969.2 billion yen (Non-consolidated)
<b>Operating Income/ Loss</b>	- 5.8 billion yen (Consolidated) - 24.5 billion yen (Non-consolidated)
<b>Ordinary Income/ Loss</b>	- 4.6 billion yen (Consolidated) - 24.8 billion yen (Non-consolidated)
<b>Net income/ Loss</b>	- 69.9 billion yen (Consolidated) - 83.4 billion yen (Non-consolidated)
<b>Number of Consolidated Subsidiary</b>	49(Domestic), 19(Overseas)
<b>Number of Equity Method Subsidiary</b>	10(Domestic), 5 (Overseas)

## Business Sites

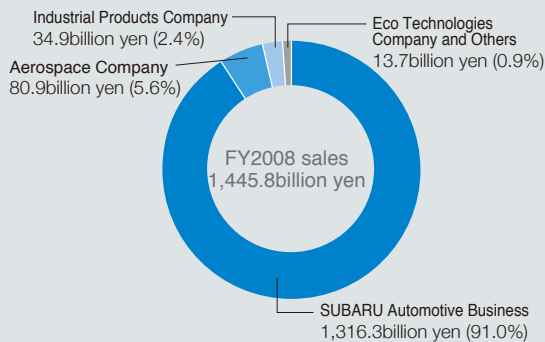


## Overseas Affiliated Companies

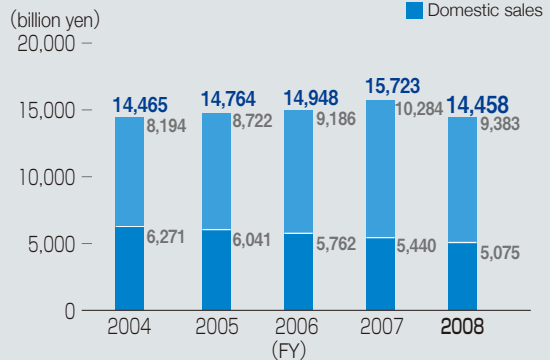


## FY2008 Sales Ratio by Business Unit (Consolidated)

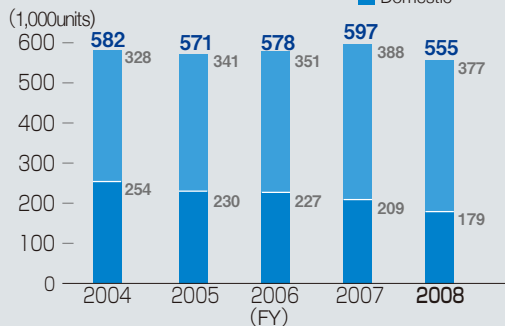
(As of March 31, 2009)



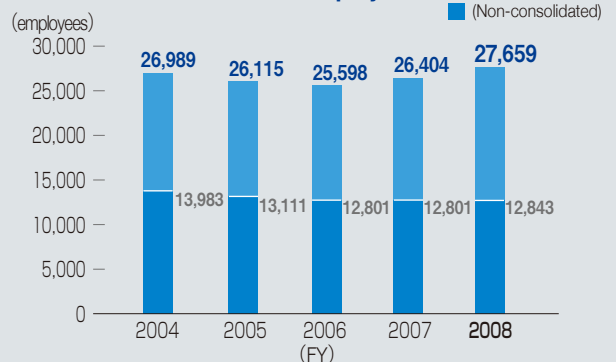
## Trends in Sales (Consolidated)



## Trends in the Number of Car Sales (Consolidated)



## Trends in the Number of Employee

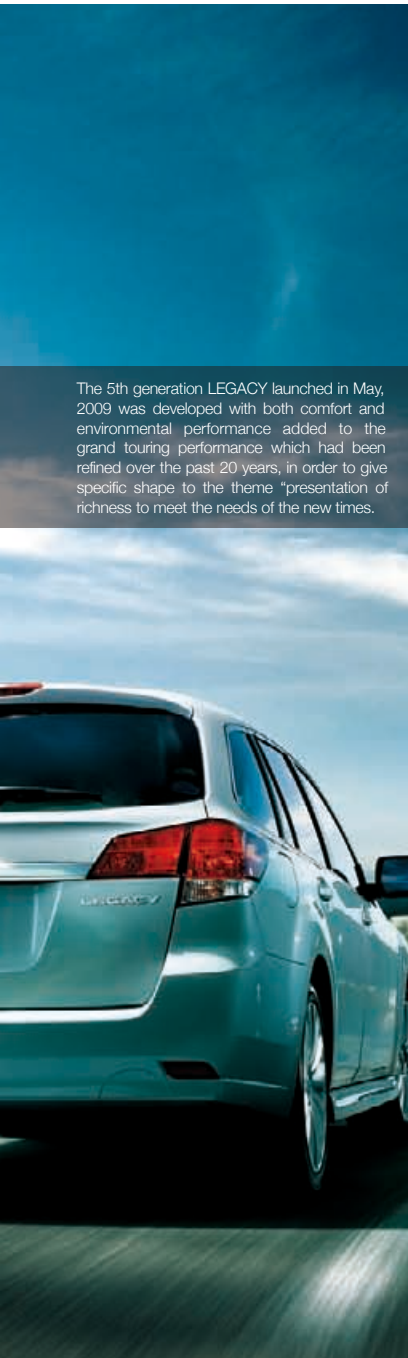


\*1 In this report we introduce the producing districts of Aerospace Company as "Utsunomiya Manufacturing Division" and Eco Technologies Company as "Saitama Manufacturing Division" according to circumstances.

# Developing and Manufacturing Products that Meet the Needs of the Age Using Innovative, Cutting-edge Technologies

Fuji Heavy Industries Ltd. is a transportation equipment manufacturer with automobiles as core products under the SUBARU brand with 4 business units: "SUBARU Automotive Business", "Aerospace Company", "Industrial Products Company" and "Eco Technologies Company".

Fuji Heavy Industries commits itself to contributing to creating comfortable and amusing future with its unique leading technologies and individuality.



The 5th generation LEGACY launched in May, 2009 was developed with both comfort and environmental performance added to the grand touring performance which had been refined over the past 20 years, in order to give specific shape to the theme "presentation of richness to meet the needs of the new times."

Offering Our Products under the Motto of "Everything We Do Is for Our Customers"

## SUBARU Automotive Business

Location	Gunma Manufacturing Division (Ota City and Isesaki City, Gunma Prefecture, and Oizumi town, Ohra districts) Tokyo office(Mitaka City)
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Since SUBARU began its history as an auto maker with the introduction of the SUBARU 360 in the marketplace in 1958, it has sent out many unique vehicles which contributed to the development of the Japanese automotive industry. For example, the SUBARU 360 featured unique and innovative technologies in an exquisite package, amply incorporating the ideas of aircraft fabrication, and in its all-out weight reduction.

The SUBARU 1000 launched in 1966 was equipped with a horizontally opposed engine which represents SUBARU's individuality, employing the pioneering Front-wheel/Front-drive (FF) layout in mass production vehicles.

In 1972, the world's first-ever 4-wheel drive passenger car was released to the public and, since then, SUBARU has firmly established this drive layout as "Symmetrical AWD<sup>\*1</sup> System". In the 1990s and thereafter, SUBARU has trail-blazed untapped fields: in Japan, high-performance station wagons with a high-power turbo engine and 4-wheel drive mechanism combined and in the U.S.A. , "Crossover"<sup>\*2</sup> models with the comfort of passengers and the maneuverability of SUVs fused together in one package.

SUBARU is on the move in the development of vehicles which promises pleasant and fun driving compatible with the global environment as "Driver's Cars".

Domestic Affiliated Companies	Overseas Affiliated Companies
<p><b>Fuji Machinery Co.,Ltd.</b> (Maebashi City, Gunma Prefecture) Business: Manufacture and sales of automotive parts, industrial machinery, and agricultural transmissions</p> <p><b>Ichitan Co., Ltd.</b> (Ota City, Gunma prefecture) Business: Manufacture and sales of forged parts for automobiles and industrial machinery</p> <p><b>Kiryu Industrial Co., Ltd.</b> (Kiryu City, Gunma Prefecture) Business: Manufacture of specially equipped SUBARU automobiles and logistics control of SUBARU automobile parts, remanufacture of SUBARU engines, transmissions and others.</p> <p><b>SUBARU Logistics Co., Ltd.</b> (Ota City, Gunma Prefecture) Business: Packing, shipping, land transporting service, warehousing service, maintenance and insurance agent service of automobile parts and supplies</p>	<p><b>SIA : SUBARU of Indiana Automotive, Inc.</b> (Lafayette, Indiana) Business: Manufacture of SUBARU automobiles and contract manufacture of Toyota automobiles in the U.S.A.</p> <p><b>SOA : SUBARU of America, Inc.</b> (Cherry Hill, New Jersey) Business: Sales and maintenance of SUBARU automobiles and parts in the U.S.A.</p> <p><b>SCI : SUBARU Canada, Inc.</b> (Mississauga, Ontario) Business: Sales and maintenance of SUBARU automobiles and parts in Canada</p> <p><b>SRD : SUBARU Research &amp; Development, Inc.</b> (Ann Arbor, Michigan) Business: Research and development of SUBARU automobiles on North American market</p>

\*1 AWD stands for "All Wheel Drive", in other words, four-wheel drive.

\*2 Crossover:  
The Subaru Outback, a station wagon that has the functionality of an SUV integrated into it, was released in August 1995.

Currently Working to Utilize Both the Spirit of Aircraft Manufacturing and Manufacturing Techniques

## Aerospace Company

Location

Utsunomiya Manufacturing Division (Utsunomiya City, Tochigi Prefecture)  
Handa Plant (Handa City, Aichi Prefecture)

Its predecessor is the Nakajima Aircraft, a leading aircraft manufacturer founded in 1917. Aerospace Company, inheriting its technologies and spirits in aircraft manufacturing, has established unparalleled leading technologies in many categories, such as expertise to develop aircraft structure including composite materials for main wings, IT skill in unmanned aircraft and sophisticated system integration combined with flight control technology. Helicopters, fixed-wing aircraft and unmanned aircraft are developed and produced with ample application of such technologies.

Moreover, we are participating in the development and production of large airliners and small jet planes, thus aggressively taking on challenges in new fields with our sight locked on the global-level development.

Domestic Affiliated Company

**Yusoki Kogyo K.K.** (Handa City, Aichi Prefecture)

Business: Manufacture and sales of aerospace-related machinery components

Mass Production of General-Purpose Engines that Can Be Used under Any Conditions on Earth

## Industrial Products Company

Location

Saitama Manufacturing Division (Kitamoto City, Saitama Prefecture)

The Industrial Products Company develops, manufactures, and markets Robin general-purpose engines as well as products incorporating these engines. The extensive Robin lineup of general-purpose engines includes more than 2,000 models used with favor throughout the world in products that play crucial roles in society, such as construction equipment and agricultural equipment, as well as in mobile generators, leisure products that enrich lifestyles, and a diverse range of other applications.

Robin engines make efforts to further improve the engines' performance in order to ensure stable performance in the worst environments imaginable—from extreme arctic cold to blistering desert heat as well as rough marine applications—and under severe operating conditions.

Overseas Affiliated Company

**RMI : Robin Manufacturing U.S.A., Inc.**  
(Hudson, Wisconsin)

Business: Manufacture and sales of engines for general purpose use, four-wheel buggies and golf karts in the U.S.A.

Contributing to Creating Comfortable Living Environments and a Resource Recycling Society

## Eco Technologies Company and others

Location

Utsunomiya Manufacturing Division (Utsunomiya City, Tochigi Prefecture)

The Eco Technologies Company is helping create pleasant living environments and promote a recycling-oriented society by supplying a broad array of vehicles and equipment used to collect, transport, and recycle waste products. It is also engaged in supplying wind-power systems, which provide clean energy, and various other products that contribute to global environmental preservation.

### < Clean Robot Division >

Clean Robot Division has become the first company in the world to commercialize a high-rise building cleaning system. This technology is applied to the pilot use of outdoor cleaning robots and trash-bin-transporter robots.



The new primary trainer T-7 being delivered since the fiscal 2000 has improved performance and noise level by employing a turboprop engine over the preceding trainer. It also has better interior comfort with a newly installed air-conditioning unit and more space in the cockpit.



The EX35-40 engine is a general-purpose engine with high mechanical performance and excellent environmental performance well balanced to a new height by incorporating the chain-driven OHC valve mechanism.

Its sales has started as a next-generation engine which features environment-friendly low emissions and fuel economy, low noise level and quick startability thanks to the design of highly efficient combustion chamber innate to OHC.

A next-generation new rotary blade type refuse collection vehicle "G-RX" has been developed jointly with ShinMaywa Industries, Ltd in an effort to establish a global standard. With excess meat scraped off for lightness, the environmental performance has been much improved over preceding vehicles by reducing hydraulic pressure loss, noise level and substances of concern.



## Round-table Talk at Fuji Heavy Industries Ltd.

# Where CSR Activities Oriented to the Local Community is and Where It is Going.



### Become a Model Company Loved in the Communities

### Linking CSR Activities and Actions of Each Employee for Local Contribution is Needed.

#### { Moderator }

It is important for CSR activities to take the bottom-up approach on an individual level in addition to the top-down approach on an organizational level. We at Fuji Heavy Industries have put up the “Three Pillars” (environment, traffic safety and contribution to local communities) as the common areas for all employees to get involved continuously on an individual level. All manufacturing divisions and business units have been proceeding with systematic activities in each area. Today, I would like to hear from you any specific fruits of your efforts around the “three pillars” and issues to be followed through in future.

#### Toshiyuki Nishiyama

Utsunomiya  
Manufacturing  
Division General  
Administration  
Department  
General  
Administration  
Section  
Manager



Utsunomiya Manufacturing Division has put up a slogan “Company Loved in the Communities” for its vicinity to residential districts to nurture a sense of togetherness. For cohabitation with the communities, we have been expending all our energies to fully observe compliance, improve manners for traffic safety and address sincerely to any complaints. I believe that mutual trust built through such approaches comes before activities for the so-called local contribution are appreciated.

As to the programs for local contribution, we are involved in supporting school education in addition to taking initiatives in cleaning and some other events. We have started “delivery” classes called “How to Make an Airplane, Mechanism of Flying”.

We would like to involve employees and local communities in such programs taking advantage of the characteristics of the division, which could naturally lead to strengthening the business foundation in future.

#### Masahiro Mukai

Gunma  
Manufacturing  
Division General  
Administration  
Department  
General  
Administration  
Section  
Manager



At Gunma Manufacturing Division, a variety of activities, large and small, have already rooted as annual events. For example, such programs by “SUBARU Community Exchange Association” represented by friendship concerts, giving out flowers and cleaning of Mt. Kanayama, are rather large in scale with participation of 57 firms including suppliers. We also clean the vicinities of our plants once every month, thus steadily expanding the number and scope of such activities.

On the other hand, the organizational size of the division with 8,000 employees in the whole Gunma district, poses an issue of difference in the level of perception and motivation among individuals. Since the concept of CSR is broad, it requires to show clearly to the employees what Fuji Heavy Industries is doing and will do and have them be aware of their links to CSR, I think we need to evolve in stages, even if not rapid changeover.

Fuji Heavy Industries has been engaged in CSR since fiscal 2006 in three phases: grasping present situation and issues, sorting out activities and startup, and activity promotion, for systematic approaches.

In FY2008, we set up three pillars: “environment, traffic safety and contribution to local communities” as the group-common grounds of CSR activities to make each employee recognize CSR and its importance for serving the society as a corporate citizen. (Refer to P.26 of the detailed Web version of the Report.)

Today, we invited the people responsible for CSR promotion from the head office, Tokyo Office, Manufacturing Divisions of Gunma, Saitama and Utsunomiya to meet in one place, disclosing each other difficulties and new challenges they have faced and their aspiration in future CSR activities.

At Saitama Manufacturing Division, we have been involved in CSR voluntary programs such as traffic safety campaign for primary school children, local cleaning and cheering of sports clubs with the three pillars in mind. To push the activities, “Volunteer Point System” was set up to nurture the sense of participation by awarding people by organizational unit such as section. However, I feel it difficult to make employees understand deeply how their present “realistic actions” are linked with the “CSR Policy” which bears various corporate social responsibilities. I think we need to work out policies which allow them to understand just with one look the Company’s activities in the context of the concept of CSR of Fuji Heavy Industries. Ideally speaking, the CSR policies should be built up, being supported with down-to-earth activities along the three pillars. I would like to forge “CSR suited to Fuji Heavy Industries” deeply rooted in the minds of each of the employees.

In the case of Tokyo Office, it seems to me that its type of business presents an environment which makes it rather easy to make the people understand and put into practice CSR activities. Because, we understand that the development of vehicles with good environmental performance for customers by developing power units (engines and transmissions) is the most effective activity that leads to effective preservation of the global environment. Anyway, for local contribution by Tokyo Office, we are supporting education of primary school pupils through our office site tour program as one example. We also actually bring an electric vehicle to schools to assist their social education classes. CSR is to me the involvement in building a sustainable future together with the society so that a corporate could continue to grow. I have renewed my determination to work hard to establish activities for contribution to the society through our main line of business.

At the head office, there is no direct element which impacts the environment since large facilities associated with our manufacturing divisions are handled. But, as the business of the office has great impacts on the whole company organization, dealerships and affiliated firms, we are promoting environment-related activities tinged with CSR. Each department has assessed the CSR impact of its line of business on the society and identified high-impact issues. Based on such groundwork, there are many improvement programs going on now, which affect SUBARU product planning, marketing, sales and other corporate business. As for programs for local contribution, CSR activities which reflect the characteristics of the head office are unfolding in the vicinity, including coordinated cleaning for road beautification in Shinjyuku Ward and donation of vaccines through collection and recycling of caps of PET bottles.

**Kazuhiro Suzuki**

Saitama Manufacturing Division General Administration Department General Administration Section Manager



**Hiroshi Sasahara**

CSR and Environmental Affairs Promotion Department (Tokyo Office)



**Tsukasa Shinohara**

CSR and Environmental Affairs Promotion Department (Head Office)



**Company Policies Built Up through Down-to-earth Activities**

**Establish Activities for Contribution to the Society through Our Main Line of Business,**

**Aim at Infiltration of CSR Activities which Reflect the Characteristics of the Head Office.**



**With Aspiration to Promote Further CSR Activities**



**Tatsuya Suzuki**  
CSR and Environmental Affairs Promotion Department Manager

**To Be a Company, Indispensable in Local Communities Through Group-wide Cooperation of Fuji Heavy Industries**

Now, I can see clearly through this round-table talk that activities around the “three pillars” have taken root at each manufacturing Company, but at the same time, I also can see an issue that people still are not aware of linking such activities to the main line of business or “something only Fuji Heavy Industries can do”. To tackle with such issue, we have revised the CSR Policy and clearly indicated the defensive side of CSR (focused on observance of the Corporate Code of Conduct and other vital items including compliance) and the offensive side of CSR (focused on contribution to solving social issues as a corporate citizen through business activities). Moreover, we should show clear-cut goals and take down-to-earth actions. Establishing a group-oriented management system in cooperation with affiliates in and outside Japan is also an issue at hand for action under the new CSR Policy. I want to turn our activities to be the ones which would make people in local communities think that we are a part of their communities and expect us to stay there. This is what we need to find our place in the society for decades to come.



## Dealerships in Action

# CSR in FUJI SUBARU Inc.

"SUBARU Diamond Award" is the annual commendation presented to the dealership who showed the most outstanding overall performance in financial health, sales record, local market share and assessment by customers, among others. FUJI SUBARU Inc. has received the awards for the past 34 years in a row. The secret behind this performance can be traced to the CSR activities unfolded by them.



### ➤ To be a company loved and relied on by the communities

#### Every action is linked to our customers.

FUJI SUBARU Inc. boasts the highest level of automobile ownership in Gunma Prefecture and enjoys great backup from the local communities. It is just because we owe a lot to the people in the communities that we can get ourselves involved proactively in local contribution programs with heartfelt appreciation.

For example, as an environment beautification program, we have been cleaning nearby streets around the outlet facilities once every month for the past 30 years. The program has made all the employees pay attention daily to trashes on streets to keep the surrounding areas clean.

Also, as an automotive dealership, we have been actively engaged in campaigns to eradicate traffic violations and accidents to the extent that 84 percent of our workforce have the SD Card<sup>\*1</sup>. Another example of our involvement is positive participation in voluntary "fund-raising with love" campaigns.

We are working hard being aware that such each and every action for local contribution is linked to our customers.

There is a line of commitment "Let's provide heart-touching services to customers" as one of the "Three Pledges" of FUJI SUBARU Inc.. We are the first to incorporate the

#### Hiroshi Saito

President,  
FUJI SUBARU Inc.



idea, "Customer Comes First Policy" in Japan and have been treating customers with sincerity. Throughout these more than 60 years since the foundation, we have always been trying to question ourselves if our every action we take is really appreciated by our customers meeting their expectations.

In 1968, at the time of the era of our predecessor FUJI AUTO Inc., we staged a campaign with then all employees wearing a patch which said "Remind me if anything wrong". Our salaries basically come from customers who buy our products, which was appreciated by the attitude of "remind me if something left unattended". That is where our sales activities and services start from and indicates how deeply our "Customer comes first" policy is rooted.

#### How Quickly Can We See Things from the Customers' Vantage Point?

We need to know how they think of us before giving serious consideration to customers. In this context, SUBARU has forums called "SCRUM Meeting" for exchange of information. We are making effective use of the forums. At these meetings, our head office is absorbing the good and the bad to share through discussions by on-site employees of all the sales outlets. Through the review of our way of handling customers are sorted out practices to be followed, while any complaints are addressed by modifying our way as needed for prevention of recurrence. What we most care is the speed of action. Respond to phone calls from customers right away, attend quickly to problems whenever customers face, and rush to the scene of a traffic accident involving a customer. We believe that thorough implementation of such immediately obvious things is the vital key to improving CS (Customer Satisfaction) and making the "Customer comes first" policy live up to their expectation.

<sup>\*1</sup> SD card stands for a "Safe Driver card" which proves non-traffic violations and accidents continuously.

### Three Pledges of FUJI SUBARU

1. Let's provide heart-touching services to customers
2. Practice quickly with one's head, hands and feet
3. Live faithfully with care of one's health

## To appreciate local communities leads us to appreciate customers

What makes us always conscious of CS comes from keeping ourselves appreciative to local communities. I think that just being conscious of local contribution and specific actions as mentioned before would lead us to be mindful of customers or CS. CS improvement also could lead to improvement of sales performance. If you think of customers before your very eyes seriously, you will naturally be trusted and given credit by them.

We do business deeply rooted in Gunma Prefecture and its

size keeps gradually expanding. There is no end in CSR activities. We will keep ourselves committed to local contribution along with to our own business to be a company loved and relied on by the communities and stay to be locally the No.1 company in years to come.

## Dealership in FUJI SUBARU's Ota shop



### Kijyuro Kojima

Managing Director and  
Ota branch Office President  
FUJI SUBARU Inc.

### Enhancing in-house communication link to the better CS

Our shop has been working to enhance in-house communication. Unless you have good coordination inside, you cannot send good messages to customers. In this sense, we set up an all-hands committee for better communication.

At the "SUBARU Standard Committee meeting" for more frequent contacts with customers, we discuss such topics as why customers do not bring their cars in for after-delivery inspections and what kinds of approaches should be taken to encourage their coming back. We also have study meetings to deepen our knowledge on the industry and learn how to treat customers better.

At the "Showroom Committee", we discuss measures to receive, send off and listen to customers to serve them better. Active involvement of female staff is eye-catching. Say, for example, our drink menu has fairly good reputation by customers for being easy to understand and

make an order. Now, we can see from the menu on a table that some business talks are going on, which allows us to treat customer smoothly. You will also notice their careful feminine consideration to details from the way magazines for leisure reading while waiting and baskets for belongings under the seat are arranged. The in-house communication has been revitalized through discussions at these committees on a regular basis. I understand that CS is measured by how much employees feel appreciative to customers. Such appreciation to customers comes only from our appreciation to the surroundings. At the Ota Shop today, the climate to respect others and appreciate things no matter how small they are, has begun to settle. Without becoming complacent about the current status, we will be responsive to meeting the needs of customers through further use of such committees.



Female staff's careful consideration to details supports the CSR improvement of Ota shop



Above : Free Massage chairs  
Below : Kids corner for the customers with children



Maintaining in a good condition with the heart of "Every staff has same mind as Sales, Front staff, and Mechanics"

# SUBARU's "Approaches to Prevention of Global Warming" Efforts in Product Development

Global warming, CO<sub>2</sub> reduction, disruption of nature, these words are now almost daily in the mass media and on internet. The environmental problems have been regarded as issues of importance anywhere in the world. SUBARU has been tackling with the global warming issue for its prevention in every process from planning, production, logistics, etc. of environment-friendly products. The following show some of our efforts.

## Through Aiming at the Harmony with Car Society and Rich Global Environment



"Plug-in STELLA"

### Development of an electric vehicle

Product planning conscious of the harmony with the environment is widely needed to use limited resources with care so that automobiles can help enrich people's lives over many years to come. As a car manufacture, we take it the due responsibilities of SUBARU to give consideration to the global environment. Next follows the introduction of successful development of an electric car "R1e" and our involvement in putting the "Plug-in STELLA" in practical use.

### A Clue of Developing an Electric vehicle and the Missions of SUBARU.

In the midst of much attention paid to low fuel-consuming and exhaust-gas emitting eco cars, SUBARU in its quest for combining "pleasant and dependable new driving performance with the global environment", came to think of development of electric vehicles as products meeting the needs of the times for their care to the global environment and practicality. Needless to say, zero emission of carbon dioxide while moving, even with the use of "well-to-wheel" (from drilling for oil to its consumption for drives) energy including power generation at a power station taken into account, their carbon dioxide emission is less than that of fuel-cell vehicles which consume gasoline, diesel oil and hydrogen gas. Meeting technological challenges with the focus on the future, creating the charm and value of SUBARU's own and making proposals on one hand, while putting really useful electric vehicles in practice by striking

a balance between vehicle's utilities and preserving the rich global environment and resources on the other, are the missions and the responsibilities of SUBARU.

### Environmental Performance of Plug-in STELLA Greenhouse Gas Emissions Significantly Reduced

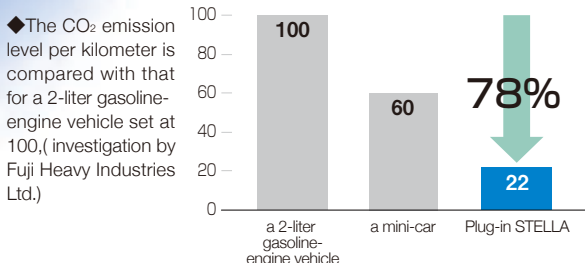
The R1e is a vehicle developed looking ahead to full-fledged popularization of electric vehicles. Tokyo Electric Power Company, its joint development partner, started operating a fleet of 10 R1es for business use from June, 2006, increasing its number by 30 units to 40 units in 2007 and verified the performance as a short-distance commuter satisfactory for daily operations. Credit given to the develop-



Preceding electric vehicle "R1e"



ment of the R1e, the model received “the 2006 Environment Minister’s Award for Activities to Fight Global Warming”. In July, 2008, a new concept electric model “Plug-in STELLA Concept” was announced with utilities further improved exploiting the achievements and know-how up to that time and eyeing its commercialization. No carbon dioxide is emitted while in motion.



## Efficient Running with Minimized Energy Loss

Generally speaking, in the development of an electric vehicle, the increase of the number of mounted batteries for longer cruising distance (distance you can travel per one charging) may result in longer charging time and energy loss due to the batteries’ own weight. The practicality-conscious “Plug-in STELLA” can store much energy with less number of batteries and allows charge and discharge with great current, realizing necessary and sufficient travel distance as well as short charging time. Assuming business use in cities, the travel distance with the fully charge batteries was set at approx. 90 km (by 10-15 mode). If charged with a quick charger, 80% charging will be completed in about 15 minutes. The high energy efficiency will lower the fuel cost to about 2/5 of that for a mini gasoline-engine vehicle or even further down to about 1/5 if midnight price rate is used.

Moreover, while motion energy is dissipated in the form of friction heat in conventional vehicles, the Plug-in



Quick charger



Charging image

STELLA has a regenerative braking system for active and effective use of motion energy. This system will convert motion energy into electric energy by making the motor work as an alternator in deceleration for recharging the batteries.



\*“L range” which applies the regenerative braking system

### ◆Charging time

		Charging time
	<b>Quick charger</b> (DC400V-50kW)	<b>About 15 minutes</b> (80% charging)
	<b>Charge at home</b>	200V(15A)
100V(15A)		<b>About 8 hours</b> (100% charging)

## Toward Practical Application

In April, 2009, the “Plug-in STELLA Prototype” was developed at the last phase for market introduction. Based on the Action Plan for Achieving a Low-carbon Society (Cabinet decision July, 2008), we provided 15 prototypes of this model as subject vehicles in the promotion program to Introduce next-generation vehicles for popularization and expansion of electric vehicles. The following numbers were the ones of the prototypes loaned to prefectural governments and others for use by car-sharing until June, 2009: 4 units to Kanagawa, 3 units each to Aichi, Osaka and Hyogo Prefectures, 1 unit each to Yokohama City and Japan Post Service Co., Ltd..

The Plug-in STELLA Prototype has its motor output upped from 40 kW of the preceding concept model to 47 kW for better driving performance along with enhanced practicality for introduction to the market. In this fiscal year, about 170 units in total are planned to be loaned to corporations and municipalities. The development of electric vehicles at SUBARU will be pushed forward through accumulation of data of log-term verification tests with the goal set to make both a rich car society and global environment come true.



Refer to our website as for the other efficiencies.  
<http://www.fhi.co.jp/envi/plugin/index.html>  
 [Japanese only]



“Plug-in STELLA”  
At the Lake TOYA Summit

## SUBARU Electric Vehicles in Action

In June, 2008, the preceding model “R1e” of the “Plug-in STELLA Concept cars” gave it a challenge to travel a distance of 858.7 km from Tokyo to Lake Toya in Hokkaido in the “EV(Electric Vehicle) Caravan”<sup>1</sup>, ahead of the opening of Lake Toya Summit. The electricity bill for this caravan travel was 1,713 yen, proving the excellent economy of electric vehicles. In July, 2008, at Lake Toya Summit, the “Plug-in STELLA Concept cars” were used for transportation of Summit participants and collection/delivery of mail articles among local post offices in the Lake Toya region during the summit meetings. Furthermore, after the Summit, these vehicles have been in use as mail collection/delivery vehicles in Yokohama for verification tests.

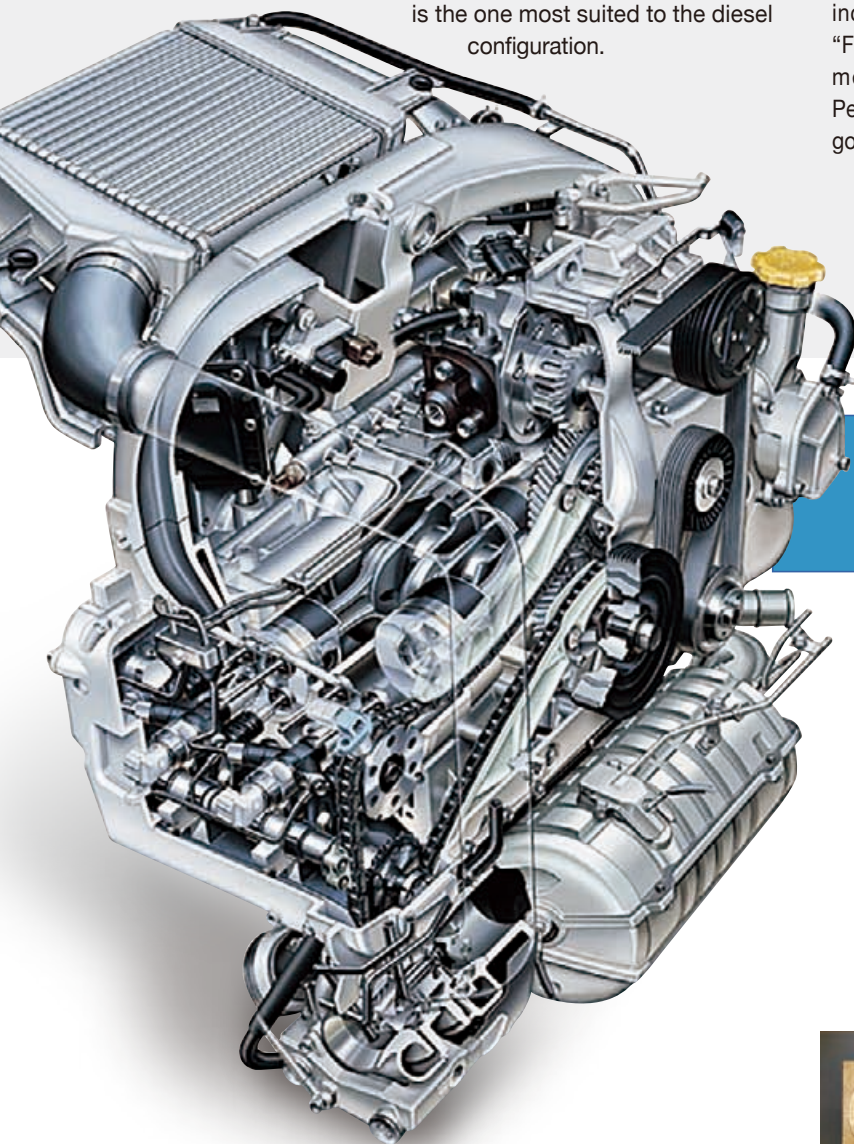
<sup>1</sup> EV(Electric Vehicle) Caravan which is sponsored by Japan EV Club.  
 Authority: Japan EV club HP

# The Grate Progress to "Environment-Friendly Drive". The introduction of the world-fast passenger cars with a diesel-powered boxer engine

## Independent development of a diesel-powered boxer engine

In order to cope with global warming, the improvement of fuel economy is much required world-wide. Particularly in Europe, the introduction of CO<sub>2</sub> tax systems introduced one after another in EU member countries has accelerated the demand for diesel cars. In 2005, the market scene changed with diesel vehicles taking about half of the total new car sales.

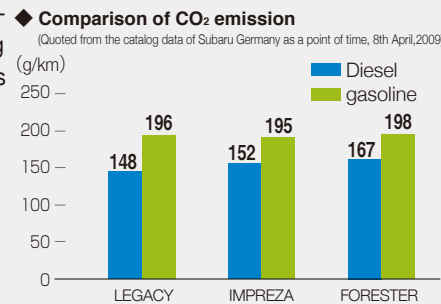
With Europe positioned as one of our strategic markets, we concluded that we could not compete without diesel-powered cars and in the autumn of 2005, the introduction of diesel cars was decided. SUBARU, thus being the last comer in the diesel market, embarked on independent development of the world-fast passenger cars with a diesel-powered boxer engine in the belief that the horizontally opposed engine with the innate low vibration, low center of gravity and high rigidity is the one most suited to the diesel configuration.



## Fusion of Environment and Driving Performance

The most attractive feature of a diesel engine is its less fuel consumption with low CO<sub>2</sub> emission as compared with a gasoline engine. For instance, the Legacy 2.0D is capable to run about 1,000 km with one supply of 64-liter gasoline. In Europe, where the diesel's share is high, SUBARU cars with the boxer diesel engine enjoy a high reputation for good fuel economy. The boxer diesel engine does not need any balancer shafts to offset vibration since the vibration caused by the piston movements is originally quite limited due to its mechanism. This has made a compact engine with both good fuel economy and excellent response a reality.

In the development and production, we have already been involved in expanding the line of diesel-powered models and markets, preparation for more stringent emission regulations, cost reduction and other future issues. While the hurdle to clear is increasing higher year after year, the pursuit by SUBARU for "Fusion of Environment and Driving Performance" keeps going.



### " Diesel engine"

It has same process as gasoline engine in producing power by burning light oil as fuel, but the construction of burning is different. Low fuel expenses and low CO<sub>2</sub> emission is the strong points of Diesel engine.

#### ① Low fuel expenses

It gives fuel efficiency 15 to 20% better than a gasoline engine. With compression ration set high without abnormal ignition, more energy can be extracted from fuel and the energy can be used more efficiently as waste move of intake air is limited.

#### ② Low emission gas

The high thermal efficiency contributes to low CO<sub>2</sub> emission and significant improvement in technologies for precise control of fuel injections and purification of emission gasses. Much progress is made in suppressing the generation of soot-causing substances.

#### ③ Low vibration and noise

In general, while a diesel engine in general produces higher torque due to the high explosive compression in combustion than a gasoline engine, it is prone to make vibration and noise worse. But, the horizontally-oppose layout of pistons unique to the boxer diesel minimizes vibration and noise due to the piston's reciprocating movement.

Our horizontally opposed diesel engine was presented with the Japan Society for the Promotion of Machine Industry Chairman Award in the 6th Prize for Promoting Machine Industry<sup>\*1</sup>. High marks were given to the fact that it was the first horizontally opposed diesel engine applied to production cars and responded to the needs in the European market in many respects for low vibration and noise, environment performance and driving fun.



<sup>\*1</sup> The Prize for Promoting New Machine Industry : Excellent studies and developments related to promoting machine Industry are honored by the Japan Society for the Promotion of Machine Industry Foundation.

# Wind Turbine Generator System Producing Clean Energy

## Development of the Wind Turbine Generator System suitable for the unique environment in Japan

Reduction of greenhouse gases which cause global warming is much needed. Japan dependant on imports for most of its energy needs has to act expeditiously for realization of a low carbon society. In this connection, much attention is paid to the utilization of renewable natural energy by expanding wind power generation as the most leading example.

However, there are many issues to be solved in the wind power generation. How to deal with the unstable power generation due to ever-changing wind and punishing natural phenomena rather unique to Japan such as frequent typhoons, lightning strikes and earthquakes. A large-scale stable and efficient wind power generation system overcoming such issues and suited to the unique environment in Japan was much expected. We responded to such expectation by developing a large wind power generation system which features downwind method with the free-yaw effect.



Large-Scale Wind Turbine System  
"SUBARU 80/2.0"

## SUBARU is proud of own results and will continue to contribute to solve the Global Environmental issue with their technical developments.

SUBARU delivered 15 units of the 40kW-class wind power generation system SUBARU 15/40 and 5 units of 100kW-class SUBARU 22/100 and 2 units of 2,000kW-class SUBARU 80/2.0 by FY2007. In the meantime, in January, 2002, a SUBARU's compact wind power generation system was lauded with "the 6th New Energy Award" and in November, 2007, the large-scale wind power generation system was credited with the Director-General of the Agency for Natural Resources and Energy Prize of "the 11th New Energy Award". Winning these awards show high commendation for unique technologies as represented by the downwind method.

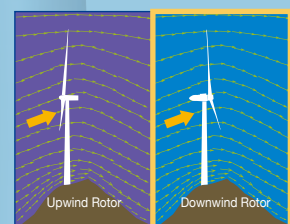
In FY2009 one unit of the 40kW-class wind power generation system and several units of the 2,000kW-class wind power generation system are scheduled to be delivered.

SUBARU will continue to strive to disseminate the wind power generation through our own involvement and relentlessly meeting challenges undaunted for solution of global warming.

## Characteristics of Our Large-size Wind Turbine System

### [Adoption of downwind roto]

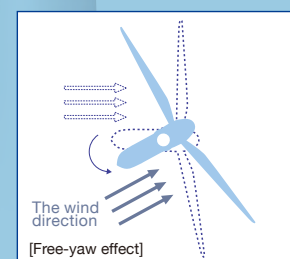
The downwind method is the type of downwind rotor to absorb wind power efficiently with wind off topographical configurations. In general, the rotor is directed upwind, but SUBARU adopted the downwind rotor method in order to make the Wind Turbine System suitable for the Japan's topographical configurations like mountains and hills.



A Wind Turbine Suitable for Japanese topographical configurations

### [Free-yaw effect]

A downwind turbine has the free-yaw effect which works to direct the rotor downwind naturally like a case of weathercock. When hit by storms, it can pass off wind naturally, and safety is assured.



Pleasant and Dependable, it's New SUBARU's driving.

# What SUBARU's 7 seater, "EXIGA", has aimed at



SUBARU has made efforts for developing new car, like LEGACY, IMPREZA, FORESTER, fitted the market trend and customers' needs at the times.

The new EXIGA also has brought the "interior environment" of its own into reality with the environment and safety performances retained as a "SUBARU-like multi-passenger car" which was much voiced not only by the market and customers, but also by our staff inside.

➤ "7-seater panorama touring" has brought about new possibilities in the performance of Safety, Environmentally friendliness, and driving.

## The Fusion of interior environment and Driving performance

The domestic market of the diversifying multi-passenger car category has expanded to take about 25 percent of the market. Of course, we heard voices from the market and customers for a multi-passenger car also from SUBARU. Responding to such calls, we started the development of a multi-passenger car which asserts the SUBARU identity to appeal to as many potential customers as possible.

The SUBARU's main characteristic is its driving performance excellent in weight balance attributable to the horizontally opposed engine [SUBARU BOXER]. The low gravity and compact size of the engine are what embody stable and sporty running. As a result of placing an emphasis on having both such running performance and pleasant interior without losing the SUBARU's identity, the development concept "7-seater panorama touring" was born. It is the car which offers a relaxing interior for all passengers to enjoy conversation and passing scenery and is easy for anyone to drive with good running performance. We focused on creating a car which

allows "good communication among the passengers in the front, second and third seats "and, among others, "making driving itself felt as fun".

Generally, the interior of a multi-passenger car which we aimed to achieve and the running performance are not compatible, A boxy and tall profile will give an efficient design, but it leads to a higher center of gravity, sacrificing stability and controllability typical of SUBARU cars. To evade such contradiction, we adopted the "theater-seat layout" that arranges the seat rows to be stepped up from the first to the third seats like the ones in a movie theater, With such seat arrangement, you can enjoy refreshing panoramic views 360-degree around in any seat.

Technically speaking, the adoption of the SI-chassis<sup>1</sup> with a newly developed suspension system allowed us to have all steering, seating comfort and s making the interior of the model stand apart from other conventional 7-seaters.



**Akira Sasaki**

SUBARU products planning department Manager

**Mamoru Kagawa**

SUBARU technical head office, General Research and Experimentation department Manager

**Hiroya Ookumo**

(at present post: General Manager of HEV Development Department)

SUBARU products planning department Project General Manager (at that time)

## Top-level Safety Performance to Make Any Passenger Feel Safe

Needless to say, it takes more than mere pleasant drive. Unless we pay attention to the safety, making a 7-seater means nothing for SUBARU. We believe that mastering such fundamental performances as “run, turn and stop” to the limits paves the way to safety.

One thing worth mentioning is the active safety which is the safety performance to avoid collision. Refining the driving performance of a vehicle to prevent driving mistakes and avoid unexpected danger will lead to such features as “pleasant and untiring” and “concentration undistracted”. We successfully realized good driving stability and tractable steering with the horizontally opposed [SUBARU BOXER] engine, Symmetrical AWD and SI-chassis all in one package. Working together with the brake system, the active safety system enhanced the level of danger avoidance performance in case of emergency.

The field-of-vision design gives open view to improve the vehicle safety. The front pillars and door mirrors are optimally positioned not to obstruct vision when turning to the left or right. Also, in order to secure rear view, the rear window and the seats were devised for optimal size and profile. At present, the EXIGA offers the best field of view in the SUBARU lineup.

Another thing worth mentioning is the passive safety which is the safety performance to protect the passengers from impact in case of collision. Last year, the IMPREZA won Grand Prix in the “Japan New Car Assessment” which evaluates the overall safety performance of automobiles. This year, the EXIGA won Excellence Award. Credits were given to the frame structure employed for good impact absorption like the IMPREZA, the horizontally-opposed engine [SUBARU BOXER] effective against frontal impact and the curtain airbags which we were particular about details to protect the head of a passenger in any newly developed seat in the front, second and the third rows. It is indeed a good honor that our efforts in safety were acknowledged.

## Pursuing the higher Driving Performance of SUBARU Leads to the Consideration of the Global Environment

For a company which makes vehicles, care for the global environment is the absolute requirement. We worked hard on the EXIGA for powerful running performance, good fuel economy and low exhaust emissions without tradeoff among them. The employment of “an electrically controlled power steering system” made the model ranked among the best in the class in fuel economy. The model can enjoy the benefits of the automobile green taxation plan since it meets the emission gas standard and the fuel consumption standard requirements across the board of grades. This good fuel economy can also be traced to the efforts for weight saving by reviewing each and every part down to earth from the viewpoint of strength and structural composition.

Fuel consumption also changes depending on how much you are conscious of it while driving. The EXIGA are provided with various devices such as the “ECO Gauge”<sup>\*2</sup> which is a measure for economical driving, the “SI-Drive”<sup>\*3</sup> with which the driving mode can be switched to meet driving situations and the “Info-ECO Mode”<sup>\*4</sup> which enables switching to the fuel efficient ECO Mode with a button, all designed to help customers being mindful of fuel economy.

## No Limit in pursuing the Pleasure, Safety and Environmental Responsibility

Our commitment to and enthusiasm about the development of the EXIGA have borne fruit in the form of receiving “MOST FUN” Award, a special award of the Japanese Car of the Year in November, 2008. Behind this award is the high assessment by jurors for the design which makes all the passengers including those in the second- and third-row seats share the fun of driving, which was rather difficult realize on 7-seat cars. This is the award most coveted by and pleasing for us as the developer.

The very safe and pleasant environment available at hand makes us feel like taking the car out for a drive to come across with new discoveries outside. The EXIGA is packed with things that make driving a fun. If people go out with their families more often, taking advantage of the reduced expressway tolls effective from April, 2009, they will be able to appreciate the good of the EXIGA. We in the development division will keep pursuing as before for more fun, safety and evolution of the EXIGA.



We focused on creating a car which allows the high performance for environment and safety, and among others, “making driving itself felt as fun”.



▲ The horizontally opposed engine [SUBARU BOXER] are realized not only the excellent driving performance in weight balance attributable but also the safe structure which is easy to drop an engine under the cabin in case of front crash.



▲ Large glass area and seat layout provide the refreshing open space for every passengers.

◀ Large opening doors allow every passengers to enter the third seats smoothly.

\*1 SI-chassis :  
The unique Chassis of SUBARU integrated the seating comfort with the high driving performance.

\*2 ECO Gauge :  
A meter which indicates an economic driving condition to the driver.

\*3 SI-Drive :  
The three models provided are selectable with a flick of a switch to allow drivers to run as they like or suitable for driving scenes.

\*4 Info-ECO mode :  
It is an AT mode which improves fuel economy through various controls. The eco-lamp comes on when driving in a fuel efficient condition.



# Toward the World and Local communication

## The Relation between Industrial Products Company and Society

Industrial Products Company globally makes contributions through shipping more than 1 million units of “Robin”-brand general-purpose engines and products mounted with Robin engines annually. Meanwhile, it expends efforts for social contributions, placing importance on its relationships with local communities as a corporate based in Saitama Prefecture.

### ■ The social contributions through the own business

## ➤ “Robin Engine” supporting the Human lifelines in the world

The flourishing scenes of Robin engines in action are no limited to inside Japan, but they can be seen in any part of the world, in the scorching hot, freezing cold, deserts, on the water, under diversified conditions of use. In fact, they are the engines which have consistently been supporting the lives of peoples.

Giving some examples of their forms of support, they serve as an indispensable lifeline in the agriculture and fishery and as means of transportation and power generation. They also serve as leisure equipment as rally carts competing in deserts. They are found on construction equipment such as rammer\*1 and plate\*2 for their unparalleled durability. They must be durable enough and easy to maintain as there are expected to be used under diversified conditions. In other words, high quality is needed to serve people in their lives naturally anytime and anywhere.

Our engineers go out to see customers to hear directly their expectations before deciding specifications of products so that they can be used in most optimal conditions. Such process could get us close to what customers really want and lead to new discoveries by knowing how the engine are mounted and the environments under which the equipment is used, The information collected this way is very important in daily activities for improvements and new product development.

Also, harsh testing

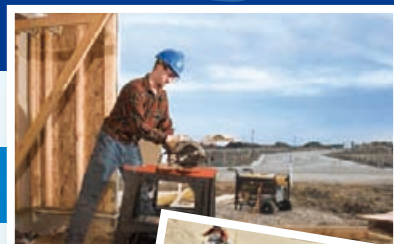
### Keiichi Kakizaki

Technical department  
Development section  
Manager



### Trough the adoption of EH72FI, the electronic fuel injection system (FI system), we could accomplish a higher performance model of the V-twin engine.

- While realizing high output by increasing the intake air volume, the fuel supply system was optimized to meet changing engine revolution and load to save annually about 500 liters of fuel.
- The fuel injection system was designed for optimal fuel supply by detecting changes in engine revolution and load.
- The most suitable fuel supply for the pressure of atmosphere was realized.
- The level of fuel emissions realized much lower than the level of the CARB tier III regulation\*3



### [Widely used all over the world]

- Has much durability toward the vibration and dust under construction
- The excellent emissions performance fit for leisure sports is appreciated all over the world.
- Supporting the lives of people living in no-electricity area
- The snow – removing machine is necessary for heavy snow area.

using real equipment and devices is an essential part of our business. We have test rooms exclusively designed to test rammers and plates.

As a result of constantly responding to the customers’ needs over the past 30 years, we now have an ample lineup of more than 2,000 different specifications. The record of sustaining the peoples’ lives is behind the trust in us today.

The business is always in the supply of power sources which make “the lives of customers anywhere in the world more convenient, richer and more pleasant”



\*1 Rammer :  
A press machine for construction site, especially used for small pavement.

\*2 Plate :  
A press machine for construction site as same as Rammer, but mainly used for Finishing touches of pavement.

\*3 the CARB tier III regulation :  
One of the severest regulation for exhaust gas in small general purpose engines under the jurisdiction of California Air Resources Board and this is the Third level of the regulation.  
CO:549g/kW-h, HC + NOx:8.0g/kW-h, for engines over 225cc.



## ■ The Social Contributions through the Communication with Local Community.

### Expanding the Social Contribution activities as a company operates in the area.

At Saitama Manufacturing Division, we have been involved in cleaning the surroundings of the plant for about 5 years under the “Fresh-clean Kitamoto, Leave It to Us” program. In addition, volunteer employees stand on road everyday to serve as crossing guards for children commuting to their schools.

To bolster such activities, we introduced a volunteer award system in September last year. Under the system, employees who took part in the volunteer program organized by the Division will be given points, and the sections with high score of points are awarded once in a year.

This has aroused interest division-wide in social contribution. As an example of the positive effects, we see employees picking up trashes voluntarily at bus stops. Also, in December last year, we received letters of thanks from children of Nakamaru Elementary School run by Kitamoto City for the crossing guard service by our employees. To make more people understand our down-to-earth activities so far, we are offering a plant tour program and study meetings with environmental preservation in mind.

In 2008, we were presented with an encouragement award in the “Saitama Corporate Award for Warm Care of Children” program. This is a program to award those companies and busi-

ness offices that are successful in creating working environments that allow child nursing and working without conflict. They gave us high marks for the good record of utilizing the child-care leave system, offering opportunities to junior high school students to learning through work-site experience and crossing guard service.

As a company which operates in Kitamoto City, we intend to continue helping the city and its communities prosper. In order to make a flourishing future come true, we will keep expanding the scope of our involvement.



The thank you letter from Elementary School children  
**Mitsuo Kurozu**  
 General Affairs department



Cleaning the surroundings of the plant



Crossing guard service

**Voice**

**Mizuho Yoshida**  
 General Affairs department

### Moved by Exchange of Warm Hearts

Last year, we were invited to the “Thank-you Meeting” hosted by the pupil association of Nakamaru Elementary School run by Kitamoto City. The meeting is designed to convey the gratitude of pupils through such invitation to people in the communities who support the school in such forms as farming and reading books and other activities. Children who noticed our presence spoke to us in smiles, saying “I always see you on the way. Thank you for what you do everyday for us.” Their innocent smiles and letters of thanks filled us with pleasant emotions.



Eco Plant Tours

### Spreading zero emission activities through the eco plant tours.



A Grinding sludge briquetting machine which has the both roles, one is wastes reduction and the other is making some profit.

As a part of our programs to serve the local communities, we are offering primary and junior high school students opportunities for eco plant tours.

Our Equipment Section is involved to boost interest in and understanding of the environment through the use of a grinding sludge briquetting machine. The grinding sludge is the steel dust generated during an engine grinding process. In the past, we had processed them as wastes spending some money for disposal, but taking advantage of the installation of the briquetting machine in July, 2007, we started processing the grinding sludge with high moisture content by compressing it for immobilization to be sold as raw material of reinforcement. The grinding sludge weighing about almost

100 tons annually before this changeover were reduced to 58.8 tons in 2008 and then drastically down to 5.1 tons in 2009. This is a specific success from the viewpoint of resource recycling and wastes reduction, or zero emission activities, with an extra benefit of helping the company make some profit.

From now on, we will step up efforts to reduce the other major industrial wastes of Saitama Manufacturing Division, which is wastes liquid including wastes oil. I believe that, always being conscious of turning into a clean plant with minimum of wastes discharge and energy use, living in harmony with the communities is our mission.



**Eiji Sekine**  
 Industrial Technology  
 Department Equipment  
 section Manager



**Katsutoshi Nagashima**  
 Industrial Technology  
 Department Equipment section  
 Building and repairs subsection chief



## Corporate Philosophy

The manufacturing principles of SUBARU are built on the tradition of aircraft manufacture established by Nakajima Aircraft, the predecessor of SUBARU. The DNA of our company consists of pursuit of the best performance, the fundamental concepts for designing aircraft, a concentrated, lean package to materialize it, and thorough implementation of safe operations under all environments. While maintaining an emphasis on these principles, we will strive to develop new values and actively work on environmental problems and compliance issues while treasuring our tradition, so that SUBARU will be able to provide customers and other stakeholders with more satisfaction and reliance, and subsequently coexist in harmony with society.

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

### Corporate Code of Conduct

SUBARU set down a corporate code of conduct to comply with laws and regulations and to fulfill its social responsibilities, based on our corporate philosophy. We will continue to strive to become a company loved by all and contribute to making society more affluent by respecting individuals and the corporate code of conduct and acting on the same sense of values.

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



## What SUBARU Wants to Be

### Moving Forward to Turn Our Vision to be: “A Compelling Company with Strong Market Presence”

We mapped out the medium-term management plan for FY2007 through 2010 as a step toward what we want to be: a compelling company with strong market presence, and are currently proceeding with it. Before working out the mid-term management plan, the once somewhat too much Technically-oriented internal cornerstone was reviewed getting back to from where we started with the “Customer Comes First” policy.

In the area of products, we have pushed forward the engineering development with the core technology of horizontally opposed engines that can allow “new running performance” which delight not only the driver himself, but also all the other passengers and provide tools to address “environmental issues including global warming prevention”.

On the other hand, we will continue our efforts to turn ourselves truly to be a compelling company with strong market presence and a company fulfilling its social responsibilities by improving customer satisfaction and strengthening the SUBARU brand through measures encompassing a broad range. They included reinforcing the system to reflect customers needs and request on products as well as the sales and service systems both in Japan and overseas, belt-tightening efforts such as streamlining new and existing car production equipment and labor saving, taking advantage of the collaboration with the Toyota group, and structural reforms which range over reorganizing the domestic sales network, meeting environmental challenges and cost reduction.

Furthermore, we will focus on the development of human resources through education and trainings, while revitalizing discussions in-house and within the whole SUBARU group based on “the three criteria”<sup>\*1</sup>, thus building up the corporate vitality for ever-lasting growth.

It is our dream and wish that we could set an example of a company where employees work with pride in its every business field through promoting such activities step by step and evolving them into future, while establishing the SUBARU brand supported by customers.

## CSR policies

### The mission of the group of Fuji Heavy Industries

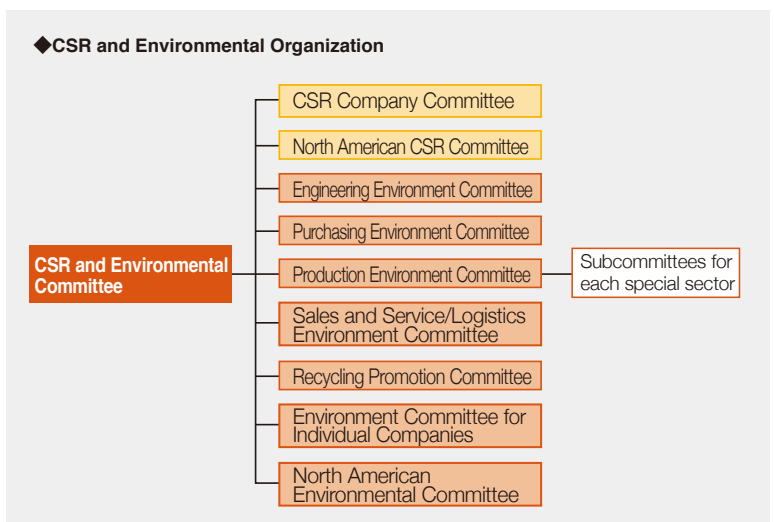
The CSR Policy was revised with the approval of the CSR and Environmental Committee to clearly indicate the fundamental aspect of CSR focused on observance of the Corporate Code of Conduct and other vital rules and the strategic aspect of CSR focused on contribution to solving social issues as a corporate citizen through business activities, which requires the involvement of the whole corporate organization for a company which makes goods favored by customers.

**“CSR Policies”** (revised on June, 2009)

1. We will respect the laws and regulations, the human rights, the international standard of behavior and the rights and morale of stakeholders under the “Corporate Code of Conduct” of Fuji Heavy Industries.
2. We will get ourselves involved as a corporate citizen in addressing social issues facing the society today.

Our CSR activities are the mission of the group of Fuji Heavy Industries to contribute to sustainable development of the society through global business activities with focus on the relationships with our diversified stakeholders.

\*1 “Three Criteria”:  
“Good for customers?”  
“Helps for Group’s Growth?”  
“Helps for Employees’ Growth?”.



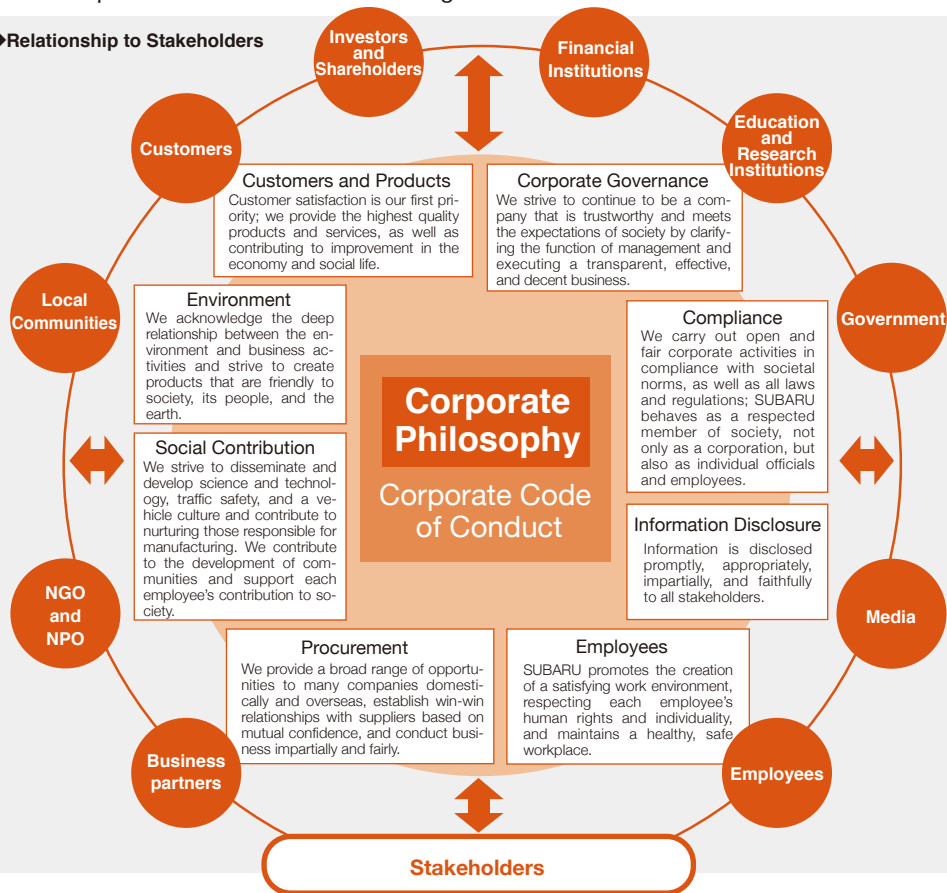
## CSR Management

### In pursuit of a company trusted by many diversified stakeholders

The medium-term management plan which was announced on February 28, 2007, covering the four-year period from the FY2007 through 2010, has the “a Company Fulfilling its Social Responsibilities” as one of the manage-

ment visions. This is one of the fundamental items indispensable to realize the long-term vision of Fuji Heavy Industries: “a Compelling Company with Strong Market Presence”. With this vision and the basic policy, “Everything We Do is for our Customers” in mind, we are determined to enhance the corporate value by working hard to turn Fuji Heavy Industries into a company trusted by many diversified stakeholders, while contributing to sustainable social development.

#### ◆Relationship to Stakeholders



\*1 Refer to P. 24 as for the system of CSR and Environmental Committee

## System of CSR and Environmental Committee\*1 and Operation

### Boosting the deliberate CSR activities

We set up “the CSR and Environmental Committee” as a company-wide committee organization by the top management to promote CSR activities by reviewing, discussing, making decisions and exchanging information in connection with CSR activities. In the FY2008, the committee meetings were held on May 29 and December 10. Meanwhile, the manufac-

turing divisions, offices and the head office formulated their annual CSR-activity plans and execute them, systematically implementing their voluntary programs according the plans.



A scene at the CSR and Environmental Committee

## Review of FY2008 and Plan for FY2009

### Getting the systematic CSR activities settled

Coordinated approaches began in 2006 in four phases: grasping the current status and issues, organizing and starting up, promoting and getting the activities settled. We have been moving forward along their respective schedules.

#### (1) Approaches in FY2008

Based on the three pillars: environment, traffic safety and local contribution, which were set up as the common ground for CSR activities across the whole organization, every manufacturing division and office as well as the head office came up with their CSR action plans. After the review by the CSR and Environmental Committee, these plans in practice have been managed by means of PDCA.

In September, 2008, the CSR Policy, the common ground for activities in environment, traffic safety and local contribution and the management by PDCA of Fuji Heavy Industries were extended to the 5 subsidiaries<sup>\*1</sup> which form the North American Environmental Committee. With the inception of the North American CSR Committee, we began promoting global CSR activities.

Furthermore, heeding various moves outside, including the increasing emphasis on corporate social responsibilities over the

whole range of business activities, meeting issues of global nature as represented by the environmental disruption, initiatives regarding CSR activities as typified by the ISO 26000 SR (Social Responsibilities) Guidelines, stakeholders' opinions and the outcome of the in-house questionnaires conducted continually so far, The CSR and Environmental Committee began precursory reviews of the CSR Policy.



A scene of North American CSR Committee

#### (2) Approaches in FY2009

The CSR Policy was revised taking account of the increasing emphasis on corporate social responsibilities over the whole spectrum of business activities, meeting right the global issues as represented by the environmental disruption, and the guidelines on CSR activities.

With the CSR Policy revision, the "fundamental CSR and strategic CSR," essentially required of a manufacturer whose products and services are constantly favored by customers, will be clearly identified as the ones that need be initiated at the corporate level. At the same time, the three pillars: environment, traffic safety and local contribution, will be positioned as the common ground for company-wide initiatives at the individual level.

We will carry on our work to get systematic CSR activities rooted and step up their level globally with a unified effort of the whole group.

\*1 The member of North American CSR Committee are SIA, SOA, SCI, RMI, SRD.

#### ◆Three pillars of CSR activities of SUBARU group

Common Item	Idea	Content
Environment	First grasp impacts of daily business and household activities on environment, then take actions starting from where we can. Promote awareness for energy saving at home against global warming.	Participation in Team Minus 6% (a national campaign against global warming) Promotion of eco-minded actions at home Approaches as group
Traffic Safety	Strive conscientiously to reduce traffic accidents as transport equipment maker. Work for zero traffic violations and accidents.	Open safe-driving classes Tie-up with local governments Promote public transports
Cleaning	Strive to contribute to local communities who are vital partners in conducting business.	Clean around plants Tie-up with local governments Support local events

#### ◆CSR action plans

Phase	Current Issue	Overhaul and Startup	Specific Actions	Fixing Actions
	FY2006	FY2007(Actual)	FY2008(Plan)	FY2009
Action Item	Raise awareness of links of individual's behaviors with CSR	①CSR class added in training programs for new general managers ②CSR concept introduced to affiliates in North America as group activities ③CSR activities promoted on trial using EMS's procedures (at head office)	①To be build in skill-specific trainings practiced at each manufacturing division ②To promote systematic CSR actions at affiliates in North America ③To promote SUBARU group-common programs	①Revised the CSR policies based on the world trends ②Thoroughly known the revised CSR policies to all. ③CSR class will add in training programs for new managers ④Promote the level up of North American CSR Committee. ⑤Progress to consideration of CSR voluntary plan.
	Build system to efficiently and reasonably share, adjust, cascade and summarize CSR-related information	①Corporate Environment Committee reorganized as CSR and Environmental Committee to review both CSR and EMS by top management ②Company-wide cross functional organization built by assigning members who represent each manufacturing division ③Company-wide CSR activities reviewed and new action programs mapped out	①CSR and EMS matters to be closely reviewed by top management at CSR and Environmental Committee ②Company-wide cross functional organization to be revitalized by members who represent each manufacturing division ③Besides group-common 3 pillars, CSR activities to be promoted by manufacturing divisions for community contributions	①Through the opening of CSR and Environmental Committee constantly, realize the level up of CSR and EMS management skills. ②To promote the understanding and percolation of CSR activities into each Manufacturing Division. ③Promote the fixation of CSR activities based on group-common 3 pillars

### Basic Concept

In order to provide all stakeholders including customers and shareholders with even more satisfaction and reliance, we are striving to strengthen our corporate governance, which is the most important task for our business based on our corporate philosophy.

### System of Corporate Governance

#### Striving to strengthen our system of corporate governance

Since June 1999, we have employed an executive officer system that helps clarify responsibilities to carry out operations in each division.

In addition, since June 2003, the terms of directors and executive officers have been reduced from two years to one. Also, since June 2004, according to the decision of the Board of Directors, we have given responsibility for the selection of corporate officer candidates to the Executive Nomination Meeting and given responsibility for evaluating performance, determining the remuneration of corporate officers and others to the Executive Compensation Meeting.

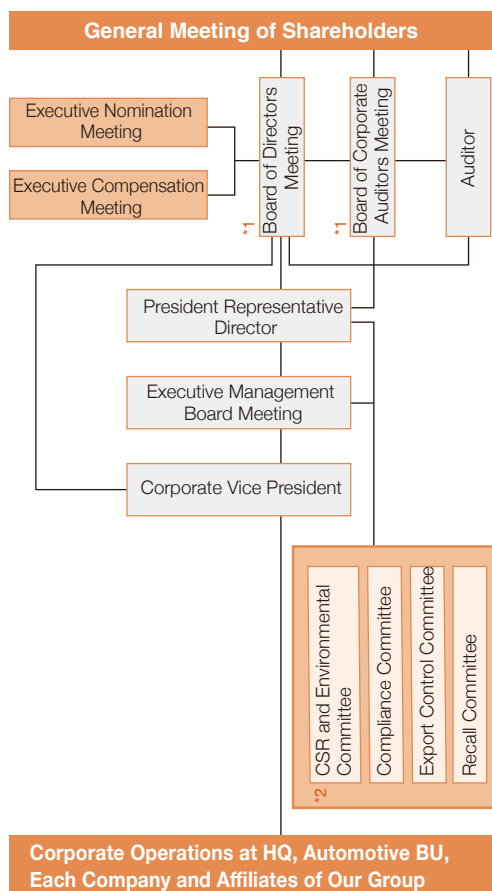
All these measures are designed to clarify management decision-making and operational functions, increase decision-making speed and enhance the effectiveness of business operations. The Board of Corporate Auditors Meeting consists of four corporate auditors, and is responsible for receiving reports on important auditing issues and deliberating accordingly. We will take various measures to further strengthen internal control, and will also disclose information fairly and in a timely manner in order to increase management transparency.

### Establishment of Internal Control System

#### Completed the streamlining of system in the whole SUBARU group.

Internal control is an indispensable mechanism to achieve corporate objectives, and the top management is responsible to establish it

#### ◆Corporate Governance system



and maintain its effectiveness and efficiency. In our case, common departments with Strategy Development Division with its cross-business unit functions as king pin work closely with other departments and Companies to step up the risk management. Internal Audit Department audits systematically group companies for their operations. In addition, to regulate the internal control system, there are systems and organizations to promote compliance, which is positioned as the most vital element in risk management. Also, the internal control system of the whole group has been overhauled and reinforced to comply with the “Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting” which was released to the public on February 15, 2007 by Business Accounting Council of Financial Service Agency, in the following areas:

1. Effectiveness and efficiency of business operations
2. Reliability of financial reporting
3. Compliance with applicable laws and regulations related to business activities
4. Safeguarding of assets

\*1 The Board of Directors Meeting consists of 7 executives. The board of Corporate Auditors Meeting consists of 4 auditors, including two outside corporate auditors, to observe the corporate management objectively (as of June 24, 2009).

\*2 CSR Committee and Corporate Environment Committee have been integrated into CSR and Environmental Committee, which have been operated since May 5, 2007.

## Risk Management

# Business Activities will be ongoingly staged by Grasping and Evaluating Risks.

### Basic Concept

A compliance system which is the basis for risk management is in place for proper management. The business operations executed at each group company will be audited systematically.

situations as follows, we mapped out BCP by business unit and are promoting uninterrupted business operations.

- (1) Life and physical safety precede all other things.
- (2) Minimize the loss of the interests of stakeholders and corporate value.
- (3) Always act with honesty, fairness and transparency even in an emergency.

### Risk control

#### Following instructions in a manual, we solve various types of emergency.

We understand that a risk is an uncertain element which gives some negative impact on our business operations. There are many types of risk. Among them, what affects the management seriously, causing an emergency situation which cannot be dealt with through the regular decision-making channel is classified as "crisis risk" and others are classified by their type into such risks associated with natural disaster, accident, internal and external human factors, social factors (domestic and overseas) and compliance.

In case of an emergency, we follow instructions on communication channel and actions most appropriate to deal with a particular situation as provided in a manual designed to meet various types of emergency after knowing its occurrence.

### Draw up BCP<sup>\*1</sup>

#### Promoting sustainable business operations.

We will exert the utmost effort to minimize negative impacts on services to customers, the market share and any loss of corporate value. In this respect, if our business resources including personnel, properties and monetary assets are affected under an emergent situation, we go all the way out to minimize the interruption of business on a priority basis with the rest of the resources available and to restore the operations expeditiously to the pre-mishap level.

Setting the basic policy to meet emergency

#### Apology for Misconduct by an Officer of SUBARU Dealership

In the midnight of June 2, 2009, an officer of a SUBARU dealership Hokuriku SUBARU Corporation caused an accident involving property damage while driving under the influence of alcohol. Indeed, this is an intolerable act by a person who works for an auto selling company which is expected to play a positive role for traffic safety, especially in elimination of drunken driving. We have taken this accident seriously and would express our sincere apology to customers and other people for their concern and any inconveniences they might have had.

We will double our efforts to prevent re-occurrence through such measures as reshuffling the top management of Hokuriku SUBARU Corporation.

<sup>\*1</sup> Business Continuity Plan

# Compliance

## Foundation of Management and One of Most Important Issues

### Basic Concept

SUBARU's basic compliance policy is provided for by the Compliance Regulations as follows.  
"We regard corporate compliance as one of the most important tasks for management. We strongly recognize that our company-wide efforts toward regulatory compliance make for a solid management foundation, and therefore, we carry out open and fair corporate activities in compliance with social norms, as well as all laws and regulatory requirements and internal regulations for corporate activities."

### Observance of the Compliance

#### Corporate Code of Conduct and Conduct Guidelines

SUBARU has established a Corporate Code of Conduct and Conduct Guidelines as the standards to ensure compliance with laws and regulations. These are described in detail in the Compliance Manual, which all officials and employees carry in order to ensure legal and regulatory compliance in their daily actions.



Compliance Manual

### Compliance System and Administration

#### Compliance Regulations

SUBARU established the Compliance Regulations in 2001 after approval of the board of directors. These regulations contain basic compliance policies, which provide for the system, organization, and operational methods related to corporate compliance.

#### SUBARU's Compliance System/ Organization and Administration

A Compliance Committee has been established as a company-wide committee organization to promote corporate compliance. The committee conducts deliberations and discussions, renders determinations, and exchanges information on key compliance issues. Every year, each department devises a compliance implementation plan (compliance program) to enhance corporate compliance and takes the initiative to advance continuous and systematic implementation activities.

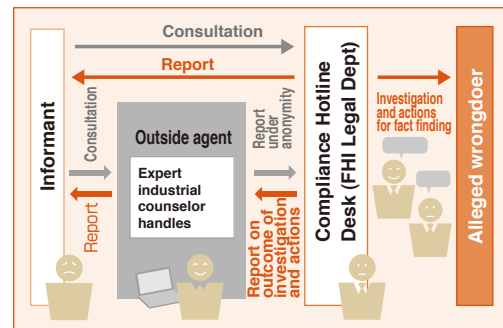
### Compliance Hotline System

We have a "Compliance Hotline" as a by-pass communication channel which can be used by people who work in the SUBARU group and others to report any dubious compliance-related acts or practices they have found inside the group directly to the Hotline Desk.

The Hotline Desk is located inside and assigned employees receive directly reports or information by mail, phone or e-mail and then investigate allegation and take appropriate actions according to rules. The names and sections of informants are kept confidential without their consent to protect them with utmost care from any disadvantages or inconveniences.

Starting from April, 2008, an outside compliance hotline reception desk has been in operation to extend the time for receiving hotline service and to enhance confidential treatment of names and sections of informants in an effort to make the hotline system easier to use.

#### ◆Compliance Hotline (Flow from consultation to solution)



Compliance Hotline Card

### FY2008 Compliance Activity Achievements Overview

#### Education and Trainings on Compliance,

In FY2008, over 3,000 people including employees of group companies took part in compliance and practical legal trainings which

were hosted by Legal Dept. and personnel and education departments. Case-study trainings were attended by about 120 people to deepen their understanding through thinking for themselves and discussing immediate issues. Also at divisions and group affiliate, they give trainings to their members to study important laws and regulations related to day-to-day work and to foster understanding on compliance under their own programs, using such text books as “100 Case Studies of Compliance Issues”.

Furthermore, for promotion of practical compliance activities, we have offered education and trainings to group affiliates, provided information through in-house publications, and encouraged their participation in our Compliance Hotline system to produce effective results.

directly handle a large amount of our customers’ personal information, we managed to thoroughly overhaul our internal system for each dealer and prepared and made use of the Personal Information Protection Handbook for SUBARU Dealer Staff, which is common in all the dealers to help each staff member properly understand personal information protection.



Personal Information Protection Handbook for SUBARU dealer staffs

### Activities toward Group Compliance

In order to ensure compliance with laws and regulations, not only SUBARU but also all our group companies must join forces and work in harmony. For this reason, we dispatch lawyers and our employees as compliance training instructor to each of our affiliated companies as well as domestic SUBARU dealers and also provide textbooks in an effort to promote group-wide compliance with laws and regulations.



100 Case Studies of Compliance Issues



Training for Case Study of Compliance

### Our efforts for Personal Information Protection

In response to enforcement of the Personal Information Protection Act, we have reviewed our internal system and regulations and announced privacy policy. Especially for domestic SUBARU dealers, because they



Compliance Handbook for SUBARU affiliated companies

## Voice

**Mikiko Hisamatsu**  
Judicial affairs Department



### Keeping in Mind Trainings Easy to Understand

“Compliance” implies “observing laws and regulations”. In general, just hearing “law”, “act” or any other similar words makes people remind something difficult or feel like staying way from them. Therefore, we make it a rule to talk and prepare materials keeping in mind “easy to understand” and “familiarity” in an effort to deepen the understanding of students. It is rather hard to make people get legal knowledge within limited time frame. In this respect, seeing people look convinced is very encouraging all the more.

# Everything We Do Is for Our Customers

## Stepping Up Efforts for “Customer Comes First”

### Basic Concept

SUBARU has established the SUBARU Customer Center (operated by the Customer Relations Department) as a point of contact for customer inquiries, requests for assistance, demands and suggestions. Since communication is exchanged mainly by means of telephone and e-mail, we ensure quick, on-target responses to inquiries and requests for assistance from our customers based on our action policy of promptness, sincerity and attentive listening.

### Communication with Customers

#### Activities of Customer Relations Department

SUBARU has established the SUBARU Customer Center (operated by the Customer Relations Department) as a point of contact for customer inquiries, requests for assistance, demands and suggestions. Since communication is exchanged mainly by means of telephone and e-mail, we ensure quick, on-target responses to inquiries and requests for assistance from our customers based on our action policy of promptness, sincerity and attentive listening.

We feed the invaluable opinions, demands and suggestions from customers back to the relevant departments/divisions to increase customer satisfaction by improving quality,

#### SUBARU Customer Center

**SUBARU Call : 0120-052215 (Domestic)  
+81-3-3347-2626 (International)**  
(Note that your call will be recorded to confirm the content)  
Please contact SUBARU Customer Center if you have any inquiries as below,

- (1) Opinions / Comments / Guidance (catalogue, dealership, changing address, etc)
- (2) Inquiries / Request for assistance

**Office Hours (Japan Time)** 9:00am – 5:00pm (weekdays)  
9:00am – 12:00am / 1:00pm – 5:00pm (Saturdays, Sundays and Public holidays)

developing products and improving sales and services.

We believe that customers' voices represent their expectations of SUBARU. Therefore, we would like to continue to serve and give satisfaction to our customers through good communication with each and every one of them.

### Responsibility of the CS Promotion Section

We are conducting activities to support and promote customer satisfaction throughout the entire SUBARU team, which includes SUBARU dealers and all the divisions and departments within the company. Using our customers opinions obtained from SUBARU questionnaires and from these SUBARU dealers, to reflect on our products, the quality, the sales, and all the after-services, etc, we also want to ensure that our customers are looked after at our dealers by the highest standards, and are carrying out inspections and supervision at each location.

### The Japan Sales Satisfaction Index (SSI) Study <sup>SM\*1</sup>

In the 2008 Japan Sales Satisfaction Index (SSI) Study by a third-party survey body J.D. Power Asia Pacific, Inc.<sup>SM</sup>, SUBARU was ranked 7th out of the 12 companies surveyed. But the score was higher than the industry average of 594 by 5 points, only one point behind those for Honda and Nissan each with 600 points that were ranked high among the

#### ◆ Trends in requests for assistance from customers

FY	Number of requests	Compared to previous year
2004	60,000	130%
2005	59,000	99.7%
2006	59,000	100%
2007	62,000	105%
2008	60,500	97.8%

## Voice

### Yutaka Nishigaya

Planning department  
Customer center



### Co-working with Dealerships staffs

As a member of the domestic service system promotion group, I have been working to strengthen the capabilities of our dealerships to deal with customers in after-sales service. It takes more than simply meeting or greeting customers. What we are working with staff people of dealerships is establishing a system to make customers feel assured, safe and pleasant in leaving maintenance service of their cars to us through such practices as easy reservations for legally required safety inspection and periodical checkups and timely completion of service work as scheduled.



domestic car manufacturers. We regard this performance as a positive result of the thorough implementation of the basic activities unified throughout the nation and each individual effort for improvement.

### Reinforcing Efforts toward CS Improvements.

We have been working together as a team since the FY2008 to improve CS with the goal to be “CS No.1” in each territory. The content of the questionnaire used in our own customer satisfaction survey was largely changed in April, 2008. The new one is designed not only to gauge if our actions were satisfactory to customers, but also to grasp their expectations for immediate remedial actions.

Also, the 6 members of the group for domestic system promotion go to the work sites of their assigned dealerships to support and guide them for CS and work improvements.

On the other hand, the 2 members now exclusively assigned to improve CS at dealerships overseas began their activities. While they modify the methods domestically proven effective in CS surveys and on-site diagnosis as well as in communication with customers to suite each market situation for introduction overseas. At the same time, successful examples overseas are taken in for domestic application. In this way, we are gearing up for strengthening the framework to enhance group profits, centered on the well-developed education and CS improvement at home and overseas.

### SUBARU Academy

The SUBARU Academy which opened in January, 2005 has training facilities including 133 rooms for accommodation, a 4-wheel chassis dynamometer<sup>\*1</sup>, test track and low-friction road<sup>\*2</sup>. Here, many training programs are carried out to help the gamut from management officers to the newly employed in the whole job spectrum from dealer sales staff to service mechanics to develop their skills systematically. It also accepts people responsible for entire management, sales and services, and instructors from both domestic and overseas dealers to offer human resources development programs from global perspectives.

In FY2008, 5,500 people including 2,800 salespersons and 1,800 mechanics took classes in total.

We will strive for enhancing the “Customers Come First” policy by practicing what were acquired through trainings.



The look of the SUBARU Academy



Practice room

### Education and trainings for all the dealership personnel

The staff people of Fuji Heavy Industries, having developed their skill as trainer, give education and trainings (off-job training) to all the dealership personnel at every level and job category. In addition, they provide a mechanism and learning materials to shore up on-job training on the front lines and to help staff members of dealerships upgrade their skills through such means as running the certification system and hosting contests competing over their skills in sales and service.

### Education and trainings for overseas dealerships

We are aggressively driving the introduction of a certification system for dealerships overseas in addition to various trainings for their chief mechanics and instructors-to-be and working out a mechanism to recognize their skills.

Moreover, we are working to expand the scope of training to managers and people working at the front desk.



Technical training for mechanical staffs of overseas partner companies.

<sup>\*1</sup> 4-wheel chassis dynamometer:

A equipment to measure the amount of house power, fuel efficiency, exhaust gas with simulating same condition as real drive.

<sup>\*2</sup> Low-friction road: Test track which simulates slippery road surfaces.

# Everything We Do is for Our Customers

## To provide the products with the highest level of quality

### Quality Policy

FHI considers customer satisfaction as the first priority, and will work constantly to improve products and services to provide world-class quality.

## Product Quality Management System

SUBARU promotes the Product quality management system based on the Quality Policy in each manufacturing divisions.

1. Establish Quality Management System (QMS) based on the Quality Policy and ISO 9001 Standard and put it into practice for orderly and effective operations.
2. Clarify the quality targets acceptable to customers at the planning stage.
3. Realize the quality targets through quality assurance activities at each stage from development to sales and service.
4. Attend to complaints and requests from the market quickly and appropriately to live up to the trust of customers.

### Response to recalls

The total number of recalls in FY2008: 4  
Our website has an open page for recall.  
We are taking measures to prevent accidents and protect drivers and passengers.



Please visit our website for the detail of our response to recalls. (in Japanese only)  
<http://www.fhi.co.jp/recall/>

## Making Safe Vehicles

### Fundamental philosophy

SUBARU is working not only to enable all the passengers to enjoy safe and comfortable rides in diversified situations, but also to

enhance the safety of the mobility society with the surrounding environments and people's safety in mind. In this regard, envisaging many modes of possible accidents, SUBARU has been involved in the development of vehicle safety technologies including "active safety technology" to prevent an accident and "passive safety technology" to minimize damages in the case of an accident. Also, we are actively taking part in such industry-government-academia projects as Intelligent Transport Systems (ITS)<sup>\*1</sup> and Advanced Safety Vehicle (ASV)<sup>\*2</sup>.

### Approaches to Active Safety

The SUBARU's unique "Symmetrical AWD" offers sure and pleasant driving to the drivers and passengers thanks to the low center of gravity of the horizontally opposed engine and the excellent weight balance due to the symmetrical and in-line arrangement of the power train. The advanced driving assist system "EyeSight"<sup>\*3</sup> was installed on the LEGACY remodeled in May, 2008. This system is a driving assist system which provides excellent pre-crash safety to reduce the extent of impact injuries suffered by persons involved including pedestrians and bicycle riders with a new type of stereo camera and newly developed 3D image processing engine. It has such functions as the "world-first"<sup>\*4</sup> pre-crash control at extremely low speeds of less than 15 km/hour in jammed traffic", "unintended AT start-up prevention control", "lane deviation warning", "sway warning" and "cruise control with any-speed follow-up function".



### Approaches to Passive Safety

SUBARU cars demonstrate excellent safety performance against crashes from any

<sup>\*1</sup> ITS: Intelligent Transport Systems using the newest information communicate technology with sending and catching information among human, road, and vehicle. It's aiming at the future which has no car accidents, no traffic jam and coexistence with environment friendly.

<sup>\*2</sup> ASV: Advanced Safety Vehicle is the new vehicle which has the driver support system with advanced technologies. ASV project has been promoted by the Ministry of Land for 5 years a term ( first term was from 1991) and now is in the middle of forth terms (from 2006 to 2010).

<sup>\*3</sup> EyeSight: The next generation ADA(Active Driving Assist) announced by SUBARU in October 2007.

<sup>\*4</sup> As of March 2008 by SUBARU research

direction due to their “new ring-shaped reinforcement frame structure”. They are also designed to secure the compatibility performance for mutual mitigation of damages in an accident involving an oncoming vehicle or pedestrian. The FORESTER and the EXIGA selected in 2008 JNCAP were highly credited for impact safety performance (driver and passengers) and pedestrian head protection performance, winning the “JNCAP EXCELLENT CAR 08/09”<sup>\*1</sup>, following the IMPREZA that won the “JNCAP GRAND PRIX 07/08” in FY2007.



Source: NASVA (National Agency for Automotive Safety and Victim's Aid)

### Approaches to ASV

SUBARU has developed a vehicle “SUBARU ASV-4” equipped with the “Vehicle-Infrastructure Cooperative Safe Driving Assist System” that is designed to prevent an accident at an intersection by means of inter-vehicle and road-vehicle communications using such infrastructural devices as sensors set on the road. We participated with this vehicle in the validation tests on public roads in the Tochigi region and the new Tokyo waterfront sub-center district, and in the public demonstration “ITS Safety 2010” held in February, 2009. We are proceeding with further verifications for practical application and assessment of their effects on accident reduction.



SUBARU ASV-4

### Approaches to TRANSCARE Vehicles

The New released car, “EXIGA”, is also added on the lineup of TRANSCARE series<sup>\*2</sup>.

SUBARU has been playing its role for development and dissemination of welfare vehicles that allow the disadvantaged and the aged to ride at ease, aspiring for “sharing the happiness to live with cars with each and every body”.

SUBARU has started producing and selling welfare vehicles for the disabled since 1982, and now it is known to people called “TRANSCARE series”.

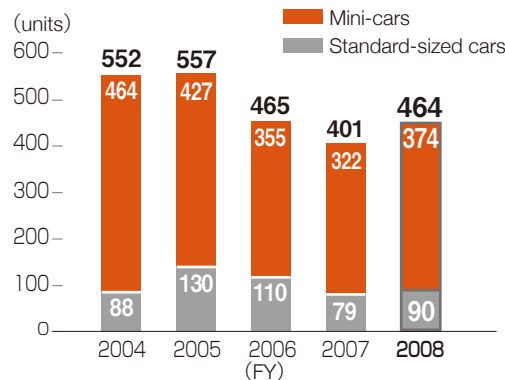
We aims to develop labor-saving devices that can be handled by care givers and care recipients.

There are a wide selection of TRANSCARE automobiles from mini-wagon car, Samber, and mini-car, STELLA to standard-sized car, FORESTER, and EXIGA released in 2008. In FY2008, the number of Trance care series sold was 374 for mini-cars and 90 for standard-sized cars.



EXIGA with Wing Seat

#### ◆Number of TRANSCARE series sold



<sup>\*1</sup> JNCAP(The Japan New Car Assessment Program): The Ministry of Land, Infrastructure, Transport and Tourism and National Agency for Automotive Safety & Victims' Aid (NASVA) jointly conduct assessment tests for vehicle safety and disclose their results to the public. The JNCAP EXCELLENT CAR is awarded to the vehicle that has received the highest rating of 6 stars for both driver and passenger seats in the overall assessment of impact safety performance together with the highest rating level of 5 in the assessment of pedestrian head protection performance.

<sup>\*2</sup> TRANSCARE: It is coined by combining “Transportation” and “Care”. The wording was registered as trademark in 1997 as generic name for SUBARU's welfare vehicles.

## Together with Suppliers

# Deepening the Cooperation with Suppliers, SUBARU will Grow Up with Them Together.

### Basic Concept

SUBARU intends to procure parts, materials and equipment that are of high quality, environment-friendly and competitively priced, which will contribute to the realization of our corporate philosophy. To have such procurement possible, we think it is important to establish solid relationships with suppliers, trusting and learning from each other on an equal footing for prosperous co-existence.

### Relationship with Suppliers

#### ■ Fundamental Procurement policy

SUBARU has been promoting procurement activities under the following basic thoughts.

##### 1) Compliance & Green Procurement

We will engage in procurement activities in a way to harmonize the man, society and environment and conduct transactions paying due care to observe legal and societal rules and to protect the environment.

##### 2) Establish Best Partnership

We will establish “win-win” relationships with suppliers through transactions based on mutual trust under the doctrine of good faith.

##### 3) Fair and Open Way of Selecting Suppliers

In selecting suppliers, the door will be wide-open to all firms, domestic and overseas, for fair and equitable business to procure goods and services most excellent from six perspectives: quality, cost, delivery, technical development, management and environment.

### Promoting Fair-Trade

We have been working to faithfully observe laws and regulations related to the procurement business such as Anti-Monopoly Act and Act against Delay in Payment of Subcontract Proceeds, Etc, to Subcontractors. We also are promoting programs for fair business transactions along” the Fair Trade Guidelines of the Automotive Industry” that was announced by Ministry of Economy, Trade and Industry in June, 2007. As a part of the promotion, consultation service is provided to suppliers in our supply chains.

### The Green Procurement Guideline

In 2000, we mapped out a green procurement guideline to be used for transactions thereafter, but in June, 2008, it was revised to meet the most recent environment-related legal requirements and social needs. On that occasion, we expanded the scope of its application. We would count on understanding and cooperation of people concerned in green procurement and our efforts to amalgamate the SUBARU identity and the global environment.



The Green Procurement Guideline



Please visit our website as for “Fair trade consultation service for suppliers” and “Green Procurement Guideline”.

<http://www.fhi.co.jp/csr/mecenas/supplier.html> [Japanese only]

# Two-way Communication with Shareholders

## Basic Concept

SUBARU is trying hard to have our shareholders deepen their understanding of Fuji Heavy Industries through positive information disclosure to them.

## Together with Shareholders

### Positive Information Disclosure to Shareholders and Investors

In our website we provide the special page “Investor Relations” for Shareholders and Investors, to introduce our latest IR information. At present, more than 560 people registered for free IR mail service which provides the updated IR-related information such as financial statement reporting. The IR site for access by mobile is also open.

Our IR site was chosen as “the Best Company by Industry” (out of about 2,000 companies surveyed) for two consecutive years in the 2008 Internet IR by Daiwa Investor Relations Co., Ltd. and was also ranked 10th (out of about 4,000 companies surveyed) by Gomez Consulting Co., Ltd. in Gomez IR Site Total Ranking.



For our latest IR information, please visit our website.

<http://www.fhi.co.jp/english/ir/index.html>



Financial Report



Our website IR page

## Staging Plant Tours for Individual Shareholders

We have been holding plant tours for shareholders once a year. The plant tour is intended to provide shareholders with opportunities to see on-site operations for their understanding of our corporate policy and daily production activities.

After the plant tour, there is some time set aside for questions and answers to hear their views. We expect that they would communicate with our officers at the meeting and their opinions will be reviewed and reflected in various improvements.

### Comments in Questionnaire by Shareholders who Joined in the Plant Tour.

- I have been a fan of the SUBARU brand for the past 46 years. It was my dream to visit the SUBARU plant. I was moved and felt it's beautiful. Thank you.
- As I expected it's clean and fine, the plant was kept tidy well.
- Even a female like me, it was understandable and valuable.
- I was surprised at their Mixture manufacturing.
- I was disappointed that we couldn't see their processes slowly except from some explanation places.
- I hope them to explain the works by points with Panel board during the Plant Line tour.



Visitor Center Tour



The explanatory meeting by our managements.

## Together with Employee

# Creating Better Working Environment for Each Employee

### Basic Concept

SUBARU are making efforts to innovate the corporate culture aiming at “a creative group with open generosity and aggressiveness”. Having an aspiration to become the energetic organization with rich originalities, we are establishing the system not only for wages but also considering each carrier plans and training system, and moreover, the system which employee can challenge more than before.

### Human Resource Development

#### Enhancing Support for “Self-Development with challenging spirit”

SUBARU is enhancing support for our ideal talents who are “Self-Development with challenging spirit”, through bringing up those who can identify an issue by themselves and find a solution to get what are sought after.

- We have introduced a problem-solution oriented curriculum in the training program for rank-and-file employees.
- We will modify the training program for managerial people to enhance their level by boosting their leadership and management awareness.
- We are supporting employees to stimulate their self-motivation to improve their abilities in our efforts to nurture a “culture oriented to human resources development”.

#### Supporting life balanced between work and home

#### Issue the “Maternal Leave and Child-care Leave Handbook”

We believe that developing fully each employee’s potential requires supporting

them to have both work and home properly balanced, and for that matter it is important to improve their working environment. Specifically, a child-care leave system which allows extension of leave until the third birthday of a child, and another system for short working hours until the child reaches its school age were introduced to improve the environment for employees with young children. As a result, in 2007, we were certified by Director of the Tokyo Labor Bureau as a private sector employer which meets the standards under the Next Generation Education and Support Promotion Act (“Act”).

Since then, we worked out voluntarily the secondary action plan for FY2007 to FY2009 under the Act, and are currently modifying various systems for easier use by employees, including incorporation of safe motherhood to support mothers to deliver and raise their babies in the Working Regulations and review of eligibility for short working hours for child rearing.

In FY2008, we worked out new measures including the coverage expansion of the work-short-hour program for child care to the employees until their children start their 4th grade of primary school (used to be until starting the 1th grade of primary school), which is printed in the “Maternal Leave and Child-care Leave Handbook” released in April, 2009.



“Maternal Leave and Child-care Leave Handbook”

## Voice

**Atsuhiko Uchida**  
Human Resource  
Department  
Recruiter



Key words are “self-independent” and “individualistic”

People we are looking for are those who are self-independent and individualistic. We believe that these two qualities are indispensable for one to find a job satisfying and worthwhile. Specifically speaking, those who can identify an issue by themselves and find a solution to get what are sought after. Of course, we do not expect them to have everything from the start. Those, willing to cultivate themselves, cheerful and forward-looking and undauntedly challenging to new things, are the ones we would like to work with.

We will keep working on to create better working environment to strike a balance between work and child/family nursing care.



Mark of Certification for the Next Generation Education and Support Promotion Act

### Supporting the Acquisition of Official Certification

#### Enhancing Support for Self-Development

In addition to the OJT (On-the-Job Training) designed to train at the work site through execution of assigned duties and the Off-JT (Off-the-Job Training) designed to train through in-house classroom lectures, we are mobilizing the corporate total capability to assist strongly each individual's self-cultivation, responding to diversified needs of employees for eventual corporate growth.

Starting in 2007 we are subsidizing expenses such as exam fees and tuition for seminars incurred while acquiring certain official certifications designated by the company as part of our cafeteria-style welfare benefits program, called "My Vision". We will continue to expand our support efforts by providing a constructive welfare benefits program that meets the needs of our employees so that all our employees can achieve their dreams.

#### ◆Items in My Vision, the cafeteria-style welfare benefits program

Category	The Company Provides:
Self-Development	Selectable in-house group training and correspondence courses, lectures on the official certifications designated by the company and assistance to acquire such certifications, various types of "schools" and so forth
Livelihood Support	Access to nursing care and parenting (nursery schools, baby sitters) facilities, children's education, etc.
Life Planning	Seminars and consulting services on life planning
Refreshing Activities	Access to gyms, lodging facilities, package tours, cultural appreciation, sport-game watching, leisure facilities, etc.
SUBARU Products	The support to purchase SUBARU products (excluding cars), and access to vehicle inspections and repairs at affiliated dealers

### Promotion of Reemploying after the 60-year-old retirement

#### Senior Partner Program

SUBARU introduced the "Senior Partner Program" in 2003 to re-hire employees after the 60-year-old retirement age for reemployment of the aged and better draw on human resources. We revised part of this program to tune with the after-retirement age employment to 65 years old, which became mandate by the Revised Law Concerning Stabilization

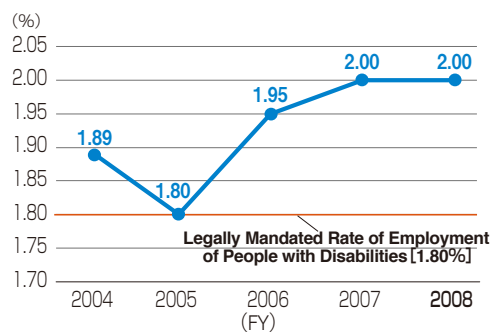
of Employment of Older Persons." In FY2006, we reviewed this program again for more active use of resources by re-employment. We will promote re-hiring senior people after the retirement at 60 to use their experience and abilities for fostering juniors through handing down their expertise in this program.

### Promoting the Employment of People with Disabilities

#### We Have Achieved the Legally Mandated 1.8% Rate of Employment of People with Disabilities and Are Continuing to Promote Their Employment

The percentage of SUBARU employees with disabilities was approximately 2.0% as of March 2009, exceeding the legally mandated rate of 1.8%. We are making an active effort to employ people with disabilities in order to create an affluent society that allows everyone to lead a satisfactory life. Approximately 152 staffs with disabilities work at SUBARU at present. In the future, we will continue our efforts to hire and employ people with disabilities.

◆Trend of the Rate for Employing People with Disabilities



### Creation of a Comfortable Working Environment

#### Realizing a more Comfortable Workplace

In order to implement the government guidelines for a comfortable workplace, SUBARU has been systematically working to improve every item addressed by the guidelines, including working environment, working methods, and environmental equipment. Also, in order to create a more comfortable workplace for employees, we have been working on improving lounges, restrooms, smoking areas and dining halls and adopting universal-access designs in our facilities.

## Industrial Safety and Health

### Basic Concept of Health and Safety

#### Basic Philosophy of Health and Safety

"Health and Safety take priority in any business"

#### Basic Policy of Health and Safety

Aiming for no disasters regarding occupational accidents, traffic accidents, diseases, and fire disasters; all employees recognize the importance of health and safety; improve the equipment, environment, and working methods; and improve management and awareness in order to create safe and comfortable workplaces.

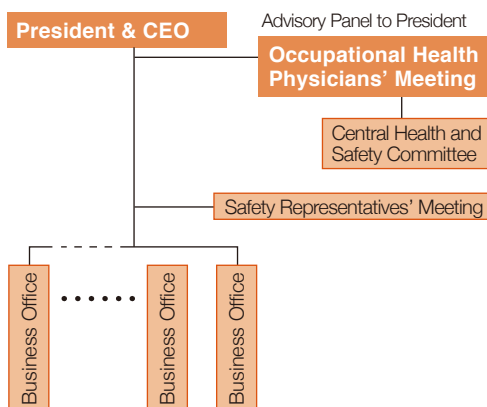
\*1 KTY: Training for predicting dangers; K: Kiken (Danger); Y: Yochi (Prediction); T: Training

\*2 Hiyari Hatto: Activity to collect cases of near-miss incidents.

\*3 TSZ: Total Section Zero (related departments and sections make combined efforts to attain zero disasters).

\*4 A system to promote the organized, stable management of health and safety, aiming at creating a workplace with zero disasters and zero danger through a clear set of processes: "planning, implementation, evaluation and improvement."

#### The Organization Promoting Health & Safety



## Aiming for no disasters

SUBARU has been conducting activities to help individuals raise their safety awareness, improve management of workplace, and eliminate risks. To raise awareness, KYT<sup>\*1</sup> and the Hiyari Hatto<sup>\*2</sup> Activity were implemented. To improve management of the workplace, a self-management activity called TSZ<sup>\*3</sup> was introduced at an early stage in each workplace. SUBARU also makes efforts to further improve occupational health and safety levels and prevent on-the-job injuries. Towards these ends, we introduced a new risk assessment system to the Manufacturing Division where the Occupational Health and Safety Management System<sup>\*4</sup> had already been implemented, and are constantly working on improving the Management System by internal auditing.

## Health Care

To show and make use of their skills and abilities to the full our business activities, it is important that employees are always in good physical and mental condition.

To help reduce the amount of employee sick leave, we have been working on the early detection and treatment of disease by adding extra items to the list of legally mandatory diagnostic items. In addition, we take measures to care for employees' mental health according to the four items advised by the government. For example, the Mental Health Counseling Consultation Services have been established at all our business sites, where employees can consult clinical psychotherapists in person.

## TOPICS

### Round of visits by President Mori and Corporate Officers

In July 24, 2008, at the Union Center, President Mori and officers as well as managers and supervisors attended the 33rd Company-wide Health and Safety Convention.

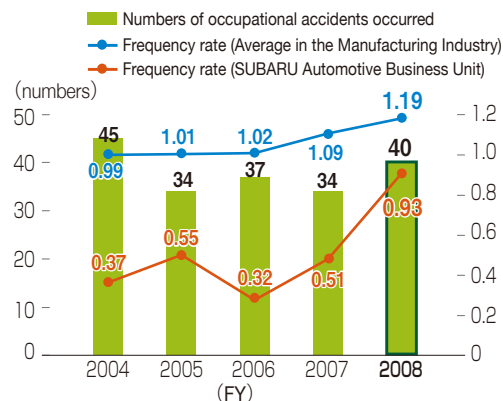
This time, before the start of the convention, the officers broke up in 9 groups and visited the plants of Gunma Manufacturing Division for rounds of safety check and encouragement.

On the same day, Professor Komatsubara of Waseda University was invited to give a lecture titled "Risk and Safety Management of Human Errors", since many of industrial accidents happening recently are attributable to human errors. The convention became the place where all the participants confirmed to each other that "Health and Safety come before any other business" as the Basic Policy of Health and Safety dictates.



Round of visiting our Plants by President Mori and Corporate Officers

#### Trends in Occupational Accident Occurrence





## Social Involvement

# With Gratitude to the Local Community

### Basic Concept

SUBARU has established a Social Contribution Policy as one of the CSR activity areas and is actively promoting social contribution activities.

#### ■ Social Contribution Policy

- We will contribute to the development of science and technology and automobile culture and to the diffusion of road safety.
- We will contribute to the fostering of human resources who understand the pleasure, importance and preciousness of creative manufacturing.
- We will contribute to the development of the communities we operate in.
- We will support each other in contributing to society as good citizens.

### Support of Volunteer Activities

#### Award System to Enhance Employees' Awareness

We have been awarding since FY2006 employees who are involved in volunteer activities using their private time. 5 staffs was awarded for their distinguished services in social welfare, sports, culture, and upbringing young people as the 4th Volunteer Award ceremony in June 5th, 2009.



5 receivers of the 4th Volunteer Award and Takagi, Chairman of the CSR and Environmental Committee (at that time)  
From left :Osamu Nagahori, Ryoichi Fukuda, Takagi ,Chairman of the CSR and Environmental Committee (at that time),Hirotsada Itabashi, Shinya Sakurai, Takio Ogino

### Activities to Spread Traffic Safety

#### Education and Training to Prevent Traffic Accident

SUBARU is making various efforts to prevent traffic accidents that might occur in the course of business activities, commuting, or private time.

Each manufacturing division holds safety driving classes with the cooperation of each local police station. Gunma Manufacturing Division and Tokyo Office offer rudimentary classes for safety driving of motor cycles and driving skill trainings every year.



A safety driving class

### Aid for Victims of Disasters

#### Monetary Donation to several areas

##### ■ Aid for victims of the Shisen area earthquake in China(2008)

Donation of a million Chines yuan (about 15million yen)

##### ■ Aid for victims of the inland area Earthquake in Iwate and Miyagi prefectures(2008)

Monetary donation 2millions yen

### Cosponsorship, Support, and Presentation to Local Events.

#### Presentation of Motoruc

Utsunomiya Manufacturing Division (Eco Technologies Company) donated our Premises Delivery Vehicle, Motoruc to Ashio History Museum operated by NPO corporation. This was our response to a request from the museum to preserve and display the motoruc which was once played an active part many years ago in Ashio Copper Mine. The vehicle was restored to the specifications of that time before its donation. The presentation ceremony was staged at the museum on September 7, 2008, where the donation plate was handed by Sales General Manager, Mr. Tsuneshi Kimura to the curator, Mr. Kazuo Nagai.



Premises Delivery Vehicle, Motoruc



Left: The Manager, Kimura  
Right: The Curator, Mr. Kazuo Nagai.

## Social Involvement



Eco class delivery service

### Eco Class Delivery Service

We have supported the education for Global warming prevention through some experiments using CO<sub>2</sub>. In FY2008 we offered Eco class delivery services to a total 3,535 students in 45 primary schools in the communities.



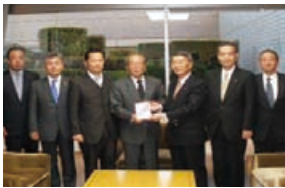
Kids baseball class

### Kids Baseball Class

Kids Baseball Classes for local junior teams are held every year.

In FY2008, all members who belong to Fuji Heavy Industries' baseball team have taught how to play better to overall 800 children.

### “Charity Fund-raising for Traffic Orphans”



Okazaki President of SUBARU Logistics Co., Ltd. ( the third person from right side) handed the fund to Mayor Shimizu( the Center person)

On December 15, 2008 the fund raised was handed to Mayor Shimizu of Ota City, Gunma Prefecture at the municipal office. SUBARU Logistics Co., Ltd. played a central role in annual fund raisings and the amount donated in 2008 was 537,926 yen.

### Make-A-Wish Foundation

SIA invited Camden Smith to the SUBARU Challenge road racing event through the

Make-A-Wish Foundation. He is an 18-year-old SUBARU owner who was diagnosed with melanoma and wished to visit SIA. SIA Associates, including President Masahiro Kasai, gave Camden a heart-felt welcome and hopefully many fond memories.



Right : Camden participated in the SUBARU racing event through Make-A-Wish Foundation



Camden drove a Legacy GT Spec-B on the road course.

### Educational Support for Elementary School Students

SOA encourages to support Environmental education for children through Environmental-science and Literacy educations for elementary schools in Atlanta.

### The Open Event in Manufacturing Divisions and Offices.

### SUBARU Visitor Center

SUBARU Visitor Center is set on the core of Local communication, which mainly held Factory tours. Over 100,000 people of Customers, Local primary school students and others visited there every year .



Guide book for the plant tour

## Voice

### Kazuki Sorimachi

Produce Environmental Safety Department Environment section



### The Eco Class Delivery Services

The Eco class delivery services promoted with focus on having the current status of the environmental problems correctly understood by children who bear the future and giving the clues to make themselves aware of environment issues around them for some actions through our environment protection activities.

Being involved in running this service I was surprised at the abundant knowledge and positive inquisitive mind of the primary school children.

We will brush up our skills to grasp the changing situations correctly from the customers-first viewpoint, so that we can offer classes more easy to understand for children catering to the needs of schools.

## Participate in the Summer Festival

In order to contribute to creating a prosperous society in coexistence with local communities, each Manufacturing Divisions have been participating in various local events. Especially, at the Ota Summer Festival and Oizumi Festival, 1,100 employees participated in carrying the SUBARU Mikoshi and had good communication with local residents.



Ota Summer Festival

## Plant Tours for Local Children and Partner Companies

SIA has conducted plant tours for schools and partner companies to support local education development. In FY2008 SIA donated some body panels to Lewis Cass high school for the teaching materials of their vehicle class.

Further more, SIA held the SUBARU STARS (Students / Teachers / Achieving / Recycling / Success) program to encourage local high school students to learn 3R (Reduce / Reuse / Recycle). This program has been started since 2005, and total 4,630 students have studied 3R.



Local children at the plant tour



Body panel donated by SIA for the vehicle class



High school students participated in SUBARU STARS program

## Clean-up Local area

### Clean-up Kanayama by the SUBARU Community Exchange Association

Gunma Manufacturing Division carries out grass cutting and cleaning in the red pine

forest of Mt. Kanayama together with people from member companies and local communities. In FY2008, we top-dressed to the azalea trees planted in the past, beverages, towels and flower saplings were distributed to about 600 people who took part in these campaigns.



Clean-up Kanayama by the SUBARU Community Exchange Association

### “Fresh-clean Kitamoto, Leave It to Us” program

We participated in the Kitamoto Cleanup Program, called “Fresh-clean Kitamoto, Leave It to Us” program organized by Kitamoto City, and are conducting cleanup activities in the neighborhoods around our plants. In FY2008, overall 1,048 employees took part in the activities on 10th times a year.



“Fresh-clean Kitamoto, Leave It to Us” program

### Cleanup in SCI

SCI has participated in the annual Earth Day event in collaboration with the City of Missis-sauga. Every year on Earth Day the mayor encourages all businesses in the city to pick up litter around their business property. SCI acquired the certificate award for participation in Earth Day from the mayor, continued since a previous year.



Cleanup in SCI



## Environmental Report

SUBARU believes that responding to the problems of the global environment is one of the important tasks of management. Based on its corporate philosophy, SUBARU has established an Environmental Policy, a policy for carrying out environmental conservation. SUBARU has also established guidelines for specific actions—the Operating Criteria for Environmental Conservation in order to promote the Policy. Involving all of the employees, SUBARU is moving its activities forward.

### Environmental Policy (Established in April 1998)

SUBARU recognizes the integral relationship between the environment and its business activities and strives to provide products that are friendly to the earth, society, and people. SUBARU is protecting the environment to ensure our future.

### Operating Criteria for Environmental Conservation

- (1) SUBARU is committed to environmental conservation and gives consideration to environmental impacts at every step of product development, design, manufacture, sales, service, and disposal.
- (2) SUBARU observes relevant laws, regulations and agreements with communities and industries, while also promoting voluntary activities in accordance with its own environmental objectives and targets as determined by the Company.
- (3) SUBARU recognizes the importance of continual improvement and efforts to prevent pollution and encourages every employee to act with self-awareness and responsibility.
- (4) SUBARU endeavors to raise environmental consciousness by providing educational opportunities for its employees according to their job status and job description.
- (5) SUBARU regularly performs audits and inspections to improve its environmental conservation activities.
- (6) SUBARU is committed to interacting within the community and engaging in joint activities to further environmental conservation.

### Corporate Activities and Environmental Impacts

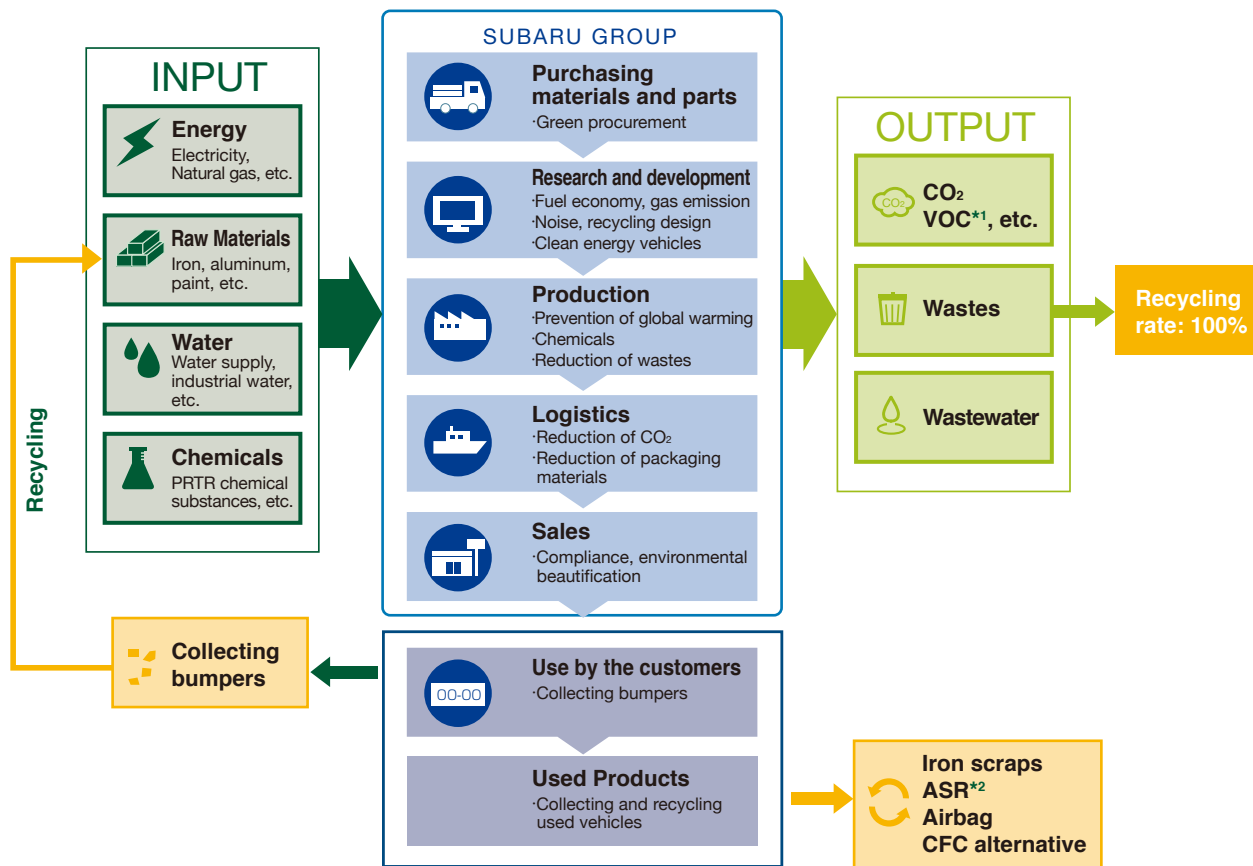
#### Aiming for Fusion of the benefits of automobiles and the Global Environmental response.

SUBARU is a transportation manufacturer focusing on automobiles. Automobiles, which are a convenient and comfortable form of transportation, are now indispensable for living in a modern society. On the other hand, however, automobiles require limited global resources as materials and fuels. Consequently, they emit CO<sub>2</sub>, which causes global

warming, as well as other air pollutants. We believe that automobiles reflect an affluent society but fully understand that automobiles have such disadvantages, as well as advantages. With these in mind, we must work hard for a better future. SUBARU accepts the task to aim for fusion of the global environmental response (drastically improving fuel economy and reducing gas emission) and the benefits of automobiles (pleasant driving, comfort and reliance) by considering the environmental impacts and reducing the environmental burden through the lifecycle of development, production, use, disposal, and recycling of automobiles.

# Environmental Management

◆SUBARU's Overall Environmental Burden Concerning Automotive Business



## Organization

We have a committee to achieve the objectives of the Environmental Conservation Program to embody the Operating Criteria for Environmental Conservation under the Environmental Policy. This committee chaired by an officer in charge of environment-related matters is a body run by representatives from all the business units. They met in May 29 and December 10 in 2008. In this committee we will proactively tackle issues to reasonably manage CSR and environmental conservation.

## Establishing an Environmental Management System

SUBARU already acquired ISO14001 certification for all of its businesses, including the head office, by FY2004.

We will proceed with activities for a more effective and reasonable management system. Meanwhile, the domestic SUBARU dealerships are gearing up for acquiring the “Eco-Action 21”<sup>\*3</sup> authentication<sup>\*4</sup>.

<sup>\*1</sup> VOC : Volatile Organic Compounds which are volatile at normal temperature, including formaldehyde and toluene. They are recently viewed as a factor in sick house syndrome making people sick with irritation in eyes, nose and throat in newly built houses or buildings.

<sup>\*2</sup> ASR : Automobile Shredder Residue  
Residue after scrapped metals for recycling removed from shredded car body. It is also called Shredder Dust.

<sup>\*3</sup> ECO Action 21 : The system to authenticate that the undertakings of a certain organization meet the Guidelines set by the Ministry of the Environment and register its authentication.

<sup>\*4</sup> For more details on our ISO 14001 certification and ECO Action 21 registration status, please see P62 in this report.

## Environmental Accounting

Working on efficient management by understanding environmental costs and effects in FY2000 we introduced environmental accounting. Our environmental costs in FY2008 were 15.7 billion yen, a decrease of 6.5 million yen compared to the previous fiscal year. This was due to a decrease in R&D spending.

On the other hand, economic benefits from our environmental activities totaled 1.8 billion yen.

While there was a saving from energy reduction, the reduction in revenues from selling valuable resources offset the saving, resulting in a reduction in total by 150 million yen from last year.

\* For more details of cost data, please see P.48 in this report.

## Evaluation System of Environmental Performance

We have been working to improve the environmental performance by introducing an Environmental Performance Evaluation System in FY2002.

The system was reviewed for evaluation items and method to make it more reasonable and effective.

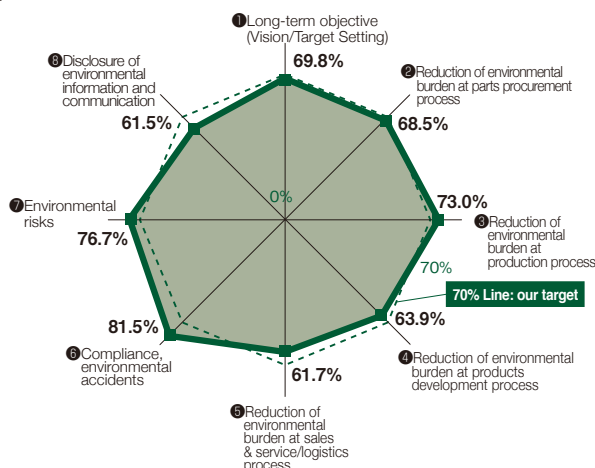
The evaluation result for FY2008 was 71.9% in total, 1.9% short against the targeted 70%.

The evaluation for each item was shown in the following chart.

The reduction of CO<sub>2</sub> emission, energy consumption, industrial wastes discharge, etc. due to the operations shortened in the last half of last year much more than expected is behind the improvement in assessment. In this respect, our efforts must be continuously focused on an unit-based improvement.

“Reinforcement of EMS activities as SUBARU group” and “Reduction of environmental burden at products development process at higher level” were pointed as issues which need be addressed.

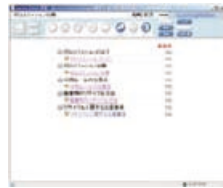
### ◆FY2008 Environmental Performance Evaluation



## Environmental Education and Enlightenment

In FY2004, we prepared company-wide unified textbooks for environmental education. We have continued educating different levels of employees, ranging from new recruits to those receiving promotions every year.

In addition, we are trying to carry out activities according to the plan, including emergency drilling based on the Environmental Management System (EMS) of each business area and company, general education on environment conservation for all the employees, Operations Improvement Case Study Presentation and educational support to business partners.



Tokyo Office's general education using E-learning



Gunma Manufacturing Division's Environmental class

## Environmental Communication

SUBARU has arranged contact channels to maintain communication with local residents in each business area, and distributed environmental information in a variety of ways. In the SUBARU Visitor Center in the Gunma Manufacturing Division (please refer to “Social Involvement” on P.40-42), we have a recycling lab to introduce our approaches to tackle environmental issues. Also, in Utsunomiya Manufacturing Division, we have an exhibition room introducing our activities to recycle wastes.



Our Environmental Communication Tools

## The Status of Observing Environment-Related Laws

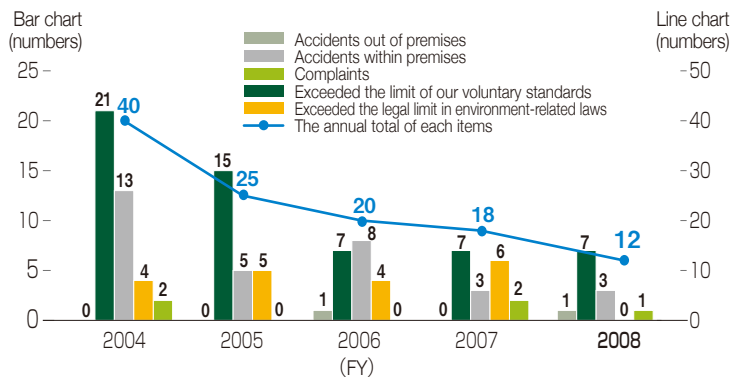
### Cases Where Limits Set in Environment-Related Laws Were Exceeded, Environmental Accidents, and Complaints

The right graph shows the trends of numbers of cases exceeded the legal limit in environment-related laws, and environmental accidents and complaints for the past 5 years. The total numbers (on the graph) have been decreasing gradually every year.

The following tables show the number, in FY2008, of cases where the legal limits set in environment-related laws were exceeded (including cases where the limits from voluntary standards or limits agreed with the local area were exceeded) as well as the number of environmental accidents and environment-related complaints, plus all related detail.

In FY2008, we received none of Environmental advices and complaints by administration.

◆ Trends of numbers of cases exceeded the legal limit in environment-related laws, and environmental accidents and complaints



#### ◆ FY2008 The Number of Environment-Related Complaints We Received and Details

Name of manufacturing division:	Number of cases:	Details:	Main corrective measures:
Gunma Manufacturing Division	2 (odor)	2 Complaints on paint odor received from residents on north side of Yajima Plant.	After taking measures such as increasing the amount of deodorant application in the paint process and setting filters to capture mist, we explained what actions were taken to those concerned including the local administration and the heads of the affected local communities, which was accepted by them.
Tokyo Office (Utsunomiya Manufacturing Division)	1 (noise)	Complaint on noise in mid-night received from resident on south side of Office.	As for the noise, an investigation revealed that it came from the fan bearings of the cooling tower installed on the roof of a laboratory building. The fan was stopped immediately and repaired. After obtaining the understanding of the people concerned by explaining the situation, the fan was put back in operation.

#### ◆ FY2008 The Number of Environmental Accidents and Details

Name of manufacturing division:	Number of cases:	Details:	Main corrective measures:
Gunma Manufacturing Division	1 spill out of the premises.	discharge of about 20 liters of lubrication oil overflowed on the east side of water way at Ota North plant.	Upon detection, the leaked oil was immediately collected and the compressor was improved. Accidents are all reported to the authorities in details.
	2 spills within the premises.	①Milky liquid (pH8.3) leaked from a ditch of cleaning Machine at Oizumi plant. ②Because of the trouble of pump in the main restaurant, the pollution water flowed out into the water way within premises.	The cleaning machine was inspected and repaired, while the work procedure was reviewed for improvement. All milky liquid which leaked into the ditch was absorbed and disposed properly. The pump was replaced, while the operating rules of the equipment was reconfirmed and revised by adding daily inspections as necessary. A warning device was also installed.
Aerospace Company And Eco Technology Company (Utsunomiya Manufacturing Division)	2 spills within the premises.	①Shorter than 10liters Light oil leaked from delivery track within the premises.	Upon detection, the light oil on the road surface was wiped out and sucked for collection, preventing it from leaking into a water channel. At the same time, we have strengthened supervision of the supplier.
		②About 690 liters of hydraulic oil leaked out from the pipe of the suction pump of an underground tank for hydraulic oil. (The oil leak was limited to within the in-house water catchment tank without flowing outside.	The liquid in the water catchment tank was sucked up with vacuum for cleaning and the suction pump piping and oil sensor were repaired. In addition, the sensor warning will be interlinked to the security office in FY2009.
Tokyo Office	3 spills within the premises.	①During delivering the waste oil by a cart, under 10liters waste oil overflowed because of rough road.	Wastes oil was eliminated with oil absorption mats and the handling procedure of fats and oils was reviewed for strict observance.
		②About 0.5liters Oil leaked from a censer of oil pressure of a running test vehicle.	Wastes oil was eliminated with oil absorption mats and the handling procedure of fats and oils was reviewed for strict observance.
		③Discharge of about 10liters of coolant overflowed from a testing vehicle.	The section members were instructed to strictly conduct checkups before test running and to stop any test whenever they find any abnormality.

#### ◆ FY2008 The Number of Cases Where Limits Set in Environment-Related Laws were Exceeded and Details

Name of manufacturing division:	Number of cases:	Details:	Main corrective measures:
Aerospace Company (Utsunomiya Manufacturing Division)	1 (water pollution)	Swage water discharged from Handa West Plant to river once exceeded the legal limit. [35,000/ml of colon bacillus comparing to the legal limit level 3,000/ml]	Investigations for the cause could not identify the source of this abnormally high value. Nonetheless, the main wastes water was discharged after it was confirmed that the measured level of wastes water processed with bacteria reduction agent was within the standard. We have been watching the bacteria level since August, 2008 when the abnormality was detected. So far, nothing unusual has been observed with all measurements within the voluntary standard.

SUBARU established voluntary standards, which are 20% stricter than environment-related laws and ordinances applied to each plant, and is working to achieve zero cases where these standards are exceeded.

Regrettably, in FY2008 a case exceeded the legal limit was showed as above table.

However, we could much decrease the number of cases 7 in FY2008 comparing to 8 (including 2 cases of exceeded legal limit) in FY2007.

# Environmental Management

\*1 PRTR: Pollutant Release and Transfer Register

It is the system to grasp, sum up and show the data how much pollutant diversified chemicals was discharged or included and moved.

\*2 SUBARU's definition of zero emissions:

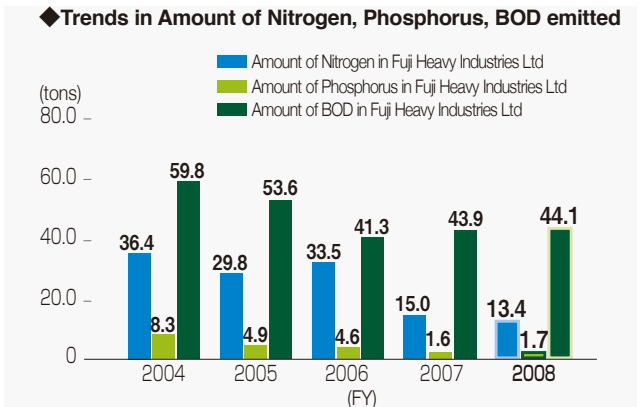
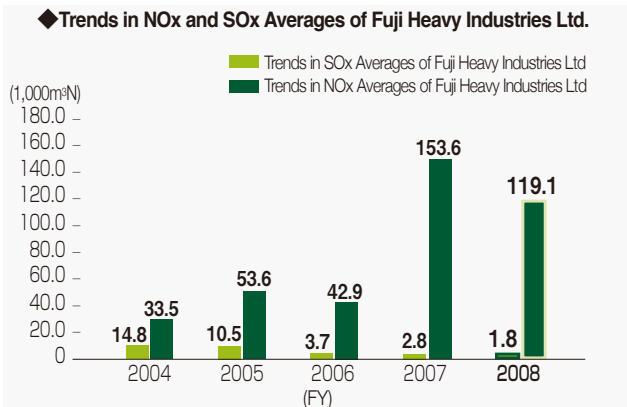
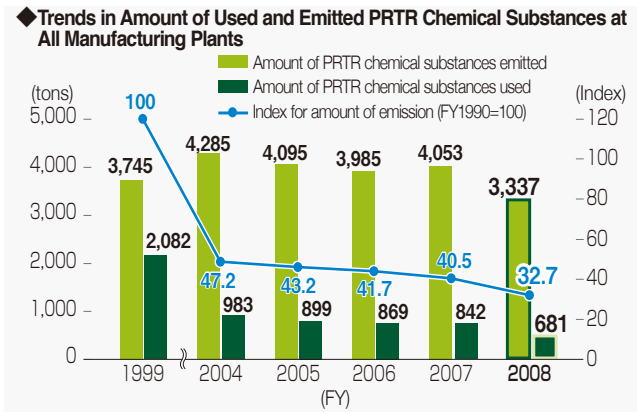
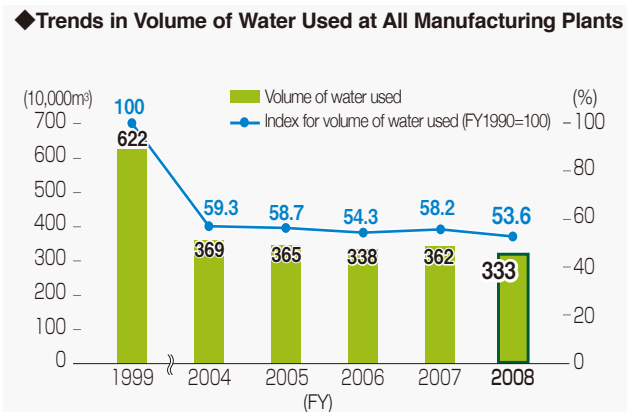
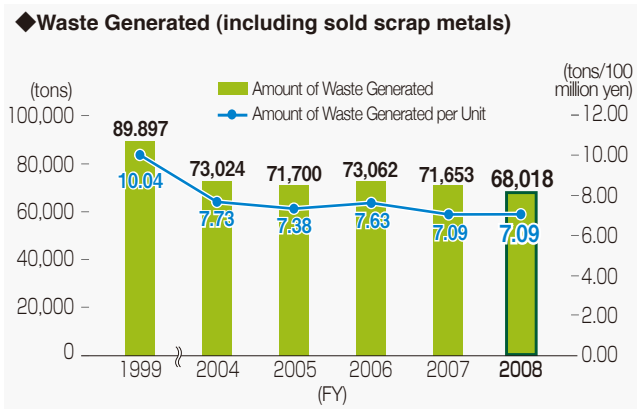
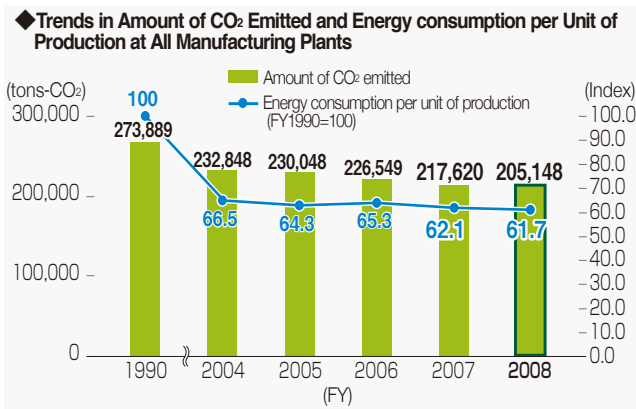
The total amount of landfilled waste (waste materials directly landfilled + waste materials landfilled after treated intermediately) is less than 0.5% of the total amount of waste materials excluding scrap metal (industrial waste + industrial waste subject to special control + general waste from business operations).

## Environmental Performance

### Reduce the Amount of CO<sub>2</sub> Emitted, Water Consumptions, and Emitted PRTR\*<sup>1</sup> Chemical Substances.

The main aspects of our environmental performance in FY2008 are as shown in the following graphs. CO<sub>2</sub> emissions and emission of PRTR

chemical substances and the use of water were reduced. We have achieved zero emissions\*<sup>2</sup> since FY2004 in terms of landfill waste.





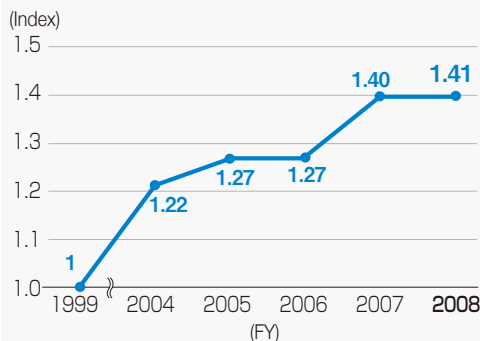
### ◆ Environmental Accounting FHI Results in FY2008

( ) shows the results in FY2007 (million yen)

Definition and Categorization	Environmental Cost	Investment cost for environment-related facilities	Economic Effect
FHI (non-consolidated)	15,711 (16,359)	1,426 (2,800)	1,842 (1,992)
Domestic Affiliated 5 Companies*1	135 (144)	14 (95)	220 (226)
Overseas Affiliated 5 Companies [Experiment total] *2	703	6	1,309

\* Experimented term : from April, 2008 to March, 2009 (from January to December, 2008 for Overseas Affiliated Companies)

### ◆ Environmental Economic Index \*3 Sales/CO<sub>2</sub> emitted



## The 4th Voluntary Plan for the Environment

### Performance of FY2008 and Plan for FY2009

Since 2006 SUBARU has started the Environmental Conservation Program, called the 4th Voluntary Plan for the Environment, covering the period from FY2007 to FY2011.

In this plan, in addition to setting higher environmental conservation goals, we set targets to make contributions to society through our products by offering our customers greener products through a

system of environmentally clean plants, logistics networks and dealers and by carrying out appropriate environmental activities including compliance with laws, regulations and agreements and cooperation with the automotive industry.

Sharing the Plan as the guideline of not only Fuji Heavy Industries, but also the other group companies, we will positively cope with environmental issues continuously for their solution.

We are introducing the Performance of FY2008 and Plan for FY2009 with the items of activities on P.49-50 of this report.

\*1 Domestic 5 Companies : Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd.,

\*2 The results of Experiment total in 5 North American Affiliated companies; SIA, SOA, SRD, SCI, RMI

\*3 The eco-efficiency of business activities is defined as the ratio of sale divided by environment load. Using the environment load of the production stage for the denominator, the efficiency is calculated and compared with that for the baseline fiscal year of 1999 to figure out the index.

### Outline of the Fourth Voluntary Plan for the Environment

#### We are making every effort to prevent global warming

- We will continue working to improve fuel economy with every full vehicle model change and annual model change.
- We will reduce CO<sub>2</sub> emissions at manufacturing plants by 15% compared to FY1990 levels by FY2010.
- Regarding logistics, we will reduce energy consumption per sales by 5% compared to FY2006 levels by the end of FY2011.
- We will promote the development and marketing of products that use clean energy, such as electric vehicles and wind turbine systems.

#### We will address various environmental issues by making continuous improvements throughout all stages

- We will make further progress in reducing emissions produced by our automobile lineup and promote popularization of low emissions vehicles.
- We aim to achieve a 95% recycling ratio in 2015 by taking recyclability into account in new model designs.
- We will reduce emissions of volatile organic compounds (VOCs) per painted surface area of bodies (g/m<sup>2</sup>) in vehicle production lines by 30% compared to FY2000 levels by the end of FY2010.
- We will reduce the amount of landfilled waste by controlling sources of waste and continuing zero emissions at all manufacturing plants.
- We will promote green procurement, which requires suppliers in and out of Japan to establish Environmental Management Systems and reduce substances with environmental impact.
- We will support the environmental activities of dealers.
- We will conduct social action programs and disclose environment-related information.

# The 4th Voluntary Plan for the Environment

## Promoting the Environmental Conservation Program

### ◆The 4th Voluntary Plan for the Environment

#### 1.Green Products

Ev.: Evaluation, O: Achieved, X: Not Achieved

Items	Goals and Actions	FY2008 Results	Ev.	FY2009 Plans
Improving fuel economy [Automobiles]	Continue to improve fuel economy (FE) for every full model change and annual model change.	◆All grade of EXIGA models achieved the FY2010 FE Standards.	O	FE to be improved continuously on any fully or annually changed models.
	Increase models that achieve FY2010 FE Standards.	◆Cars meeting the FY2010 Standards upped to 92% of their total production. ◆The FY2010 Standards achieved in all weight categories. *1	O	The scope of vehicles which meet the FY2010 Standards by over 15% improved to be expanded.
	Promote improvement of FE toward for FY2015 FE standard.	◆Going on improving toward the FY2015 FE Standards.	O	FE to be improved continuously to meet the FY2015 FE Standards.
Cleaner exhaust emission [Automobiles]	Improve on technology which has already achieved a 75% reduction on the 2005 Standard for exhaust emissions in order to further reduce exhaust emissions and promote the use of low exhaust emission vehicles.	◆Cars with emissions down 75% from the 2005 Standards (☆☆☆☆) upped to 70% of the total production. ◆Cars with emissions down 50% from FY2006 Standards (☆☆☆☆) upped to 94% ** beyond 90%.	O	Cars with emission down 75% from the 2005 Standards to be further upped.
Developing products using clean energy	Hybrid vehicles: Develop a new hybrid system etc. in collaboration with new alliance partner. [SUBARU Automotive Business]	◆A new hybrid system in collaboration with new alliance partner under development.	—	Development of a new hybrid system to be continued.
	Electric vehicles: Develop vehicles for launch on the market in addition to business use. [SUBARU Automotive Business]	◆The Plug-in STELLA CONCEPT was completed and put in service at the Lake Toya Summit in Hokkaido and verification tests of the model are still going on in collection and delivery of mail articles by JAPAN POST SERVICE Co. Ltd. of JAPAN POSTAL GROUP.	O	Development to be promoted for its marketing in FY2009.
	Continue development of wind turbine systems and market expansion. [Eco Technologies Company]	◆Mass production line for 2,000kW large wind turbine system (SUBARU80/2.0) started and set for entering a market next year .	O	Sell the large wind turbine system to be promoted, while improving further the performance.
	Expand market for applied products which use LPG/CNG engines. [Industrial Products Company]	◆We have embarked on the work to develop LPG/GNG engines for general-purpose application, which will add to production.	O	Production of CNC engines to be expanded.
Improving recyclability [Automobiles]	Improve design to increase recyclability in new models to achieve a recycling rate of 95% in 2015.	◆Recycling rate of shredder residue (ASR) met the 2015 Standards with 77.7%. ◆Recycling rate of air bags met the legal standards with 94.4%. ◆Added to open the "All recycling" information ,for removing the parts including coppers (MPREZA, FORESTER). We have organized information on recycle parts of mainstream model year vehicles to be scrapped. ◆Recycle-efficient olefin resin used for most of resin materials for new cars. Its wide use to continue after 2009.	O	Recycling rate to be further upped.  Recycle-oriented new car design to be further enhanced.
Reducing substances with environmental impact [Automobiles]	Enhance management of substances with environmental impact and further reduce the use of such substances.	◆The adhesive for elastomer in the power trains was changed to be the one lead-free. ◆Lead-free solder is used now in some navigation units, remote controls, relays and others and its application will be expanded step by step. ◆The use of mercury-free navigation liquid crystal panels was expanded.	O	Replacement of lead compounds with the non-lead will be promoted step by step.
Reducing exterior noise	Continue to promote development of technology to reduce noise that is compatible with both fuel economy improvement and exhaust emissions reduction.	◆Further reduction in size and weight was realized on the noise reduction device.	O	Technical development for noise reduction will be promoted with the driving mode on city streets in mind.
Curbing global warming regarding air conditioning refrigerants	Promote futher reduction in the amount of refrigerant (HFC134a) per vehicles.	◆An energy-saving device was installed on the new models to reduce the use of refrigerant.	O	The use of refrigerants will be further reduced.
	Advance the development of air conditioner with low GWP refrigerant.	◆The development of low warming potential refrigerant air conditioners is in progress.	O	The development of air conditioners using low warming potential refrigerants will further pushed for.
Research on traffic environments [Automobiles]	Work further on Intelligent Transport Systems (ITS) that realize a safe and comfortable motorized society.	◆We took part in the open demonstration "ITS-Safety 2010" promoted by ITS Promotion Association*2. ◆We took part in the Advance Safety Vehicles Project by the Ministry of Land, Infrastructure and Transport and conducted verification tests on public roads.	O	Involvement in the Intelligent Transport System (ITS) will be further promoted.
Developing environment-related products and businesses	Advance environment-related businesses such as development of refuse collection vehicles and environmental equipment and devices. [Eco Technologies Company]	◆Working on "environment-conscious design", the loading control of the 4-tons class press vehicle was reviewed, which resulted in increasing the cardboard loading by 8 percent. ◆A model was developed with the noise level reduced by about 2dB over its previous model by reviewing the oil pump and the hydraulic pressure pulsation.	O	"Eco conscious design" to be continued -Improvement of loading efficiency and Energy Conversion of engine to be continuously pursued -Noise level reduction to be continued and commercialized
	Advance robot-related businesses for conservation of power, labor and energy. [Robot Dept. Strategy Development Div.]	◆A new articulated transfer robot system was introduced by developing running motion technology using a CCD camera jointly with Tsumura & Co.. ◆A new elevator-linked cleaning robot system developed jointly with Sumitomo Corporation was introduced.	O	Keeping on spreading the service robots business further.

\*1 This is one of the goals of the 3rd Voluntary Plan for the Environment (FY2002 through FY2006) and has been achieved in FY2007.

\*2 ITS Promotion Association which is organized by some Ministries who promote safety drive with ITS and delegations of Industrial market.



## 2. Clean Plants

Items	Goals and Actions	Results in FY2008	Ev.	Plans in FY2009
Curbing global warming	Aim to reduce CO <sub>2</sub> emissions by 15% from manufacturing plants compared to FY1990 level by FY2010.	◆CO <sub>2</sub> emissions reduced by 25% against FY1990.	○	CO <sub>2</sub> emissions to be reduced by 13% against FY1990. Add-on challenge : We will proceed with carbon dioxide reduction by 22 percent against FY1990 by FY 2010.
Control and reduction of substances with environmental impact at manufacturing plants	Continue reducing emissions of PRTR chemical substances to the environment.	◆Reduced emissions by 67.3% against FY1999.	○	Further efforts for reduction will be made, while meeting the revision of the Pollutant Release and Transfer Registers (PRTR) Law (to be effective in October, 2009).
	Reduce volatile organic compound (VOC) emissions (g/m <sup>3</sup> ) in vehicle production lines by 30% compared to the FY2000 level by the end of FY2010.	◆Emissions reduced by 38.4% in g/m <sup>3</sup> against FY2000.	○	The reduction level of 30% or higher in g/m <sup>3</sup> against FY2000 to be maintained.
	Reduce environmental risks through Environmental Risk Assessment and totally eliminate the occurrence of incidents, claims and cases where voluntary standards are exceeded.	◆In FY 2008, the following complaints and problems were reported: 3 environment-related complaints, 1 case exceeding a legal standard, 1 incident of leaking outside the premise and 7 incidents of leaking within the premise. There was no case exceeding the voluntarily set standards.	×	Activities to eliminate any accidents, complaints and cases of exceeding voluntary standards will be promoted.
Reducing wastes generated at manufacturing plants	Reduce the amount of waste materials by controlling sources of waste including increasing yield ratio, reducing removal stock, increasing coating efficiency and improving packaging.	◆Wastes in FY2008 totaled 68,019 tons, a reduction by 25% against FY1999 and 5% against FY2007.	○	Because of the production increase, the emissions in g/m <sup>2</sup> is expected to increase by 8 percent against FY 2008. Additional measures will be taken to control the emissions.
	Continue zero emissions (zero level of landfilled waste both directly and indirectly).	◆Zero emissions for both directly or indirectly landfilled kept (including incineration sludge after thermal recycling).	○	Zero emission to be continued.
Saving water resources	Aim to reduce amount of water used at manufacturing plants by 45% compared to the FY1999 level by FY2011.	◆Reduce water used by 46.4% compared to FY1999. [Target of FY2007: Cut by 41.6% compared to FY1999]	○	Water used to be reduced by 46.3% compared to FY1999.
Green purchasing activities	Request domestic and overseas suppliers to reduce substances with environmental impact and to establish an Environmental Management System (EMS). The following are the targets for establishing EMS. · Automotive Business Unit and Industrial Products Company: Maintain the completed system. · Eco Technologies Company and Aerospace Company: Aiming to completed establishment of the system.	◆100% of our suppliers (536) now have EMS. ·All the suppliers in Automotive (357 inc. 19 overseas) and Industrial Products (104) maintained their EMS status. ·All the suppliers in Eco Technologies (40) set EMS. ·All the suppliers in Aerospace(60) set EMS.	○	Keep 100% EMS status even if we have new suppliers.
	To reduce substances with environmental impact, adhere to the schedule of laws, regulations and agreements such as the EU directive.	◆Changeover of the parts as regulated by EU directives was completed. ◆The preliminary REACH registration was completed.	○	Preparations will be made to meet Revision of ANNEX II of EU Directive, while taking actions to meet the REACH requirements.
	Set CSR procurement guideline, and spread to the suppliers.	◆A global green procurement guideline was released and posted on our website.	○	Preparations will be made to set a new CSR procurement guideline.

## 3. Green Logistics

Items	Goals and Actions	Results in FY2008	Ev.	Plans in FY2009
Reducing the environmental burden caused by logistics	Be certain of meeting the Revised Energy Saving Law. · Try to reduce energy used per sales by 5% compared to FY2006 by the end of FY2011.	◆The energy used per sales was reduce by 19 percent against FY2006 and by 6.6 percent against FY2007.	○	Energy used per sales to be further reduced by 1% against FY2008.
	Offer support and cooperation to environmental activity groups.	◆The total amount of packing and packaging materials was reduced by about 150 tons against FY2006 and by about 350 tons against FY2007.	○	Further reduction will be pursued by such measures as applying returnable packaging materials to more items.

## 4. Green Dealers

Items	Goals and Actions	Results in FY2008	Ev.	Plans in FY2009
Promoting environmental conservation activities at dealers	Support environmental conservation activities by dealers.	◆Supported to receive the certification of ECO Action 21. *3 (in FY2008, all outlets of Tokyo SUBARU(59) and all outlets of Saitama SUBARU(34) received it. ◆Completed to develop the PRTR low, the revised energy conservation low and the other information, and follow them individually .	○	Keep on promoting the support of ECO Action 21 certification.
	Continue to collect used bumpers.	◆41,000 used bumpers were collected.	○	Collecting used bumpers to be continues.
	Continue to collect changed warning flares.	◆108,000 changed warning flares were collected.	○	Collecting changed warning flares to be continued.
	Continue to comply with the ELVs Recycling Law.	◆FY2008 recycling achievements based on the ELVs Recycling Law ·Shredder dust recycling rate reached 77.7%, exceeding the legally required 70%. ·CFC's collected from 154,429 vehicles (46,970kg) and processed properly. ·Airbags from 60,287vehicles (12,359kg) delivered to recycling facilities, and 11,667kg recycled with a recycling rate of 94.4%, exceeding the legally required 85%.	○	Compliance with the ELVs Recycling Law to be continued for higher recycling rate.

## 5. Improving Environmental Management

Items	Goals and Actions	Results in FY2008	Ev.	Plans in FY2009
Implementing actions contributing to society	Continue to join environmental events, communicate with local residents at plants, and welcome visitors to plant tours. Continue to join cleaning and tree-planting activities in local communities around plants. Offer support and cooperation to environmental activity groups.	◆Visitors for plant tours exceeded 110,000. Eco Class Delivery Service provided to about 3,600 pupils at 45 local elementary schools. ◆A total of more than 200,000 people mobilized for continual local cleaning around plants.	○	More people planned to be accepted. Cleaning activities around plants to be continued.
Disclosing environment-related information	Continue to publish social and environmental (S&E) reports, and aim at releasing S&E information through publicity channels from time to time. Improve and upgrade the contents of S&E reports (e.g., compliance with guidelines, and reports including affiliates).	◆The 2008 S&E Report issued in July (Japanese) and Sept. (English). ◆Efforts made to improve the contents including the Supplementary for Data, showing them on website. ◆The Report also includes activities of affiliates.	○	Change the Report name to CSR Report 2009 and to be issued in beginning of Aug.(Japanese) and Oct. (English).
Implementing environmental education and educational campaigns	Continue to incorporate social and environmental education into the company education system and put it into practice. Continue to implement educational campaigns through company education newsletters and various media. Continue to implement lectures and presentations of operation improvement case studies at worksites.	◆The education on environment-related matters was conducted as before to employees by skill level and type of job. ◆Environmental education promoted through in-house magazines and intranet. ◆Operations Improvement Case Study Presentations held at each business unit.	○	Trainings, education and presentation meetings to be further promoted.
Establishing Environmental Management System	Continue to improve the EMS at all business sites with ISO 14001. Continue to improve cooperation with affiliates and establish consolidated EMS.	◆All business units continued with the external ISO 14001 certification and conducted internal audits for further improvement. ◆Domestic Affiliated Company Subcommittee and North America Environmental Committee each held twice to promote environmental activities as a group.	○	External certification and internal audits to be continued and start the approaches to receive the ISO 14001 certifications. Establishment of consolidated EMS to be promoted.

\*3 ECO Action 21:

The system to authenticate that the undertakings of a certain organization meet the Guidelines set by the Ministry of the Environment and register its authentication

# Development of Environment-friendly Vehicles

## Basic Concept

SUBARU is engaged in environment-friendly technological development in various fields to achieve the proposition of the medium-term management plan: "integration of running performance and global environment".

### Improving Fuel Economy

#### Thought toward Improving Fuel Economy

Automobiles emit carbon dioxide (CO<sub>2</sub>) proportional to the amount of fuel consumed. By improving fuel economy, CO<sub>2</sub> will be reduced resulting in the better conservation of limited energy resources and the prevention of global warming. SUBARU, while utilizing the advantages of AWD and high power engines, has been working to improve fuel economy by developing technologies that make engines more fuel efficient, reduce transfer loss in the drivetrain and reduce vehicle weight and running resistance, and we are in the process of introducing vehicles which meet the Japanese FY2010 Fuel Economy Standards, the target for gasoline vehicles.

#### Objective of Improving Fuel Economy

Expand the scope of vehicles which meet the FY2010 Fuel Economy Standards

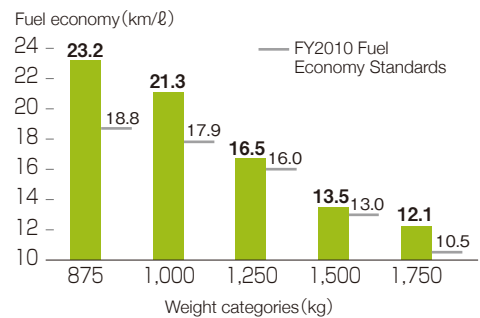
#### Current Status in Meeting FY2010 Fuel Economy Standards

Gasoline-powered passenger cars meeting the FY2010 Fuel Economy Standards accounted for 92% of the total production, clearing the FY2010 Fuel Economy Standards in all the weight categories.

Gasoline-powered mini trucks met the Standards in all weight categories in FY2001, and then all models met the Standards in FY2002 and thereafter.

SUBARU will expand the scope of vehicles which meet the FY2010 Fuel Economy Standards upper 15%.

◆Status of SUBARU's Compliance with the FY2010 Fuel Economy Standards for Gasoline-powered Passenger Cars



### Approaches for Improving Fuel Economy of EXIGA

#### Improving the Engines

The EXIGA is equipped with the 2.0-liter DOHC engine employed on the new FORESTER and has the cooling water temperature setting modified to keep the oil temperature which changes with water temperature higher. The resulting reduction in friction of the sliding pitons has led to the top-class gas mileage satisfactory to economy-sensitive families who are our targeted customers. With this good fuel economy, the running and environmental performances are balanced at a higher level.



#### Improving the Drivetrain

On the 2-liter NA engine model was employed a light and compact direct-control 4AT with sport shift. The optimally set gear ratios for both fuel economy and drivability in combination with the refined line-pressure control reduced fuel consumption.

In addition of the 4AT for AWD models, a new 4AT exclusively for FWD models was developed for higher fuel economy.

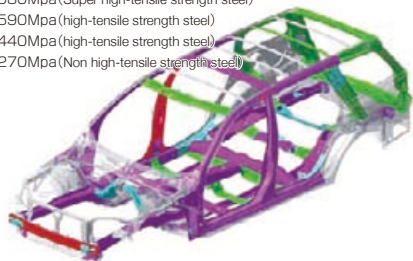
For the 2-liter turbo engine models, like the LEGACY, the dynamic 5AT was mounted for better fuel economy, speed-shift quality and drivability, which come from the reduced internal friction due to optimum oil pressure and the expanded slip-lockup zone. Together with the improvement in performance focused on low speeds on the turbo engine, an optimal final gear ratio was set higher than

that on the LEGACY, which made it possible to enhance the fuel economy and quietness at high-speed cruising.

## Lightweight body

The body framework is basically carried over from the base structure nurtured with the current LEGACY, IMPREZA and FORESTER. Not only pursuing the absolute body rigidity which has been the conventional performance index, we also focused on optimizing the rigidity balance (body framework mode). Furthermore, the review of joint structures, effective partial reinforcements and application of high-tensile sheet metals (the first case of 980 MPa-class steel used for body framework) led to curbing weight increase without sacrificing the necessary strength. Also, the use of CAE \*1 analyses helped to give the vehicle enough rigidity and crash performance, while keeping a good balance between the vehicle performance including durability, strength, driving stability, noise and vibration, and lightweight body. With all these combined, the model exhibits agility and better fuel economy for its high performance.

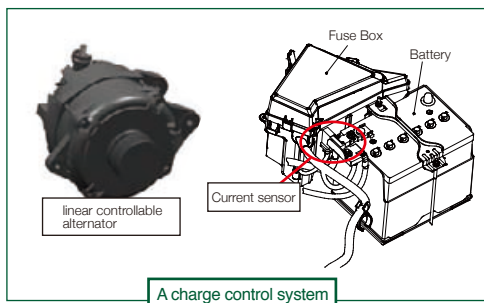
- : 980Mpa (Super high-tensile strength steel)
- : 590Mpa (high-tensile strength steel)
- : 440Mpa (high-tensile strength steel)
- : 270Mpa (Non high-tensile strength steel)



## Approaches to Enhancement of Practical Fuel Economy

We are also working hard to improve the fuel economy under practical use by customers. For instance, in order to have both pleasant drive and interior environment, the characteristics of the engine and transmission were improved and the engine load was lessened through optimal control of the air conditioner for fuel saving. A charge control system was newly employed on the EXIGA. The battery condition is monitored on a real-time basis by a current sensor to control the amount of generation most suitably under given driving conditions by a linear controllable alternator for better fuel economy. Such efforts will be

carried on to use practically less fuel for the sake of the environment.



## Approaches to Assisting Eco-drive

### Communication among Driver, Car and Environment

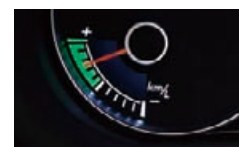
SUBARU is also positively engaged in developing eco-drive assist devices as an interface to promote communication between a driver and his or her car. We are spreading the ECO driving assist equipments, the Eco Gauge and Shift-up Indicator (for MT-equipped vehicles) as same as them added on the Legacy marketed in 2006. The new released car in 2008, EXIGA also has the ECO gauge.

The further improvement will be continued for Eco driving assist equipments.

\*1 CAE  
Computer-aided engineering

#### ■ Eco Gauge

The needle of the Eco Gauge swaying to the “+” direction indicates an economic driving condition to the driver. About 5% saving in fuel economy (in-house testing) can be expected by consciously controlling the accelerator to keep that condition.



Eco Gauge for EXIGA

#### ■ Shift-up Indicator

When an economic engine rpm is reached, the indicator starts blinking, prompting the driver to shift up.



Shift-up Indicator

## Improved Fuel Economy

### ■ Mini- Class Vehicles

SUBARU were presented with the “e-nenpi (Good Fuel Economy) Award 2008-2009” in honor of the fact that they were ranked first in the new vehicle category for average fuel economy ranking for the year (Jan. thru Dec. 2008) by IRI Commerce and Technology, Inc. which provides the “e-nenpi”<sup>2</sup> (Good fuel economy)” service for managing information on personal vehicles via cellular phones. R2 has received the top Award for 3rd times and R1 & STELLA also were presented as the top 5 vehicles in this time.

SUBARU’s vehicles, such as the R1, the R2 and the STELLA, have been topping the list of the “Top 10 Fuel Economy Gasoline Powered Mini Cars” for 3-years since 2006,(announced by the Ministry of Land, Infrastructure, Transport and Tourism) .

### ■ Small Class Vehicles

The FWD 4AT model (weighing 1,520 kg or over) of the new EXIGA with a 2-liter DOHC engine performed 25 percent better than the 2010 target fuel economy standards and ranked in the top three of “the best 10 of fuel efficient cars in 2008” in the 1,516-1,765 kg weight category (excluding manual transmission models), which was announced by the Ministry of Land, Infrastructure, Transport and Tourism.

Furthermore, all models of the new released 2.0-liter DOHC Vehicle, EXIGA passed the +20% Standard of FY2010.



## Cleaning Exhaust Gas

### Basic Concept of Cleaning Exhaust Gas

Substances such as carbon monoxide (CO), hydrocarbons (HC), and nitrogen oxides (NOx), which are emitted from automobiles, are one of the causes of air pollution in metropolitan areas where there is intensive motor traffic. In order to improve the state of the air, SUBARU is gradually launching low emission vehicles (certified by the Ministry of Land, Infrastructure, Transport and Tourism) that meet standards stricter than the regulations.

### ■ Goal of Cleaning Exhaust Gas

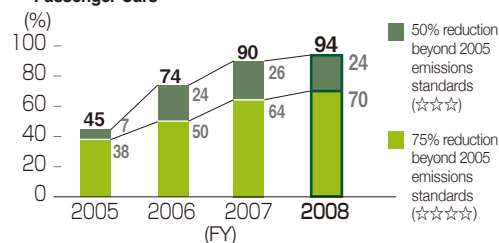
Low Emission Models Which Outperforms the FY2005 Emission Standards by 75% Reduction to Be Expanded with further technical developments.

## Status of Achieving Low Emissions

The fully remodeled New EXIGA series is all certified as low-emission vehicles which meet the 2005 Standards by the Ministry of Land, Infrastructure, Transport and Tourism with at least 50% below the Standards (☆☆☆), while 70% of these production models achieved the Standards with at least 75% reduction (☆☆☆☆). Thus, the vehicles certified as low emitting totaled 94% of the whole non-mini production.

SUBARU will keep going forward for the dissemination of low emission vehicles.

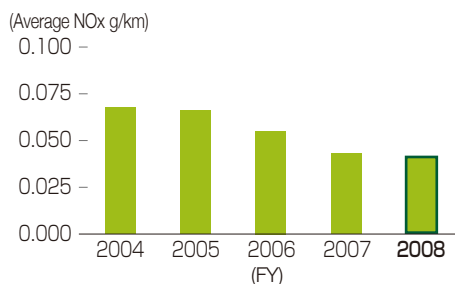
### ◆ Trends in Percentages of Low Emission Gasoline-powered Passenger Cars



## Trends in NOx Averages

By launching low emission vehicles which meet the standards represented by the low emission vehicle certification standard into the market, SUBARU has been able to reduce the average amount of NOx emitted by SUBARU vehicles every year as shown in the chart below.

### ◆ Trends in NOx Averages of SUBARU Vehicles



\* The figures calculated from the regulation values (10/15 mode and 11 mode) at the time of shipment.  
 \* About vehicles which are not for the current test mode, calculations were made with regulation or conversion values for the current mode.  
 \* The current test mode is a combined mode of the 10/15 mode and 11 mode.

## Clean Energy Vehicles

### Basic Thought for Development of Clean Energy Vehicles

Clean energy vehicles have such features as emitting fewer Green House Gas (carbon dioxide) and air pollutants (carbon monoxides, hydrocarbons, nitrogen oxides, etc.) and have less environmental impact than gasoline engine vehicles. However, there are technical problems related to cost and driving range. SUBARU has been developing clean energy vehicles such as electric vehicles that have the performance and utility close to gasoline engine vehicle. Also, we are positively working on developing next generation batteries.

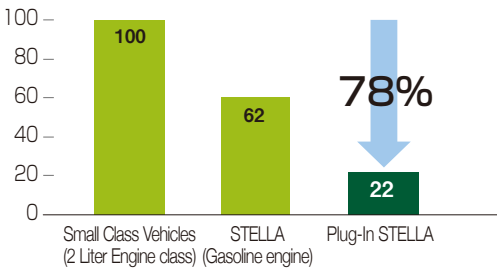
SUBARU is involved in the R&D of for future practical use to electric vehicles for hybrid vehicles and fuel cell electric vehicles.

We will pursue relentlessly to further raise the energy density for electric vehicles which can run at least range of 200km, through making the next-generation battery “nano V Battery” (TM registration pending for approval) practicable from now on.



Electric vehicle  
Plug-in STELLA

### ◆ The CO<sub>2</sub> emission per 1Km run of Plug-In STELLA is compared to other type of vehicles supposing Small Class Vehicles' =100

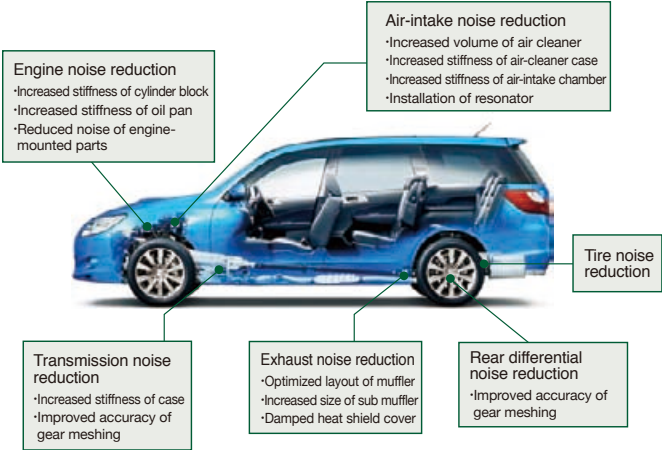


## Noise Reduction

### Development of Technology to Reduce Traffic Noises

Another area SUBARU is actively involved is the development to effectively reduce vehicle noises from such prime sources as tires, engine and intake and exhaust systems. The NEW EXIGA launched in June, 2008 has such technologies applied to meet the acceleration noise level set in the Safety Standards with good margin.

#### ◆ The Main Countermeasures Employed to Reduce the Noise the NEW EXIGA Generates



#### ◆ Trends in Sales Numbers of Vehicles certified as Good Fuel Economy and Low Emission \*1

The Sales numbers in FY2008

		Passenger vehicle		Truck		total of vehicle (rate)
		Standard-sized car Small-sized car	mini car	Standard-sized car Small-sized car	mini car	
Vehicles certified as Good Fuel Economy and Low Emission	75% reduction beyond 2005 emissions standards☆☆☆☆	45,931	42,964	0	0	88,895 (48.0%)
	50% reduction beyond 2005 emissions standards☆☆☆	30,899	0	0	488	31,387 (16.9%)
<b>total</b>		<b>76,830</b>	<b>42,964</b>	<b>0</b>	<b>488</b>	<b>120,282 (64.9%)</b>
					<b>total of Sales</b>	<b>185,321 (100%)</b>

For more detail about our approaches toward the Car tax system for Environment-friendly cars in SUBARU, please see our website.  
<http://www.SUBARU.jp/information/topics/2009/tax/> [Japanese Only]

\*1 Vehicles which achieved in advance the 2010 fuel economy standard based on the Energy Saving Act and were certified as low emission vehicles according to the low-emission vehicle certification procedure.

### Basic Concept

SUBARU has established the Automotive Recycle System of SUBARU (ARSS<sup>\*1</sup>) as part of active efforts to recycle and properly dispose of end-of-life vehicles (ELVs<sup>\*2</sup>), according to the Japanese End-of-Life Vehicles Recycling Law (hereinafter referred to as the ELVs Recycling Law<sup>\*3</sup>). The recycling ratio of ASR in FY2008 was 77.7%, satisfying the Japanese legal standard required for FY2015 (The recycling ratio of ASR: 70% or higher).

### Efforts in the Design Stage

#### Emphasis on Design Allowing Easy Recycling

We will keep on producing Cars considering Recycling, in order to make good use of limited resources.

#### Recycling Market Research

The Recycling Design Project Team members continuously visit dismantlers, shredding companies, and waste disposers in various parts of Japan to exchange views on the current and future market trends for actual ELV treatment. The results are used to determine the principles for designing automobiles with due consideration for recycling and extract specific subjects for future research.

#### Efforts to Improve Recyclability

##### <Advances in Wire Harness Dismantling>

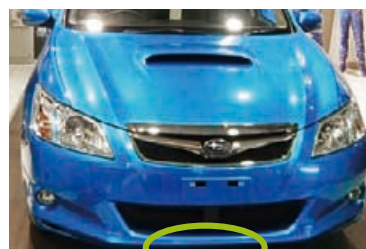
Because a large amount of copper is used in a wire harness, if the wire harnesses can be removed before the ELVs are shredded, the collection and separation of iron and copper will be enhanced and their value in terms of resource recycling will increase. SUBARU is conducting studies for a harness layout and automobile structure that make it possible to effectively collect more copper and in a shorter time. We worked on the establishment of harness design guidelines with ART<sup>\*4</sup> in FY2008.



Advances in wire harness dismantling

#### <Easier Material Identification>

It is most important that the material of each part can be recognized easily when we recycle. SUBARU started to identify the type of material on plastic parts in 1973 even before guidelines for the industry were established. Material identifications had been attached on the rear side of each part before. However, the position was changed, as we believed we could avoid such wasteful actions as dismantling a part to confirm the material type. SUBARU has changed the identification positions on all car models, including the LEGACY, the IMPREZA, the STELLA and the EXIGA since 2001.



An example of the material indication: "PP" means polypropylene

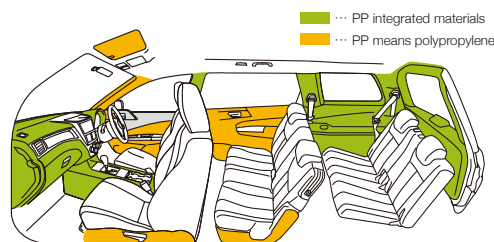


Now the material type can be seen without dismantling the bumpers.

#### <Using Materials that are Easy to Recycle>

We are using olefin resin<sup>\*5</sup>, which is extremely easy to recycle, as the resin material for the interiors and exteriors of most new and remodeled vehicles. In particular, we are using integrated materials dedicated for use with bumpers for bumpers and integrated materials dedicated for use with interiors for interior parts.

#### Using Integrated Materials for Interior Parts: Olefin Resin in the NEW EXIGA



\*1 ARSS: Automotive Recycle System of SUBARU

\*2 ELV: End of Life Vehicles

\*3 The Japanese End-of-Life Vehicles Recycling Law to recycle and properly dispose of end-of-life vehicles (enforced in Jan 1<sup>st</sup>, 2005)

\*4 ART: Automobile shredder residue Recycling promotion Team

Automobile Shredder residue Recycling promotion Team is separated 2 team; one is ART team operated by Nissan, Matsuda, Mitsubishi, Fuji Heavy Industries, and other 12 companies. Another is TH team operated by Toyota, Honda, Daihatsu and others.

\*5 Olefin resin means the general term of PP (polypropylene) and PE (polyethylene)



### ■ Efforts to Improve Proper Disposal

ELVs Recycling Law also regulates the proper disposal of substances with environmental impact, particularly fluorocarbons (refrigerants for air conditioners) and airbags. Concerning future vehicle development, SUBARU recognizes the essential need to produce vehicles that can be disposed of more easily.

#### <Reduction of Fluorocarbons Used in Air Conditioners>

SUBARU uses a substitute fluorocarbon, HFC134a, for refrigerants in air conditioners, which does no harm to the ozone layer, but which is still believed to accelerate global warming. We are conducting active countermeasures to reduce the amount of HFC134a and the leakage while using air conditioners and also research into substitute refrigerants other than fluorocarbons.

#### <Advances in Airbag Disposal>

Airbags and pretensioner seatbelts contribute significantly to reducing the shock to drivers and passengers in automobile accidents. On the other hand, the vast majority of automobiles are put out of service with unused airbags. Because automobile manufacturers are asked to dispose of airbags and similar products under the ELVs Recycling Law, we are conducting research into the optimal structure for airbags, including related components, that will make it safer and easier to activate them in automobiles and subsequently dispose of them.

### Reduction of Substances of Environmental Concern

Based on the Japan Automobile Manufacturers Association's voluntary action programs, we have been working to reduce the four substances of environmental concern (lead, mercury, cadmium and hexavalent chromium) and are partially moving ahead of schedule. In FY2008, elastomer glue for Power train was changed lead-free, while applying lead-free soldering afresh to part of car navigation system for rear seats and its remote control in addition to the airbag sensors, antenna, speakers, seat belts and door mirrors of which soldering were already switched lead-free, thus gradually widening the use of non-lead solder.

With regard to mercury, in addition to the combination panels not included in the action plan, the liquid crystal panels of navigation units for front seat passengers were made mercury-free.

### ◆ Reduction Targets and JAMA's Voluntary Action Program for New Models

Substance	Target (period achieved)	Details of Reduction Efforts:
Lead	Since Jan. of 2006	Reduce the amount per vehicle produced to less than 1/10 the 1996 levels
Mercury	Since Jan. of 2005	Use prohibited except in a few applications (e.g., minute amounts in combination panels, discharge headlights and in the liquid crystal panels of GPS systems)
Hexavalent chromium	Starting in Jan. of 2008	Use prohibited
Cadmium	Since Jan. of 2007	Use prohibited

### Reducing VOCs\*<sup>1</sup> in Vehicle Interiors Make the Environment in Vehicle Interiors More Comfortable

In order to reduce the use of VOCs such as formaldehyde and toluene, which can cause nose and throat irritation, we are revising whether to make changes to the components and adhesive agents used in vehicle interiors. In the NEW EXIGA of FY2008, we achieved the goals set by JAMA\*<sup>2</sup> by reducing the concentration of the 13 substances defined by the Ministry of Health, Labor and Welfare in Japan to levels below the figures set in the guidelines for interior concentration. We have achieved the goals ahead of schedule in the NEW IMPREZA and the NEW FORESTER of FY2007 as well, and in the future, we will continue our efforts to reduce the levels of such substances to below the figures set in the guidelines to make the environment in vehicle interiors more comfortable.

\*1 VOC  
Volatile Organic Compounds:  
Volatile Organic Compounds means the Organic Compounds easy to volatilize in natural temperature, like formaldehyde and toluene. They are recently supposed to be one of primary factors of the Sick house syndrome which causes the stimulation on eyes, noses, throats when enter new houses or buildings.

\*2 Voluntary target:  
to reduce interior concentration of the 13 substances identified by the Ministry of Health, Labor and Welfare to levels equivalent to or lower than the figures stipulated in the guidelines for new vehicle models (produced and sold in Japan in 2007 and afterward) under the Voluntary Approach in Reducing Cabin VOC Concentration Levels initiated by JAMA.

## Processing of End of Life Vehicles (ELV)

### Approaches to “Total Recycling of Resources”

#### – Information Disclosure on Removal of Copper Containing Automotive Parts in End of Life Vehicles–

SUBARU has formulated the “Information on Removal of Copper Containing Parts in End of Life Vehicles” to further bolster the recycling rate of ELV, which is open to the public in the website of ART. (Japanese only)

Currently, a method called “Total Recycling of Resources” is employed as a means to improve the recycle rate without generating ASR in recycling cars.

This involves throwing stripped end of life vehicles into an electric furnaces or the like to melt its iron contents for re-commercialization as construction materials and others. Parts, the source of ASR, are burned in the furnace to be used as heat source (thermal recycle), eliminating the landfill process.

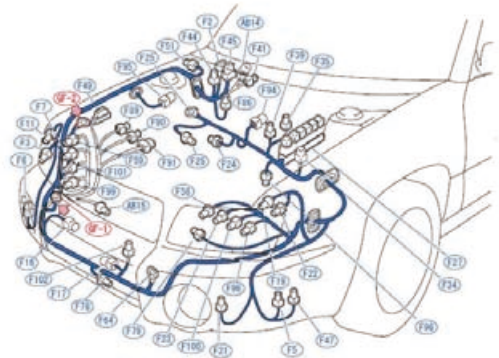
Before implementing this “Total Recycling of Resources”, minimizing the copper content in the stripped vehicle scraps is required to keep quality in the resulting steel products. For this minimization, how to remove copper containing parts efficiently and thoroughly becomes the vital issue.

The focus of the “Information on Removal of Copper Containing Parts in End of Life Vehicles” is on the disclosure of information, where “the wiring harness” occupying major parts of copper is laid out on, on past production vehicles which currently constitute the most part of ELV population.

Formulating the information on the LEGACY domestically sold in 1994 and the VIVIO domestically sold in 1993 was released for public review in May, 2008.

In December, 2008, the information related to the FORESER (launched in Japan in 1997) and the IMPREZA (launched in Japan in 1992) was disclosed, to the public, thus covering many of SUBARU vehicles to be scrapped as ELV.

◆Front Wiring Harness



# Clean Plants

## Promote Considering Environment in the Production Stages

### Basic Concept

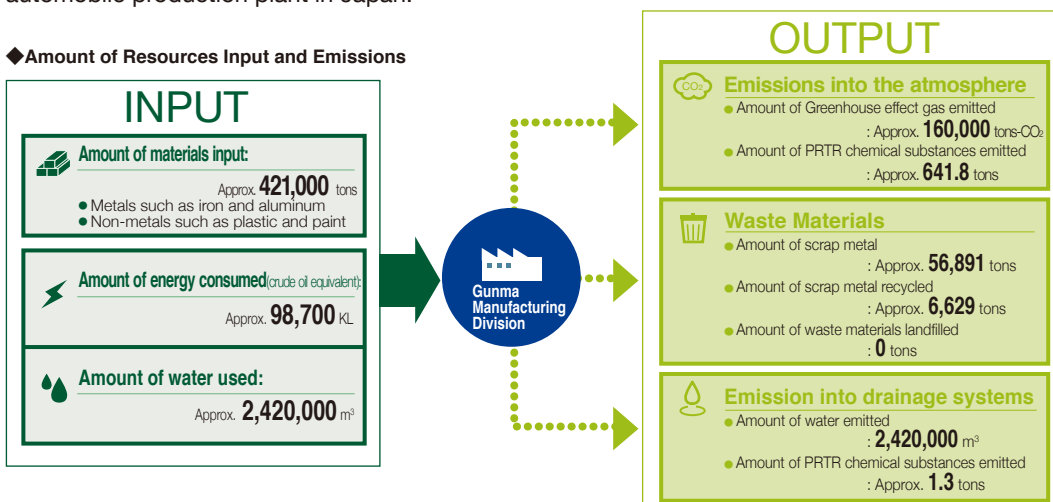
We have maintained zero level of waste materials landfilled in all Manufacturing Divisions since 2004. We are pushing forward with global warming prevention by positive efforts to save energy.

### Amount of Resources Input and Total Emissions

#### Amount of Resources Input and Total Emissions at Automobile Production (Gunma Manufacturing Division)

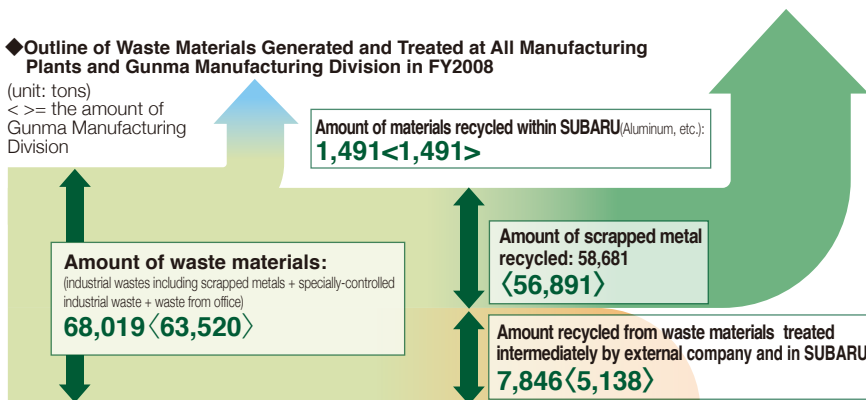
This figure shows the amount of resources used and emissions in FY2008 at Gunma Manufacturing Division, SUBARU's main automobile production plant in Japan.

#### ◆Amount of Resources Input and Emissions



#### ◆Outline of Waste Materials Generated and Treated at All Manufacturing Plants and Gunma Manufacturing Division in FY2008

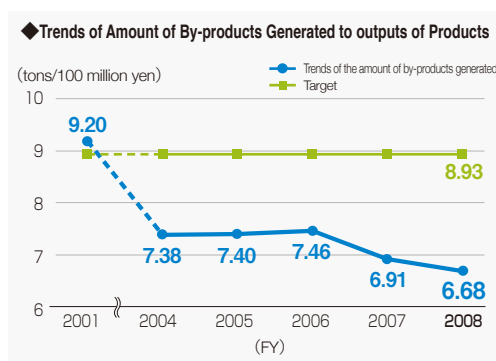
(unit: tons)  
< >= the amount of Gunma Manufacturing Division



Neither waste materials in the company nor directly landfilled incinerated.

Major waste materials	Major recycling methods
Sludge at wastewater treatment facilities	Conversion to cement material
Paint sludge	Reduction to powder at plants within SUBARU for use as material of anti-vibration sheet for vehicles
Waste plastic	Conversion to RPF (recycle plastic fuel), etc.
Wastepaper	Recycling into recycled paper

We have been striving to effectively utilize resources by improving the yield ratio of raw materials used in the production stages and enhancing coating efficiency at paint factories. The following graph shows the indexes obtained by dividing the ratio of the amount of by-products (scrap metal and non-ferrous scrap metals such as aluminum) generated by the automotive division by the value of shipped products. In FY2008, we got the best result ever; 6.68. Also, we have achieved at the target levels (of the amount by-products should be reduced, as determined by the Laws for the Promotion of the Effective Utilization of Resources) for a series of 6 years since FY2003.



## Efforts to Reduce Consumption of Water Resources

**Achieved about 8% Reduction compared with the previous year.**

Total water consumption was about 3,330,000 m<sup>3</sup> at all our manufacturing plants in FY2008 and this is a decrease of 8% compared with the previous year.

Although the effort of implementing strict measures such as checking for leakage from water pipes at each manufacturing plant have been done, the rise in water consumption caused by the increase of production has exceeded the effect. We will actively make every effort to reduce water consumption further at all manufacturing plants. (This is the best amount of decrease for recent 10 years in a point of view with output per unit, as well.)

\* About the trends of water consumption please see P.47 in this report.

## Approach the Reduction of Environment-unfriendly Substances

### Management of Chemical Substances (the PRTR Law)

SUBARU uses 18 chemical substances subject to the PRTR Law. Use of such chemicals at all

our manufacturing plants totaled 681 tons in FY2008, achieving a big reduction of about 162 tons (approx:19% reduction) compared with the previous year. These achievements result from activities such as changing paint used in the vehicle body painting process to water-base one and reducing the amount of thinner for cleansing.

\* About the trends of excretion amounts in substances subject to the PRTR Law, please see P.47 in this report.

## Add-on Voluntary Standards for Environment-related Measurements

We set voluntary standards which are stricter or in principle 80 percent lower than the legal requirements to control air pollutants, water toxic contaminants, noise and vibration. We are taking corrective actions to solve any cases which exceed these voluntary limits.

### Air Pollutants

Trends in total amount of Nitrogen Oxides (NOx) and Sulfur Oxides (SOx) emitted from specific facilities such as boilers at all manufacturing plants are as shown in the graph of P.47. Periodical measurement results of both NOx and SOx in FY2008 show that our voluntary standards are satisfactory at all locations measured.

### Water Pollutants Substances

Trends in the amount of nitrogen, phosphorous and BOD discharged into water at all our manufacturing plants are as shown in the graph of P.47. In FY2008, the results of periodic measurements show that 1 case have exceeded our voluntary standards.

\* For cases of other substances in violation of limits including our voluntary standards, please see "The Number of Cases Where Limits Set in Environment-Related Laws were Exceeded and Details in FY2008" on P.46.

## VOC (Volatile Organic Compounds) Generated in Paint Process at Gunma Manufacturing Division

The amount of VOC emissions per unit paint area in FY2008 was 56.3 g/m<sup>2</sup>, 38.4% less than that in FY2000, reaching the target in the 4th Voluntary Plan for Environment\*<sup>1</sup> ahead of schedule. This is mainly due to the switch to water-base paint in the new paint shop and the higher thinner collection rate. We will keep working for further reduction.

\*1 The Goal of the 4th Voluntary Plan for Environment is to reduce VOC emissions per unit by 30% less than that in FY2000 until the end of 2010.

## Preventing Soil and Underground Water Pollution

SUBARU has voluntarily conducted soil and underground water surveys at all manufacturing plants since 1998 and has reported the results to the government. We are continuously conducting sampling surveys of underground water even at manufacturing plants where purifying measures for soil and underground water have already been taken, such as the Utsunomiya Manufacturing Division, and continue to report the results to the government.

## Storage of Equipment Containing PCB

SUBARU stores PCB appropriately and notifies the authorities of possession of PCB in accordance with the related laws and regulations every year. Regarding the equipments (such as transformers and condensers) we store that contain a high concentration of PCB, we already applied and registered for their disposal with the Japan Environmental Safety Corporation (JESCO) in March 2006.

## Approaches to Global Warming-up Prevention

### Activities for CO<sub>2</sub> Emission Reduction and Energy Saving

Each manufacturing division took actions to reduce carbon dioxide emission and energy

consumption through such measures as installation of natural gas cogeneration system, change of fuel for boilers from heavy oil to gas, reduction of standby energy and energy-saving programs focused on energy-intensive processes. As a result, the gross CO<sub>2</sub> emission in FY2008 was reduced to 205,000 tons or 25 percent less than that in FY1990, although undeniably accelerated in part by the reduction in production volume.

Based on this outcome, we modified our challenge target from “15% CO<sub>2</sub> reduction in FY2010 against FY1990” to “22% CO<sub>2</sub> reduction in FY2010 against FY1990”.

## Reduction of Substitute CFC (HFC134a) Emitted to the Air

To reduce atmospheric emissions of HFC134a used as a coolant from the vehicle manufacturing line at Gunma Manufacturing Division, we have continued effort to minimize leakage while pumping and recovering gas in air conditioner. As a result, we have succeeded to reduce emissions by over 95% compared to FY1996 levels since FY2003 and achieved a reduction of 97% since FY2006.

For more characteristic information of each manufacturing, please see our site report on P.63-80.

## TOPICS

### Odor Measuring Instruments Set at Yajima Plant

The Main Plant and the Yajima Plant of Gunma Manufacturing Division have the paint shops of automobiles from which could possibly leak out odors. To monitor such leak-out from the plants, odor measuring instruments are set in the premises. They measure odor index 24 hours around the clock to prevent environmental problems from affecting local communities.



Odor Measuring Instruments

# Environmentally Friendly Logistics

## Basic Concept

SUBARU is also involved in logistics for energy and material savings through various measures such as setting most optimal routes for transportation of completed vehicles which burdens the environment most heavily, promoting the modal shift to shipment by sea, increasing load charging efficiency and fuel saving operations. As for shipping knock-down parts, we are working to reduce packing materials through their reuse.

### Reducing Environmental burdens by the completed vehicles transportation

#### Efforts by SUBARU Logistics Co., Ltd

We have contributed to reducing environmental burdens caused during the transportation of completed vehicles, by improving transportation efficiency through such means as setting optimum standard transportation routes, promoting modal shifts and improving carrying efficiency.

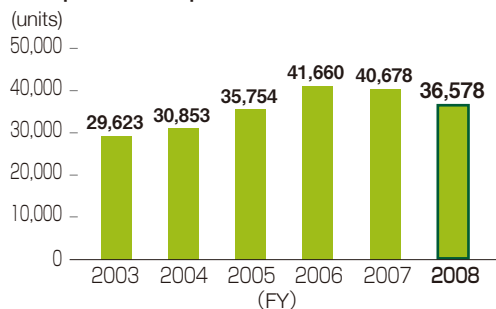
In FY2008, by promoting the cooperate transports of completed vehicles with other companies in the same industry, the total of consigned-to and consigned-from vehicles was 36,578.

In FY2008, we promoted the installation of the highly functional digital tachograph, idling stop device and eco tires. Meanwhile, continuous efforts have been made to accurately grasp energy consumption and CO<sub>2</sub> emissions by collecting data on travel distances and fuel consumptions periodically from cooperative companies.

As a result of these approaches, we have achieved at about 3% improvement compared to the previous year in fuel economy, and been continuing to reduce the energy consumption per sales by 1% or more annually.



◆Trends in the Number of Vehicles Carried Through Cooperative Transports



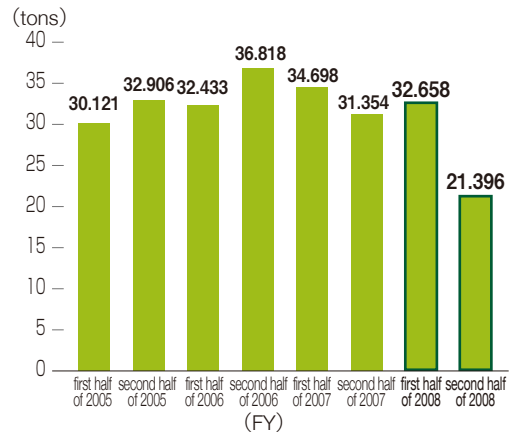
## Reuse of Packaging Materials

### Approaches to Reduction of Foam Materials for Packaging of Overseas Knockdown Parts by Reuse

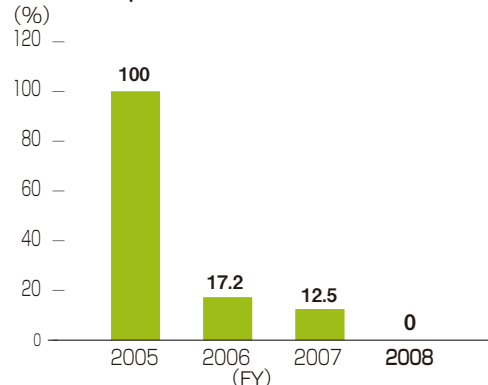
The Production Logistics Division of SUBARU Logistics Co., Ltd, which handles packing designs for knockdown parts has been involved in activities to reduce environmental burdens primarily focusing on the reuse of packaging materials.

To increase transportation efficiency, returnable steel pallets with exclusive size specifications which allow high charging rates of containers are in use. Also, from March, 2006, styrene foam and vacuum-molded packing materials have been reused. They were redesigned to be placed in the afore-mentioned returnable steel pallets for return shipment to minimize wastage.

◆Trends in the Amount of Styrene Foam Packaging Materials for Reuse



◆The Amount of Styrene Foam Packaging Materials for Reuse purchased



# Approaches to “Green Dealer Outlets”

## Basic Concept

SUBARU is actively pushing forward to have used bumpers returned from dealerships for recycling for automotive parts. In order to strengthen the involvement of dealerships in environmental protection, the introduction of the environment management system “Eco Action 21” has started.

## Collection of the Scrapped Bumpers

### Recycle Scrapped Bumpers for Use in Other Parts

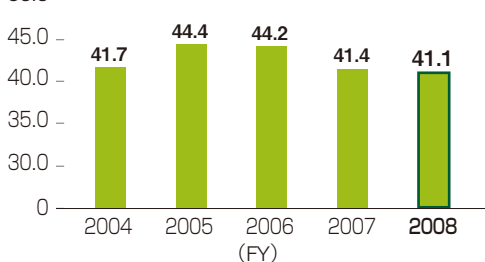
SUBARU established an in-house system in 1973 to identify the materials used in plastic parts, ahead of the timetable for industry guidelines for the establishment of such systems. This system is very helpful when the company collects bumpers which are scrapped and changed for repairs to recycle for use in other parts of vehicles. In FY2008, we collected 41,055 scrapped bumpers from all over Japan, which is 99.1% toward the previous year (41,412). The scrapped bumpers were recycled for use in other parts of SUBARU as shown in the below graph.

#### ◆Parts Produced from Scrapped Bumpers

Models	Parts
R1, R2, PLEO	Universal joint cover, Underfloor cover
SAMBAR	Air guide, Engine cover
LEGACY (~May, 2009)	Under spoiler, Battery pan, Rear skirt, Apron
IMPREZA	Trunk trim

#### ◆Trends in Number of the Scrapped Bumpers Collected

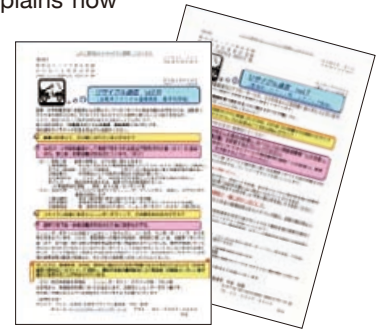
(unit: thousand)



## First issue of “Recycle Communication” Released in September, 2008 for Communication Between SUBARU and Dealerships

It is a monthly magazine which explains how used bumpers, air conditioner refrigerants, airbags and others collected from dealerships are being processed for recycling.

We are responding to inquiries from dealerships, hoping to make it as a more inspiring two-way communication tool on automotive recycling.



## Environmental Preservation Approaches in Dealers

### Introduction of the “Eco-Action 21 (EA21<sup>\*1</sup>)” Started

To beef up our approaches to the environmental protection, we began from September, 2008 introducing the environment management systems “Eco-Action 21 (EA21)” which was mapped out by the Ministry of the Environment based on ISO 140001<sup>\*2</sup>. We will keep working to expand the scope for acquisition of the EA21 authentication.

#### ◆The Status in Acquisition of the EA21 Authentication (including its latest)

Company	Employee	Date of acquisition	Shops acquired
TOKYO SUBARU INC.	1,253	27 Jun, 2009	All 59 shops
SAITAMA SUBARU KK	477	25 Feb, 2009	All 34 shops
NAGOYA SUBARU KK	512	30 Apr, 2009	All 36 shops
SHIKOKU SUBARU INC.	160	29 May, 2009	All 14 shops
HIGASHI SHIKOKU SUBARU INC.	177	29 May, 2009	All 13 shops



25 Feb, 2009  
The Certification acquired to SAITAMA SUBARU KK and its President, Yoshizawa



25 Apr, 2009  
Awarding ceremony of NAGOYA SUBARU KK's acquisition  
Left: President, Mizuno  
Right: an operation member of EA21 central secretariat, Takeuchi

<sup>\*1</sup> The following approaches are needed to acquire the certification of EA21;

- Establishment of the EMS.
- Grasping the amount of CO<sub>2</sub> emitted, waste generation, water consumption and Setting the goal of reduction and its try
- Making Environmental activities Report regularly and issue

<sup>\*2</sup> The Following 7 outlets have already acquired the certification of ISO14001.

- CHIBA SUBARU KK
  - AOMORI SUBARU KK
  - FUJI SUBARU INC.
  - OSAKA SUBARU INC.
  - NIIGATA SUBARU KK
  - KUMAMOTO SUBARU KK
  - HOKURIKU SUBARU KK
- [the above list in acquired order]

■ Outline for Each Plant( As of the end of March,2009)

Main Plant	Main Plant	Yajima Plant
Location	1-1, Subaru-cho, Ota City, Gunma Prefecture	1-1, Shoya-machi, Ota City, Gunma Prefecture
Site Area (m <sup>2</sup> )	585,521	549,845
Building Area (m <sup>2</sup> )	312,313	255,466
Number of Employees	3,088	2,555
Main Products Manufactured	STELLA, R1, R2, PLEO, and Samber models	LEGACY, EXIGA, IMPREZA and FORESTER models

## Relationship with Local Committee

### Communication with Local Committee

■ Active Participation in the Local Events

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 FY2008 are introduced here.



Jul : 600 employees participated in carrying the SUBARU Mikoshi at the Ota Summer Festival.



Aug : Held SUBARU Hands-on class inviting 221 pairs of parents and children who applied publicly



Sep : Promoted our electric vehicle "Plug-in STELLA" at " Ota city Industry Environmental Festival"



Oct : Joined Joshu Ota SUBARU Marathon  
Held the public Marathon race with SUBARU Community Exchange Association staff.  
100 Conductors of SUBARU participated and it was flourishing. We offered a conduct car and awarded a STELLA for the first prize.



Nov : Over 30,000 people enjoyed the SUBARU Appreciation Festival at Yajima Plant.



Concerts are staged free four times a year for the public. Homegrown performers are invited to play, and flowers, seeds and saplings are given away to the audience at these concerts to promote environmental activities. They have grown to be quarterly events, attracting an audience of about 500 every time.

■ SUBARU Visitor Center

SUBARU Visitor Center is set on the core of Local communication, which mainly held Factory tours. Over 100,000 people of Customers, Local primary school students and others visited there every year.



SUBARU Visitor Center

■ SUBARU Delivery Class on Environment

Out of our hope to have the current status of environmental issues understood correctly by children who assume the role of making things in the future and to provide them with clues to recognize environmental issues and take actions by themselves through our on-going environmental protection activities, we are offering "SUBARU Delivery Class on Environment" to primary school children in the communities.

Under the theme "Let's Protect the Earth Together", we offer the "global warming reproduction experiment", using flasks and carbon dioxide, the "Environmental Quizzes" and other stimulating programs. They are





■ Outline for Each Plant(As of the end of March, 2009)

Main Plant	Ota North Plant	Oizumi Plant	Isesaki Plant
Location	27-1, Kanayama-cho, Ota City, Gunma Prefecture	1-1-1, Izumi, Oizumi-machi, Oura-gun, Gunma Prefecture	100, Suehiro-cho, Isesaki City, Gunma Prefecture
Site Area (m <sup>2</sup> )	43,750	376,038	177,422
Building Area (m <sup>2</sup> )	26,841	179,984	58,866
Number of Employees	74	1,535	80
Main Products Manufactured	Automotive parts	Automotive engines, transmission	Automotive repair parts

designed to make the children “think what they should and can do to protect the earth at present and in future for some specific actions of their own”.

This Delivery Class program started with 16 schools in FY2004. It gradually grew and expanded to include all the 30 schools in Ota City and Oizumi Town, Oura-gun and 1 school in Isesaki City for a total of 31 schools in FY2008.



“Global warming reproduction experiment” using flasks at the SUBARU Delivery Class.



### Education and Enlightening Activities

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.



Apr : Health and Safety and Environmental Education for new employees of affiliated and partner companies.



Jun : SUBARU Safety and Environmental conference RST( for foremen) education with 34 participants.

## Environment Preservation Approaches

### The Gunma Region's\*1 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.

\*1 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.

## Major Environmental Conservation Achievements of FY2008

### ■ Curbing Global Warming

In FY2008, together with energy saving in paint process and minimizing fixed energy, the efficient working of the 4 natural gas cogeneration systems brought CO<sub>2</sub> down by 23.4% compared to the FY1990 level.

The use of water resources dropped by 52% compared to the FY1999 level.

### ■ Reducing Waste Material

We have been working hard to reduce the amount of waste material we generate. In FY2008, we have reduced waste material (excluding scrap metal) by 3,224 tons compared to FY2007. Also, we have launched approaches toward the Electric Manifesto.



We introduced the trial management soft of waste generation as an approach toward the Electric Manifesto.

### ■ Preventing Environmental Pollution

Complains, leak accidents of chemicals and cases where limits set in environmental-related laws were exceeded in FY2008 are shown on the list in P.46. In order to eliminate such problems completely, we will continue to promote environmental risk assessments and guidance for external companies.

We have met the target set in the Environmental Conservation Program concerning VOC discharged\*1 in the painting process by using water-based paint etc.

## Environmental Data

### ■ CO<sub>2</sub> emission

Item	FY2008 actual result
CO <sub>2</sub> emission (tons-CO <sub>2</sub> )	159,687
Index (FY1990 = 100)	76.6

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO<sub>2</sub> conversion factor is taken from JAMA (in some cases other conversion factors are used)

### ■ Water consumption

Item	FY2008 actual result
Water consumption (m <sup>3</sup> )	2,417,893
Index (FY1999 = 100)	48.0

\*1 the goal of VOC reduction in the 4th Voluntary Plan for Environment: VOC emission per unit should be reduced at least 30% less comparing to its in FY2000.

We will take on actions to achieve the targets of the 4th Voluntary Plan for Environmental Preservation in all the environmental conservation activities.

## Results of Environmental Audits

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

We classified all departments in Gunma region into 75 sections, and conducted internal audits at all the sections during the period from 4th July 2008 to 27th Oct, 2008. At the same time, we conducted an environment-related legal compliance audit with all nine sections in charge of handling environment-related laws and regulations.

As a result, 77 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.

### ■ Results of the ISO 14001 External Assessment

We received the ISO 14001 surveillance assessment during the period from 21 to 23 Jan, 2009, identifying two non-conformities and a case deemed in need of further inspection. We took corrective actions for the two non-conformities immediately and our ISO 14001 certification was successfully continued.



The scene of Top interview in ISO14001 External Assessment

### ■ Waste materials and scrapped metals

(tons)

Item	FY2008 actual result
Scrapped metal	56,891
Amount of materials recycled within FHI	1,491
Waste materials directly landfilled	0
Waste materials externally treated	5,138
Waste materials landfilled after external treatment	0

## Relationship with Local Community

### Communication with Local society

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 essences of these efforts and activities from FY2008 are introduced here.



Apr : The site for the old spur tracks in the premise was opened as a trail exclusive for walkers and bicycle riders and the trail was named "SUBARU ROAD" by people in the communities. This trail is much welcome for residents who had to make detour before.



Jun : At the "Nice Heart-to-heart Sports Plaza" where people come in contact with the handicapped, we worked as volunteers to coordinate games and guide people.



Aug : In the "Fuji Heavy Industries Bon Dance Festival" which has been held since 1984, about 4,000 people took part from the local residents' associations, women's clubs, children's clubs and affiliated firms with much enthusiasm.



Oct : Fuji Heavy Industries Friendship Festival was held with 7,000 visitors including employee and neighborhood. At the festival site, we set an environment PR booth to publicize the "approaches to the CSR and environment by Utsunomiya Manufacturing Division" and "afforestation promotion and green fund-raising activities". Also, with the cooperation of Foundation Tochigi-ken Afforestation Promotion Committee, we distributed saplings of blueberry free to participants. This is the fourth distribution of the saplings. The giveaway event is always welcome enthusiastically by many people who make long lines even before it starts. We will keep working to expand the afforestation promotion activities.



Mar : "Bus Tours for Work-site Experience through Plant Visit" Responding to the requests for a work-site experience bus tour program, the first attempt of this kind in Utsunomiya City, we received students from high schools, colleges and universities including undergraduates and graduates in the city for plant tours with a menu to give them opportunities to feel closely work-site operations of the aircraft industry.

### Education and Enlightening Activities

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 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.

### Introduce of Site Report in Utsunomiya Manufacturing Division

The Utsunomiya Manufacturing Division issues Site Report (Environmental & Social Report) every year to show our overview to local communities and to use it for deepening exchange with then.



Utsunomiya Manufacturing Division  
Environmental & Social Report 2008



■ **Outline for Each Plant** ( As of the end of March,2009)

Main Plant	Main Plant (Aerospace Company)	South Plant (Aerospace Company)	South No.2 Plant (Aerospace Company)
Location	1-1-11, Yonan, Utsunomiya City, Tochigi Prefecture	1418, Kamiyokota town, Utsunomiya City, Tochigi Prefecture	2-810-4, Miyanouchi, Utsunomiya City, Tochigi Prefecture
Site Area (m <sup>2</sup> )	337,457		
Building Area (m <sup>2</sup> )	176,895		
Number of Employees	2,035		
Main Products Manufactured	Aircraft, unmanned aircraft, space-related equipment	Aircraft	Aircraft

## Approaches for Environmental preservation

### 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 <sup>1</sup> Environmental Policies** — (Revised in June 2008)

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, the Eco Technologies Company, Yusoki Kogyo KK, Fuji Aero Space Corporation) 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 through the assessment of Environmental effects by our own business.
- (2) In our corporate activities, observing all the relevant laws, community regulations and other agreements needs, 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 and promote the prevention of environmental pollution.
- (4) To protect the beautiful earth environment, we will promote the reduction of CO<sub>2</sub> emission, serving energy and resource, reduction of electric substances' emission, reduction and reuse of Industrial waste generation.
- (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, we will accelerate to make a spiritual climate of Corporation which everyone of us can consider the environment.
- (7) We will make the Environmental Policies documentation styles, carry out, maintain, and make known to all the people who work at our Manufacturing or work for our Manufacturing. At the same time, we will open it to the public as occasion demands.

### Major Environmental Conservation Achievements of FY2008

■ **Curbing Global Warming**  
**Aerospace Company**

The CO<sub>2</sub> emission in FY2008 totaled 22,104tons-CO<sub>2</sub> achieving the target. The amount is reduced 14% comparing to its in FY2007. The reduction resulted from such down-to-earth measures as intermittent operations of gas heaters, reviewing the pressurization time control of clean rooms and switching to city gas for the South Plant boiler. We will take actions mainly to reduce these wastes while taking cost factor into account.

**Eco Technologies Company**

As a result of taking continuous actions for energy saving through such measures as the installation of automatic energy-saving operation unit, stopping the agitation motors due to non-agitating electro deposition paint and the use of inverter cooling motors, the CO<sub>2</sub> emission was reduced to 2,394tons-CO<sub>2</sub>, achieving the target. It is reduced 14.3% comparing to its in

FY2007, and more, reduced 69.1% comparing to its in FY1990. We will continue to manage energy more effectively by renewing aging instruments and reviewing operational methods for further CO<sub>2</sub> reduction.

■ **Reducing Waste Material**  
**Aerospace Company**

In FY2008, the amount of waste material was 2,267tons and we could meet the target. It was reduced 1% comparing to its in FY2007. This is the product of our efforts for reduction of expired wastes and paperless operations through expanded electric browsing. In FY2009, we will pushing forward in cooperation with the procurement department to further reduce expired wastes as part of controlling processing expenses.

**Eco Technologies Company**

The amount of wastes in FY2008 was 576.5tons and met the target level. It was decreased 6.4% comparing to the previous year. This resulted from measures taken such as the reduction of sludge discharge due to revamping the drainage treatment facilities in the 16th Building and the review of materials most suited



■ **Outline for Each Plant** (As of the end of March, 2009)

Main Plant	Handa Plant (Aerospace Company)	Handa West Plant (Aerospace Company)	Main Plant (Eco Technologies Company)
Location	1-27, Shiohi-cho, Handa City, Aichi Prefecture	102, Kamihama-cho, Handa City, Aichi Prefecture	1-1-11, Yonan, Utsunomiya City, Tochigi Prefecture
Site Area (m <sup>2</sup> )	49,041	49,244 <sup>1</sup>	171,816
Building Area (m <sup>2</sup> )	11,227	13,809	51,633
Number of Employees	196	25	198
Main Products Manufactured	Aircraft	Aircraft	Refuse collection vehicles, wind turbine system, robots <sup>2</sup> , etc

to the blanking in practice.

From this point on, we will proceed with a plan to introduce the static electro-deposition method to cut paint sludge for further reduction of wastes.

■ **Preventing Environmental Pollution**

We achieved the target to reduce environment-related complaints to zero in FY2008 for the first time since we have started taking statistics. We will keep on making effort to the prevention environmental pollution to achieve “zero” complaints from now on.

Nevertheless, we had 1 case each of exceeding a legal environmental limit and accident reported. We instructed and guided the contractor concerned to prevent the recurrence for stricter water quality management and expanded the scope of education on environment-related issues designed for suppliers. We will further promote Environmental Risk Assessment and education for constructor aiming at “all zero” cases.

\* More details about cases where limits set in environment-related laws exceeded and accidents within premise are shown on P.46.

**Results of Environmental Audits**

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

We conducted an internal audit at all 59 sections of the Utsunomiya Manufacturing Division in May and June, October and November 2008. As a result, 70

non-complying cases and 74 cases subject to monitoring were identified. As for some departments pointed out of the non-complying case, we have taken proper actions right away and improved the EMS performance.

In FY2008, new 15 auditors were added to increase the number of registered auditors to a total of 147 to respond to the needs for fostering internal auditors and their increase as pointed out at the last year’s external audit. The internal auditors are fostered on the condition that they have already taken a training for internal auditors by an outside organization or an internal training course. They are not allowed to audit the department or section to which they belong to secure independent execution of audits.

We will continue working to improve the audit system.

■ **Results of the ISO 14001 External Assessment**

We underwent ISO 14001 renewal assessment review from 16 through 19 June, 2008. There was no non-conformity pointed out including any minor one, thus the renewal of certification was granted. As a result of the audit review this time, the expanded application of the certification to Fuji Aero Space Corporation, Heavy Industries’ 100% subsidiary, was approved.



A scene of the ISO 14001 External Assessment

**Environmental Data**

■ **CO<sub>2</sub> emission** (tons-CO<sub>2</sub>)

Item	Company Division	FY2008 actual result	Index (FY1990 = 100)
CO <sub>2</sub> emission	Aerospace Company	22,104	81.0
	Eco Technologies Company	2,394	30.9
	Total of Utsunomiya Manufacturing Division	24,498	69.9

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO<sub>2</sub> conversion factor is taken from JAMA (in some cases other conversion factors are used)

■ **Water consumption** (m<sup>3</sup>)

Company Division	FY2008 actual result	Index (FY1990 = 100)
Aerospace Company	735,892	84.7
Eco Technologies Company	40,759	25.7
Total of Utsunomiya Manufacturing Division	776,651	75.6

■ **Waste materials and scrapped metals** (tons)

Item	FY2008 actual result
Scrapped metal	751
Amount of materials recycled within FHI	2,092
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0

\*1 The Area of Handa West Plant is 49,244 m<sup>2</sup>, which was enlarged 7,267m<sup>2</sup> by borrowing land.  
\*2 Note that robots / cleaning robots are manufactured and sold by FHI's Robot Department.

# Saitama Manufacturing Division

## (Industrial Products Company)

### ■ Outline for Each Plant (As of the end of March, 2009)

Location	4-410, Asahi, Kitamoto City, Saitama Prefecture, etc
Site Area (m <sup>2</sup> )	143,438
Building Area (m <sup>2</sup> )	92,061
Number of Employees	551
Main Products Manufactured	General-purpose engines (Robin engines), Engine Generators, etc



## Relationship with Local Community

### Communication with Local Society

#### ■ Active Participating in the Local Events

On November 1, 2009, 290 employees and their family members took part in the annual Kitamoto Evening Festival and enjoyed pulling Nebuta, or gigantic lanterns together with local residents. The Kitamoto Evening Festival is a festival organized by Kitamoto City, Saitama Prefecture, which features Nebuta lanterns and floats with a band of people playing musical instrument march through the Kitamoto Station street. On this day, 24 floats helped create festive moods in the region. Saitama Manufacturing Division also joins the annual parade. The festival is drawing more people year after year.

At the Industrial Festival which follows the Evening Festival the next day, products and rechargeable grass mowers, equipped with Robin engines, are exhibited. The exhibition is creatively arranged to allow citizens to touch displayed products so that they could feel the Division's products close to them.



Nov: Employee and their family enjoyed pulling Nebuta at the Kitamoto Evening Festival

#### ■ Environment-oriented Educational Plant Tours

Saitama Manufacturing Division started in April, 2008 a program which offers "environment-oriented educational plant tours" to primary and junior high school students in addition to the traditional plant tours mainly designed to show production processes. This program is designed to introduce the division's involvement in such environment-related issues as energy, drainage and wastes treatment. We have worked our way to the present through preparation of easy-to-understand materials for students and trial plant tours. We have already received them a couple dozen times who gave favorable responses. We will make all kinds of efforts make the plant tours more appealing.



A scene at environment-oriented educational plant tours

#### ■ Participation in the ECO Life DAY 2008

In June, 2008, Eco Life 2008 was held in exact timing with the Environmental campaign month by Saitama Prefecture. And our employee participated in it. Every one of us actively tried to decrease the amount of CO<sub>2</sub> emission at home.

### Education and Enlightening Activities

#### ■ Warm child-care support

We have been pushing forward the child-care support activities in the local communities by actively taking part in the next-generation child-care promotion forums and support seminars which are held by Saitama Prefecture and Kitamoto City. We were presented with an encouragement award in the "Saitama Corporate Award for Warm Child-care" program in November, 2008, which led to requests to participate in a gender-equality and child-care seminars as a panel member and send a lecturer for a training on female invigoration. These events were all sponsored by the prefectural and municipal administrations. At these meetings, we reported the achievements of the child-care support activities at the Saitama Manufacturing Division.

The division also invites lectures twice a year from Saitama Prefectural government to open "Papa Support Program" for fathers to study how to approach to child rearing.



A certificate and trophy in the "Saitama Corporate Award for Warm Child-care"

#### ■ A Fire-fighting Drill

In November, 2008, 35 members of the firefighting team of Saitama Manufacturing Division who are assigned to handle fire extinguishers and hydrants staged a drill to handle fire extinguishers under the guidance of a branch of the Kitamoto fire station. In the drill, they actually set fire and performed fire put-out operations using power- and water- extinguishers as the first response to fire. They also conduct drills to discharge water from each one of hydrants a month which is intended to check the functioning of these hydrant system located by buildings at the same time. Such operational checkups of hydrants and water-discharge drills will be carried out periodically as before.



## Approaches to the Environmental Preservation

### 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.

### Major Environmental Conservation Achievements of FY2008

#### ■ Curbing Global Warming

The CO<sub>2</sub> emission for FY2008 was lower than that for FY1990 by 41%. As compared to FY2007, it decreased by 1,884 tons-CO<sub>2</sub>. In FY2009, switches to high-efficiency illumination and transformers as well anti-air leak prevention will be taken as main measures for energy saving.

#### ■ Reducing Waste Materials

The grinding sludge briquetting machine to solidify for resale introduced in FY2007 came to function steadily, resulting in reduction of disposed machined scraps by 54 tons as compared with FY2007. However, since there was a significant increase of wastes liquid due to the disposal of old equipment, the total wastes disposal ended with a reduction by 18 tons against FY2007, thus somewhat offsetting the effect of solid wastes reduction. In FY2009, we will work to reduce the amount of wastes liquid by prolonging the life of cleaning fluid for control of overall generation of wastes.

#### ■ Preventing Environmental Pollution

We were able to keep the number of environmental accidents and claims to zero. There were also zero cases exceeded a level set by the voluntary standards (3cases occurred in FY2007). 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. As for noise, there was some cases exceeding a legal standard in FY2007. The remedial measures solved the problem meeting all applicable legal requirements in FY2008. Daily operations will be managed thoroughly with the goal set to no accident, no complaint and no case in excess of voluntary set standards in FY2009.

### 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 26 to October 16, 2008, and identified zero nonconformity, while 24 items for improvement were recommended. We have completed all necessary corrective measures.

#### ■ Results of the ISO 14001 External Assessments

The ISO 14001 surveillance review was conducted from February 19 to 20 in 2009 and although the results recommended 1 minor nonconformity and 20 items for improvement, our ISO 14001 certification was renewed by taking corrective measures immediately for minor nonconformities.



A scene at ISO14001 assessment

## Environmental Data

#### ■ CO<sub>2</sub> emission

Item	FY2008 actual result
CO <sub>2</sub> emission (tons-CO <sub>2</sub> )	6,835
Index (FY1990 = 100)	59.0

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO<sub>2</sub> conversion factor is taken from JAMA (in some cases other conversion factors are used)

#### ■ Waste materials and scrapped metals

(tons)

Item	FY2008 actual result
Scrapped metal	894
Industrial wastes & specially-controlled industrial wastes	291
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0



■ Outline for Tokyo Office (As of the end of March, 2009)

Location	3-9-6, Osawa, Mitaka City, Tokyo
Site Area (m <sup>2</sup> )	156,747
Building Area (m <sup>2</sup> )	69,210
Number of Employees	1,004
Main Business	R&D and experiment of automotive engines and transmissions, R&D of SUBARU products

## Relationship with Local community

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 in FY2008 are introduced here.



Aug : Held a summer evening festival with about 2,000 participants inviting employee's family and local residents



Once a month: every 20 boarders living in SUBARU dormitory clean the surroundings by turns



Dec : Safe driving class inviting Traffic Section Manager of Mitaka Police Station as lecturer. (550 participants)



Sep : Safe driving class for two-wheeled vehicles inviting motorcycle policeman of Mitaka Police as guides



Oct : Office Tour inviting 5 local elementary schools children (475 participants in total)



Oct to Nov : Delivery class at 3 local elementary schools to support their social studies classes

\* In addition, we invited 200 primary school children in the vicinities for "Baseball Class", and opened our facilities (gymnasium and a big common bathhouse of the dormitory) to the public, thus actively unfolding activities to foster the identity with the local communities.

## Approaches for the Environmental Preservation

### 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.



## Major Environmental Conservation Achievements of FY2008

### ■ Curbing Global Warming

Reflecting on the increase of CO<sub>2</sub> by 700 tons in FY2007, we implemented various measures such as renewing the heat source facilities from heavy oil boilers to natural gas boilers systematically, showing a steady effect on cutting NO<sub>x</sub> and SO<sub>x</sub> emissions. In the result of such down to earth efforts, the amount of CO<sub>2</sub> emission was reduced by 1,042 tons as compared with previous fiscal year. It was a reduction by 25% against FY1990. We will implement achievable energy-saving measures based on the precondition that our testing equipment operates at a high rate.

### ■ Reducing Waste Materials

As for the amount of waste materials, metal scraps are reduced by 8 tons against the previous fiscal year, however, the total amount was increased by 41 tons. This increase came from the fact that goods for long-term storage was discarded more than we anticipated when old buildings were demolished for new buildings. The reduction of disposed wastes will continuously be pursued this year and beyond.

### ■ Preventing Environmental Pollution

In FY2008, there were 3 environmental accidents caused by spillage of grease on our sites. We took immediate corrective actions for all of them, and have brought them under proper control. As for noise, there was 1 complain from a neighborhood, and we speedily took proper action for it. We will implement activities like the Environmental Risk Assessment to completely eliminate breach of standards, environmental accidents and claims.

\*For details of these environmental accidents, please refer to P.46 of this report.

## Results of Environmental Audits

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

We conducted internal audits at all twenty three sections of the Tokyo Office from October 14 to November 6, 2008, which identified 3 nonconformities and 51 cases that would require further observations. The required corrective actions were carried out and have since proved effective. The internal audits verified that EMS at all the business units is managed fairly well without any defects such as “no system or malfunctioning” and “violation of legal standards or regulations” at those audited departments and sections. During this fiscal year, we fostered 20 new internal auditors and conducted internal audits from new perspectives.

### ■ Results of the ISO 14001 External Assessment

From December 15 through 17, 2008, the ISO 14001 surveillance review was conducted. Corrections and remedies of the non-complying items identified at the last surveillance were accepted and no non-compliant case was pointed out. As a result, 27 items recommended for improvement were identified, and our ISO 14001 certification was renewed. Particularly, they gave us high marks for the steady improvements under “the Fourth Voluntary Plan (voluntary environment preservation program)” and the well focused pointing by a team of internal auditors reinforced with 20 additional auditors. We will keep on pushing forward to level-up the improvements.

## Environmental Data

### ■ CO<sub>2</sub> emission

Item	FY2008 actual result
CO <sub>2</sub> emission (tons-CO <sub>2</sub> )	14,129
Index (FY1990 = 100)	75.1

Total consumption of electricity and fossil fuels (heavy oil, diesel oil, kerosene, gasoline, urban gas and LPG) are converted. The CO<sub>2</sub> conversion factor is taken from JAMA (in some cases other conversion factors are used)

### ■ Waste materials and scrapped metals

(tons)

Item	FY2008 actual result
Scrapped metal	145
Amount of materials recycled within FHI	326
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0



■ Outline for Head Office (As of the end of March, 2009)

	Shinjuku Business Site	Omiya Business Site
Location	7-2, Nishi Shinjuku 1-chome, Shinjuku-ku, Tokyo	1-1-2, Miyahara-cho, Kita-ku, Saitama City, Saitama Prefecture
Site Area (m <sup>2</sup> )	1,600	54,896
Building Area (m <sup>2</sup> )	7,254	4,255
Number of Employees	586	39
Main Business	Planning, marketing and sales of SUBARU products, and corporate operations	

## In House Communication

Head Office is a compound organization which consists of the collective sections, like planning, marketing and sales of SUBARU products, and

corporate operations. Therefore we take care of in-house communication. We will introduce some of activities in FY2008.



Apr : ISO14001 at the Shinjuku Business Site FY2008 Kick-Off Ceremony



Jun : Management Review Meeting  
EMS Operation staff listening to the explanation by an organizer of Environmental preservation.



Sep : Education class was held for new internal auditors



Oct : The ceremony of new internal auditors



Dec : A explanation meeting of External Assessment was set



Feb : the 5th Operations Improvement Case Study Presentation 2009  
Held every year to disseminate outstanding examples throughout the company.

## Approaches to the Environmental Preservation

### Environmental Policy of Shinjuku and Omiya 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 environmental policy was revised to incorporate CSR oriented toward a "company fulfilling its social responsibilities" on June 5, 2007.

— Environmental Policy of Shinjuku and Omiya sites — [ Established in June, 2003 ]-[ Revised on June 5, 2007 ]

Always being aware of close relationship between the environment and our business activities, we will strive to create products and environment which are friendly to the earth, society, and people toward rich and bright future.

- (1) In business activities at the Shinjuku site in each phase of product planning, development, design, manufacturing, sales, services and vehicle disposal, we will strive to proceed duly considering CSR and environmental impacts.
- (2) In order to promote CSR and environment conservation activities, we will observe related laws and regulations, local agreements and industrial norms and engage in autonomous activities by setting objectives and targets.
- (3) Being aware of the importance of continuous improvements and pollution prevention in business activities, each of us will act consciously and responsibly.
- (4) We will conduct skill- and job-specific trainings to elevate awareness of each employee for promotion of CSR and environmental conservation activities.
- (5) We will conduct systematic audits and diagnosis to step up environmental conservation activities.
- (6) As a corporate citizen, we will interact with local communities and the society mainly through business activities and proactively cooperate in corporate CSR and environmental conservation activities to deal with various issues facing the society today.

\*1 Head Office is a collective term referring to a scope of operations which are subject to external assessment by the ISO 14001 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.



Environmental Policy of Shinjyuku and Omiya sites

## Major Environmental Conservation Achievements of FY2008

### ■ Curbing Global Warming

CO<sub>2</sub> emitted in FY2008 came to about 465 tons, achieving a reduction of 9 % compared with the FY2007. This is largely due to the pervasion of diligent energy-saving activities by every and each employee and the reviews of business trips and car demonstrations as part of cutting expenses.

### ■ Reducing Waste Material

In FY2008, as a result of stricter control of wastes generation by working out schedules for improvements in our lines of duty and reduction processes, the amount of discharge of PPC paper decreased to 27.4 tons, a saving of about 6 percent against FY2007. 100% recycling has been kept as well. The amount of general combustibles and waste was 18.2 tons, marking a reduction of 3% compared with its 17.7tons in FY2007. However, the amount of kitchen wastes and used tea leaves reduced from 7.4tons to 5.9tons. Behind the reduction is the change of disposal method of sorted kitchen wastes and used tea leaves, which led to recycling 65 percent of such kitchen wastes now. We will continue to push to achieve a reduction of at least 1% every year through making the recycling rate higher from now on.

### ■ Breaches of Environment-Related Laws and Regulations, Administrative Advice from Governmental Authorities, Claims and others

There were no cases.

## 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 33 sections, and conducted an internal audit at every section from October 14 to November 5, 2008. This audit was conducted with points to be checked prepared by auditors in advance from their own perspective as we aimed to let them develop their own initiatives for more effective auditing. As a result, the number of items pointed out in FY2008 increased to 56 from 44 in FY2007, which indicates affirmative attitudes

of auditors and execution of meaningful auditing. Then, we received 1 non-conformity. The corrective actions were carried out for non-conformity. Their effects are confirmed and spread within the site to improve our entire EMS level.



The scene at the ISO 14001 External Assessment  
Left : Omiya site Right : Shinjyuku site

### ■ Results of the ISO 14001 External Assessment

Our application for ISO 14001 renewal was assessed from December 17 to 19, 2008. Although 9 cases requiring further assessment were identified, there were no nonconformities and our ISO 14001 certification was renewed. We were highly acclaimed for the well-established infrastructure for environmental education including the ample use of PCs and approaches to streamlining by reviewing our jobs, consciously giving consideration to the environment in our lines of duty throughout the whole organization.

### ■ FY2009 EMS Activity Plan

“SUBARU Academy” which is in Hachioji City, Tokyo for training will be added the sphere of EMS activities within Head Office from FY2009.

■ Outline for Each Company (As of the end of March,2009)

Company Name	Yusoki Kogyo K.K.	Fuji Machinery Co., Ltd.	Kiryu Industrial Co., Ltd.
Location	102, Kamihama-cho, Handa City, Aichi Prefecture	2-24-3, Iwagami-machi, Maebashi City, Gunma Prefecture	2-704, Aioi-cho, Kiryu City, Gunma Prefecture
Number of Employees	99	367	82
Main Business	Manufacture and sales of aerospace-related machinery components	Manufacture and sales of automotive parts, industrial machinery and agricultural transmissions	Manufacture of specially equipped SUBARU automobiles and logistics control of SUBARU automotive parts

## Relationship with Local Community

### Communication with Local Society

Each company conducts various internal/external communication activities, regular beatification and cleanup activities around its properties. Some of their activities in

FY2008 are introduced here. The 3 companies of Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., and SUBARU Logistics Co., Ltd are enrolled in activities of SUBARU Community Exchange Association\*1.



Environmental Approach in Kiryu Industrial Co., Ltd.: Cleanup around the plant and streets for students. (Cut the grass along a railroad)



"EMS Cleanup activity" participated voluntarily by the managers in Yusoki Kogyo K.K.



Fuji Machinery Co., Ltd invited their employee, the neighborhoods and suppliers to the Summer festival which was held at the same time of Firework Festival in Maebashi City. It became a large festival joined 600people in total.



Yusoki Kogyo K.K. donated the fund raising collected by "Green fund-raising campaign" to the Green project committee in Aichi Pref.

Right : Shibata, the chief of Green project committee in Aichi Pref.

Left : Takahashi business control department manager



Ichitan Co., Ltd. held Summer Festival in Aug, every year, inviting the employee, their family and the neighborhoods.

### Implementation of Environmental Activities, Education and Emergency Drills

Every company is implementing various environmental education and drills for emergencies based on the EMS, laws and regulations.



Kiryu Industrial Co., Ltd.'s Emergency drills for preventing disasters



Company Name	Date	Description	Number of Participants
Yusoki Kogyo K.K.	September 22	Emergency drills to deal with a Heat-treat washing equipment	8
	February 25	Emergency drills to deal with a Heat-treat washing equipment	8
Fuji Machinery Co., Ltd	April 2	Basic education on the environment	6
	March 16	Emergency drills for preventing fire	65
Ichitan Co., Ltd	June 27	Education for preventing noise	38
	December 24	Emergency drills for preventing fire at incinerator	75
Kiryu Industrial Co., Ltd	July 11	Guidance for ISO Environmental Consultant	7
	November 20	Emergency drills for preventing disasters	110
SUBARU Logistics Co., Ltd	whenever necessary	Sorting waste education for mid-career employee	28

\*1 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> (Japanese only)

■ **Outline for Each Company** (As of the end of March,2009)

Company Name	<b>Ichitan Co., Ltd.</b>	<b>SUBARU Logistics Co., Ltd.</b>
Location	74, Shindo-cho, Ota City, Gunma Prefecture	558-1, Asahi-cho, Ota City, Gunma Prefecture
Number of Employees	200	142
Main Business	Manufacture and sales of forged parts for automobiles and industrial machinery	Packing, shipping, transportation, warehousing, maintenance and insurance brokerage of automobiles and parts

## Major Achievements by the Domestic Affiliated Companies

FHI set up a Domestic Affiliated Company Subcommittee for five 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 twice a year (extraordinary meeting is held if needed) to share and disseminate examples of environmental action between each other and promote further efficient and rational environmental action.

### Major Achievements by the Subcommittee

The Subcommittee meeting was held on May 9 and October 31 in FY2008, 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 16th Subcommittee meeting in May**

- Each company's environmental conservation achievements from FY2007 and plans for FY2008
- Although the sales revenues showed an one-percent increase for the subcommittee, the wastes reduction target was still achieved.
- Sticking to the company-wide zero emission level <sup>1\*</sup> and challenging to the zero emission level <sup>2\*</sup> were confirmed.
- Energy saving, CO<sub>2</sub> reduction, promotion of Team minus 6% national campaign efforts and others.

■ **Principle matters reported and discussed at the 17th Subcommittee meeting in October**

- Each company's achievements in the first half of FY2008 and the achievements expected for the end of the fiscal year.
- Achieving the target to control the amount of CO<sub>2</sub> emission by promoting energy-saving activities will be pursued, etc.



### Major Environmental Conservation Achievements

■ **Setting up the Environmental Management System**

The five companies participating in the Domestic Affiliated Company Subcommittee have already acquired the ISO 14001 Environmental Management System (EMS) certification, and have been making efforts to prevent pollution and reduce environmental burden through several measures including education, training, complying with laws and regulations at certain facilities, and internal audits.

SUBARU Logistics Co., Ltd. retained the ISO 14001 certification for FY2008, but the certification effective December, 14, 2008 was returned due to change of policy. It will promote its own voluntary EMS activities in future.

■ **Curbing Global Warming**

CO<sub>2</sub> emissions from the five companies totaled 21,057tons in FY2008, marking a reduction of 13% from the previous year.

SUBARU Logistics Co., Ltd. contributes to reducing environmental burden by setting optimal routes, promoting modal shift and raising loading rates for highly efficient operations in transportation of completed vehicles.

Joint transportation of completed vehicles with other firms in the same line of business was pushed forward and the number vehicles jointly handled in FY2008 totaled 36,578 units (the total of the vehicles commissioned to and by other firms for shipment). By collecting fuel economy data to grasp precisely the energy consumption and CO<sub>2</sub> emission, the fuel consumed was about 3 percent less than the preceding year. Efforts to reduce energy consumption 1 percent or more annually will continue.

## Topics

### Donation by SUBARU Logistics Co., Ltd., SUBARU Transportation Association and companies which do business with SUBARU Logistics to "Charity Fund-raising for Traffic Orphans"

On December 15, 2008 the fund raised was handed to Mayor Shimizu of Ota City, Gunma Prefecture at the municipal office. SUBARU Logistics Co., Ltd. played a central role in annual fund raisings and the amount donated in 2008 was 537,926 yen.



Okazaki President of SUBARU Logistics Co., Ltd. (the third person from right side) handed the fund to Mayor Shimizu (the Center person)

\*1 Level 1 :

The amount of direct or indirect land fills shall be one percent or less of the amount of generated wastes (with such wastes as metal scraps removed from the total amount of generation).

\*2 Level 2 :

The amount of direct or indirect land fills shall be 0.1 percent or less of the amount of generated wastes (with such wastes as metal scraps removed from the total amount of generation).

## ■ Reducing Waste Materials

Due to the decline in sales by 20 percent in FY2008, the specific energy consumption was short of achieving the target, but still the “zero emission level 2” was almost achieved overall. In FY2009, the management of specific energy consumption will be reinforced to control the impact of change in sales to steadily achieve the “zero emission level 2”.

(The amount of landfilled waste in FY2008 achieved 7.8 tons, 6.7 tons of reduction compared with the previous year.)

### 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

##### ● Noise-related

At Ichitan Co., Ltd., the night-time noise level exceeded its voluntarily set limit in October, 2008. To cope with such incident, they took actions of its own including setting sound-proof chamber for burr containers. As a result, the noise level was reduced from 48.2dB to 45.3dB successfully. There have been no further claims in official.



A sound-proof chamber for burr containers of Ichitan Co., Ltd.

##### ● Water-related

There were no breaches of water-related laws and regulations or voluntary standards in the measurement of all 5 companies.

##### ● Air-related

There were no breaches of Air-related laws and regulations or voluntary standards in the measurement of all 5 companies.

## ■ Administrative Advice and Recommendations from Governmental Authorities

None of the five companies received any administrative advice in FY2008.

## ■ Concerning the Storage of Equipment Containing PCB

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

### Claims and Incidents Related to the Environment

No official complains and incidents related to the environment happened at all the five companies.

### Results of Environmental Audits

#### ■ Results of the ISO 14001 External Assessment

Each company received the following minor nonconformities at the assessment independently. Their ISO 14001 certifications are maintained due to their immediate actions for minor nonconformities.

Company Name	Assessment Date	Minor Nonconformity	Item requiring further assessment	Good Point
Yusoki Kogyo K.K.	June 16 to 19, 2008	0	4	0
Fuji Machinery Co., Ltd	August 26 to 29, 2008	2	33	2
Ichitan Co., Ltd.	March 24 to 25, 2008	1	4	0
Kiryu Industrial Co., Ltd.	August 19 to 20, 2008	0	20	0
SUBARU Logistics Co., Ltd.	SUBARU Logistics Co.,Ltd. returned the ISO 14001 certification effective December 14, 2008 and is now proceeding with its own voluntary EMS activities.			

\* Yusoki Kogyo K.K., was added to FHI Utsunomiya Manufacturing Division's scope of certification. Results here are the received items related to the company at the assessment.

## Environmental Data

### ■ Energy consumption

	Yusoki Kogyo K.K.	Fuji Machinery Co., Ltd	Ichitan Co., Ltd.	Kiryu Industrial Co., Ltd.	SUBARU LOGISTICS Co.Ltd	The total of 5companies	FY2001 =100
Energy consumption (crude oil equipment KL)	568	4,485	6,239	224	568	12,084	79.6
CO <sub>2</sub> emission (tons-CO <sub>2</sub> )	897	9,538	9,977	377	269	21,058	76.5

### ■ Amount of waste materials and landfilled

	Yusoki Kogyo K.K.	Fuji Machinery Co., Ltd	Ichitan Co., Ltd.	Kiryu Industrial Co., Ltd.	SUBARU LOGISTICS Co.Ltd	The total of 5companies	FY2001 =100
Amount of waste materials (tons)	85	1,571	4,735	281	273	6,945	62.5
Waste materials directly landfilled (tons)	0.02	5.1	0.48	0.14	2.1	7.8	4.8

■ **Outline for Each Companies** (As of the end of March,2009)

Company Name	SIA <sup>*1</sup>	SOA <sup>*2</sup>	SCI <sup>*3</sup>
Location	Lafayette, Indiana	Cherry Hill, New Jersey	Mississauga, Ontario
Number of Employees	2,749	761	127
Main Business	Manufacture of SUBARU automobiles and contract manufacture of Toyota automobiles in the U.S.A	Sales and maintenance of SUBARU automobiles and parts in the U.S.A	Sales and maintenance of SUBARU automobiles and parts in Canada

## Relationship with Local Community

### Social Contribution by SIA

■ **Environment-friendly company, SIA**  
SIA's environmental achievements were featured in a various media. For example, an article titled "It's waste not, want not at super green SUBARU plant" was appeared in the USA Today ,on Feb 19, 2008, which is the second most widely circulated newspaper in the world.



The article introduced SIA's environmental achievements in USA TODAY

■ **"DeTrash the Wabash" Program**

SIA participated in "DeTrash the Wabash". Cleaned-up Wabash River in Lafayette.



" DeTrash the Wabash" Program  
The employee cleaning-up the Wabash River

### Social Contribution by SOA

■ **"Cruisin' Not Boozin' "**

SOA enjoys long-term partnerships with two organizations to help teens develop safe driving habits. "Cruisin' Not Boozin' " is a community outreach program of Bryn Mawr Rehab Hospital (Malvern, PA, USA) developed to reduce the incidence of drinking and driving among young people. This unique and effective program brings crash victims who were injured in alcohol-and drug-related accidents to speak with teenagers and adults at schools and community organizations. The life altering brain, spinal cord and traumatic injuries suffered by the program speakers are clearly evident. Now in its 20th year, the program has been presented to over 360,000 students throughout southeastern Pennsylvania, southern New Jersey and Delaware.



The speakers group for the Hospital's safe teen driving program help teens to understand the dangers of impaired driving.

\*1 SIA  
SUBARU of Indiana Automotive,Inc.  
\*2 SOA  
SUBARU of America,Inc.  
\*3 SCI  
SUBARU Canada,Inc.

■ **SCARCE Book Rescue**

SOA supports the activities of SCARCE Book Rescue Program which is a non-profit agency rescuing books from landfills. Average 25,000 books are available and free of charge to give them to underprivileged children, schools, orphanages, hospitals, in countries worldwide.



Gently-used books rescued from landfills are organized while awaiting new homes through SCARCE Book Rescue.

■ **"Alive at 25"**

"Alive at 25," a program of the New Jersey State Safety Council (Cranford, NJ, USA), was developed to reduce the number of violations, injuries and fatalities incurred by young drivers between the ages of 16 and 24 throughout New Jersey. The interactive program helps teens to understand how inexperience, peer pressure, and distractions can be driving hazards and teaches defensive driving techniques to help young drivers take responsibility for their behaviors and adopt safer driving habits.

### Social Contribution by SCI

■ **SUBARU Karting Championship**

SUBARU Canada had the opportunity to host the launch of the SUBARU Karting Championship Series at their head office in Mississauga on May 18th, 2008. While it was a cold and wet day people still took the time to drop by and see what the program was all about. The SUBARU Karting Championship was developed for youth looking for an affordable entry into the sport of karting. The program was designed to allow kids between 8 and 16 years of age to participate in the exciting world of kart racing while at the same time provide the enjoyment of family interaction and an environment of safe, fun and fair play for all kids.



A child testing out one of the karts on display at the SUBARU Canada Headquarters.

■ **Outline for Each Companies** (As of the end of March,2009)

Company Name	SRD <sup>*1</sup>	RMI <sup>*2</sup>
Location	Ann Arbor, Michigan	Hudson, Wisconsin
Number of Employees	38	22
Main Business	Research and development of SUBARU automobiles on North American market	Manufacture and sales of engines for general-purpose use, four-wheel buggies and golf karts engines in the U.S.A

## Approaches to Environmental Preservation

### Major Achievements by the Committee

FHI organizes the North American Environmental Committee (NAEC) with 5 manufacturing and sales affiliates in North America which cause relatively high environmental burdens among overseas affiliates. This committee meets regularly twice a year (and extraordinarily as needed) to share and spread successful cases among member companies, promoting efficient and streamlined environmental activities.

In addition to this Committee, FHI has started to organize "North American CSR Committee (NACC)" to share the Global information of SUBARU group related to CSR.

In 2008, the NAEC met on February 19 and September 16. In these gatherings took part the chairman and secretariat of the CSR and Environmental Committee from Japan. At the meetings, they reported activities at the NAEC member companies as well as activities of the CSR and Environmental Committee in Japan to globally share SUBARU-related information.

The NAEC was also held on February 19, 2009. They confirmed the performance of 2008 and targets for 2009 and discussed what the system should be for future activities.

The targets for 2008 were achieved for all the items related to wastes, landfill, recycle rate, energy, CO<sub>2</sub>. As for NACC, the first committee was held on February 24, 2009 and discussed each performance of CSR activities.

### Major Achievements by the Committee

■ **Setting up the Environmental Management System**

All the five NAEC member companies have acquired ISO 14001 EMS Certification and work on the activities such as education, drills, compliance with laws and regulations at certain facilities, internal audit to prevent pollution before it happens and reduce environmental impact.

Especially SIA acquired the certification in November 1998, which was four months before the Gunma Manufacturing Division, the production site of SUBARU in Japan, did. Also, SIA, SOA and RMI achieved the integrated certification in December 2006 as their further advanced activity.

■ **Environmental Impact (Total amount of CO<sub>2</sub> emitted and landfilled waste at the five companies)**

The CO<sub>2</sub> emission in specific energy consumption per unit declined to 0.54 ton in FY2008 from 0.64 tons in FY2007 due to the diligent energy conservation activities. However, the total emission recorded 111,000 tons-CO<sub>2</sub>, being unable to absorb the one attributable to the increased production volume including those contracted Toyota vehicles, with an increase by about 9,000 tons-CO<sub>2</sub> or about 8 percent over FY2007. For prevention of global warming, we will make further efforts to promote measures to reduce environmental impact.

The amount of landfilled waste in FY2008 was 544 tons, marking a reduction of about 3% compared with FY2007. SIA achieved zero emission in 2005 and has maintained the status since then.

## Topics

SUBARU was ranked in "Best Green Companies for America's Children 2008" (Top 20) in the Working Mother Magazine. The winning companies are progressive in their environmental stewardship attitudes and activities, and in the process strive to build a better and cleaner world for our children.

SUBARU was recognized as a "recycling colossus" and specifically noted were PZEV<sup>\*3</sup> super clean gases-engine vehicles, R&D of clean-diesel and electric cars, and the waste reduction and recycling program. Further more, SUBARU was awarded the Best Adoption Friendly Workplace prize as a second best.

### Curbing Global Warming

SIA could reduce the amount of CO<sub>2</sub> emission by 25,435 tons through the active energy saving. In praise of these efforts, SIA has received the Waste Wise Award from EPA for 3 consecutive years since the year before last. (Waste wise Gold achievement award for Climate change in FY2008, New partner Gold achievement award in FY2006, Waste wise Gold achievement award for Recycling in FY2007)



A trophy at EPA Waste wise Gold achievement award for Climate change 2008

\*1 SRD: SUBARU Research & Development, Inc.

\*2 RMI: Robin Manufacturing U.S.A., Inc.

\*3 PZEV: Partial-zero-emission vehicle Clean emission vehicles which use superclean gas engines meet California's tough SULEV (super-ultra-low-emission vehicle) standards.



SUBARU Canada's DDS (Dedicated Delivery Service) Program began in 2006 with the Greater Toronto Area (GTA) dealers and then expanded to the Montreal and then to the dealers outside the GTA with additional dealers added in 2008. The DDS program now has trucks which provide overnight service to these dealers which mean the truck leaves the SCI warehouse and delivers parts shipments directly to the dealers then sent to the carrier's warehouse for separation and then shipped to the destination. The DDS trucks deliver overnight by-passing rush hour traffic and traffic congestion in general. Therefore it can reduce the amount of packaging used for parts shipments to dealers and reduce the amount of CO<sub>2</sub> emitted by having parts shipped directly to dealerships while enhancing customer service.



One of DDS parts trucks SUBARU Canada uses to transport parts directly to dealerships.

RMI pushes forward the approaches to reduce the heating cost and CO<sub>2</sub> emissions through covering dock doors with thermo insulators.



The dock door covering with thermo insulator

SOA's efforts in "continual improvement" reaped significant environmental & financial reward associated with its conservation activities in 2008, improving its bottom line while reducing operational impact on the environment. SOA's capital improvement projects and energy conservation measures in 2008 resulted in a 21.9% decrease in energy use over the previous year, resulting in major cost savings and reductions in CO<sub>2</sub> emissions.

We will actively work toward reducing CO<sub>2</sub>.

## Reducing Waste Materials

Each 5 companies are making efforts to use returnable pallets for shipping containers of KD parts and keeping on trying to reduce waste generation itself. For example, RMI is using 93% of returnable pallets now, and planning to push forward to be used 100% of returnable pallets in FY2009.



Returnable pallet of RMI

Furthermore, as an original measure, RMI has started "e-RECYCLING" to recycle all of RMI's old electronic equipments.

SOA uses returnable shipping crates by the parts distribution facilities. Nationally, the use of these crates will eliminate over 40,000 corrugated shipping cartons needed for transfers between warehouses each year.



Folding Returnable Crates of SOA

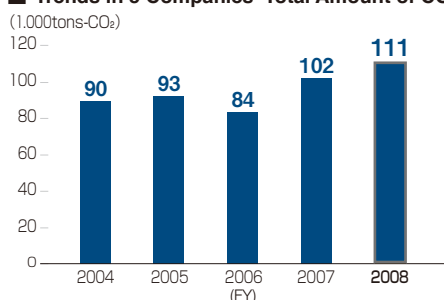
SRD keeps on reducing waste generation. The style to order was switched from by hard copy papers to on line. The mailings retain by electronic data to promote paper-less system.

SIA has already achieved the Zero Emission and continued to make efforts to reduce waste generation itself. For example, SIA reuses approximately 6,000 gallons of oil annually Oil Centrifuge Project, and 2,122 tons of packaging materials through the Engine Plant Return Project. They keep on pushing forward to reuse, recycle and reduce wastes materials.

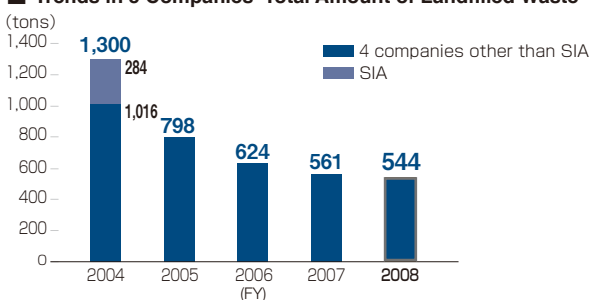
3R (Reduce, Reuse, Recycle) in SCI was appeared in various media like National Post and Canada.com which are the wide-land newspapers. SCI will set the higher target and enforce the approaches from now on.

## Environmental Data

### ■ Trends in 5 Companies' Total Amount of CO<sub>2</sub> Emitted



### ■ Trends in 5 Companies' Total Amount of Landfilled Waste



## Chronology of FHI's Social & Environmental Activities

- Management Division   ■ Automotive Business   Other Companies   ▲ Aerospace Company  
 ◆ Industrial Products Company  
 ★ Eco Technologies Company, and others

1993

- Mar. ● Established the Voluntary Environmental Protection Plan  
 ● Set up the Corporate Environment Committee. On the lower part of it, set up the Engineering Environment Committee and the Plant Environment Committee

1994

- Apr. ■ Completed replacement of air conditioner refrigerants from CFC12 to HFC134a

1995

- Jan. ◆ 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  
 Oct. ● Displayed a direct gasoline injection engine and a hybrid electric vehicle at the Tokyo Motor Show



Electric Vehicle, "Sambar EV"

1996

- Apr. ● Established the Environment Plan for 2000

1998

- Feb. ● Established the Recycling Initiative for End-of-Life Vehicle Voluntary Action Plan for Automobile Recycling  
 Apr. ● Established Environmental Policy  
 Oct. ■ Completed nationwide extension of JAMA's CFC-12 collection and destruction system  
 Nov. ● SIA in the U.S.A. acquired ISO 14001 certification

1999

- Mar. ● Gunma Manufacturing Division acquired ISO 14001 certification  
 May. ● Saitama Manufacturing Division acquired ISO 14001 certification  
 Jul. ● Utsunomiya Manufacturing Division acquired ISO 14001 certification

2000

- Mar. ■ Expanded the scrap bumper collection system to the remaining area and built a nationwide system in Japan  
 ★ Fuswon won the Resource Recycling Technology System Award for FY1999 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 first Environmental Report  
 Nov. ★ Unveiled the SUBARU Small Wing Turbine Generator System  
 ★ Began sales of the new LP0 low-noise refuse collection vehicle



A trial model of SUBARU Small Wing Turbine Generator System

2001

- Mar. ● 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  
 Sep. ● Eliminated the incinerators at the all Manufacturing Division



Multipurpose Robin Engine, Ex series

2002

- Jan. ● The SUBARU Small Wind-Power Generation System won the NEF Prize of FY2001 (the Agency of Natural Resources and Energy Director-General Prize)  
 Feb. ■ Began sales of the new FORESTER. All models met the FY2010 fuel economy standards and were accepted as good low emissions vehicles (G-LEV)  
 May. ● Established "the third Voluntary Plan for Environment" (FY2002 through FY2006)  
 Nov. ● Switching to Pollution-Free Paint Remover for Regular Servicing of Airplanes won an award from Defense Procurement and Infrastructure Association



SUBARU Small Wing Turbine Generator System

2003

- May. ■ Full model change of LEGACY to launch the New LEGACY  
 All models met the FY2010 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  
 Jul. ● Established SUBARU Visitor Center at the Yajima Plant of the Gunma Manufacturing Division  
 Oct. ● The Gunma Manufacturing Division won the FY2003 3Rs Promotion Association Chairman's Award  
 Dec. ■ 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)



SUBARU Visitor Center



New minicar "SUBARU R2"

2004

- May. ◆The Industrial Products Company (V model two cylinder engine) received the "Supplier of the Year" award from Cummins Inc.
- 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"
- 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



IMPREZA TRANSCARE  
Wing sheet

2005

- Jan. ●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
- Mar. ●All SUBARU Manufacturing Divisions including the Head Office and the SUBARU Parts & Accessories Division acquired ISO 14001 certification
- May. ●Views on corporate social responsibility were clarified in "CSR Policy"
- Jun. ●FHI Group unveiled its "Environmental Logo"
- Jul. ●FHI joined the "Team minus 6%"
- 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



Environmental symbol Logo

2006

- 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-friendly and comfortable interior in the car and realized fuel economy of 22.5km/l and met green tax plan
- Aug. ●Unveiled the Fourth Voluntary Plan for the Environment (FY2007 through FY2011)
- Nov. ■Electric vehicle, the SUBARU R1e, received The Minister of the Environment Prize for global warming prevention activity
  - ★The large-scale Wind Turbine System won the Agency of Natural Resources and Energy Director-General Prize
- Dec. ★Received the 2006 Robot Awards established by the Ministry of the Economy, Trade and Industry
  - The three of SIA, SOA, RMI acquired the ISO 14001 integrative certification



Electric Vehicle, SUBARU "R1e"



Large scale wind turbine system

2007

- Feb. ◆Released rechargeable lawn mowers, "e-cutter PRO"
- Jun. ■Full model change of IMPREZA to launch the comfortable style car, New IMPREZA
- Sep. ★Published and released 'Fuji Mighty LP81 model series'
- Dec. ■Full model change of Forester to launch the new generation Crossover car, New FORESTER



Rechargeable lawn mowers,  
"e-cutter PRO"

2008

- Apr. ■IMPREZA received 'New Car Assessment Grand Prix'
- Jun. ■Released EXIGA, the new 7 seater panorama touring model
- Oct. ■Improved a part of IMPREZA, and additionally released the "IMPREZA Anesis"
- Dec. ●the first displayed at the Environmental Exhibition, "Eco Products 2008"



The Grand Prix award ceremony in the Japan New Car Assessment 2008-2009

2009

- Jan. ■Our horizontally opposed diesel engine was presented with the Japan Society for the Promotion of Machine Industry Chairman Award in the 6th Prize for Promoting Machine Industry
- Feb. ◆Unveiled the engine based lawn mowers, SUBARU Robin Cutter SCA series, SCM series
- Apr. ■Both of FORESTER and EXIGA acquired the Grand Prix award in the Japan New Car Assessment 2008-2009
- May. ■Released Grand touring Innovation car, New "LEGACY"
  - Achieved the "75% reduction beyond 2005 emissions standards" (SU-LEV) in the all models
- Jun. ■Unveiled The Electric car, "Plug-in STELLA" on a high performance lithium battery
  - Revised the CSR Policy based on the fundamental aspect and strategic aspect of CSR



New "LEGACY"



Electric Vehicle,  
"SUBARU Plug-in STELLA"



## Mizue Unno

Managing Director  
So-Tech Consulting Inc.

### Overview of CSR Initiatives

The CSR Policies have been revised in 2009 to indicate explicitly not only the fundamental aspect of CSR, but also its strategic aspect which leads to proactive solution of social issues in the course of business. The fact that the direction to go was pointed is worth of special mention. I would expect that a specific shape will be given concretely to what kinds of issues are placed priorities as a car manufacturer in the time to come, in the CSR Voluntary Plan. What counts here is to make it easy for employees at worksites and stakeholders to understand and practical.

### Sorting CSR-related issues from fundamental and strategic perspectives

With the CSR Policies already set, placing issues specifically in order from the fundamental (defensive) CSR and strategic (offensive) CSR points of view is required, while clearly understanding the two-sidedness of CSR with inherent risk and chance.

Particularly, in building an awareness of the strategic nature of CSR, the point is how the strength can be applied to what people are interested in, while focusing on competitiveness in business.

I was explained that "high performance" is the advantage of Fuji Heavy Industries in the development of automobiles, but at the same time that this forte breeds negative image in environmental matters. In practice, technological development to achieve environmentally satisfactory performance has been pushed forward and this fact should be explained tenaciously and persuasively as before.

Besides, involvement of Fuji Heavy Industries in non-automotive areas such as wind power generation and eco technologies makes it stand apart from other automotive manufacturers. Furthermore, its development of durable engines is the business which can contribute to helping the future growth of developing countries. Thus, it will be effective to have the stance of dealing with social issues of global nature properly reflected in business including its niche operations.

### Activities by Topic

#### ■ CSR Procurement

Cascading CSR to suppliers is the time-consuming process which cannot be completed only with one-sided request from a manufacturer. In addition to green procurement, they have started moving ahead to work out common guidelines in the area of CSR in automotive and related industries. Fuji Heavy industries is also expected to proceed with CSR procurement based on inter-company cooperation keeping pace with such current outside.

#### ■ Customer Support

The "Customer comes first" policy is gradually sinking into the mindset internally. Incorporation of such customer-oriented approaches for evaluation has produced good results. Positive introduction of dealerships in annual CSR reports is set in

Visited Utsunomiya Manufacturing Division this year, in addition to Gunma Manufacturing Division which has mainstay plants of Fuji Heavy Industries, I reviewed their activities related to environmental and social issues at the site while learning the development in aerospace business and eco technologies. I would advise to keep their on-going involvement in CSR to make all the employees of Fuji Heavy Industries including its overseas affiliates.

place, which is encouraged to be made most use of for horizontal spread among dealerships and nation-wide elevation of consciousness.

Also, it definitely calls for periodical education and trainings of dealerships and other sales outlets by SUBARU Customer Center. This Report gives us a glimpse of such efforts, but more needs be done. Revitalization of mechanism to encourage deepening awareness is required to involve domestic as well as overseas dealers in this endeavor.

#### ■ Three pillars in CSR Initiatives

Fuji Heavy Industries has set three areas: environment, traffic safety and contribution to local communities, as common ground of the group including overseas affiliates. In the area of traffic safety, though, what approaches will give impact to stakeholders and be conducive to success is fuzzy. Since this is the field characteristically linked to automakers, such approaches are probably already built in anywhere in its activities. However, as long as three pillars are hoisted upward, the activities are expected to be staged more consciously.

#### ■ Deployment of PDCA in CSR

Last year, the North American CSR Committee was inceptioned, moving global development one more step forward. It is meaningful to reposition the environmental and social activities at SIA so far in the group-wide global CSR spectrum. Although the first year was rather limited to sorting out the on-going activities, but what is needed from this time on in mapping out a new CSR voluntary plan is to have the process of planning through reviewing carefully followed, involving main sites oversea as well.

### Media and Contents of Reports

The means of reporting in this time was broken into two mediums; printed report and Web site, by the depth of coverage, showing a bit of creative efforts for readability with distinctions of these mediums into account. Nevertheless, there still remains much room for further studies as to whether the content in the printed report is narrowed down to major items sought by readers who have no other means than this printed report for assessment. Keep going, getting the most out of assessments by diversified stakeholders.

#### Profile

Mizue Unno  
Manager Director So-Tech Consulting Inc.  
<http://www.sotech.co.jp>

Unno Established So-Tech Consulting Inc. in 1996 after working for management consulting firms.

Taking a global management standpoint, she offers management advices that support practical business solutions, to Japanese businesses in the environment and CSR field with detailed insights of her own.

She is also a lecturer in the graduate school of the University of Tokyo. Publications include "Global CSR Procurement"(provisional translation from the original Japanese) (2006, in collaboration with another author) and "SRI and New Corporation/Finance"(provisional translation from the original Japanese ) (2007, in collaboration with other authors). " The book for deep understanding of Corporate Social Responsibility [ CSR]" (2008)

## Thoughts on the Independent Evaluation

Following last year, Ms. Mizue Unno of So-Tech Consulting Inc. provided us with her objective review on SUBARU(FHI)'s social aptitude and environmental activities through her interviews to our Corporate Executive Vice President Director of the Board Okuhara, Chairman of the CSR and Environmental Committee, Corporate Vice President Takahashi, Vice Chairman of the Committee and a secretariat of the CSR and Environmental Committee at Utsunomiya Manufacturing Division (Aerospace Company and Eco Technologies Company).

Taking her remarks to heart, we will be stepping up our activities.

### (1) Overview of CSR Initiatives

We have clearly set the CSR Policies with "the fundamental CSR which mainly focuses on the corporate code of conduct and priority-based approach" and "the strategic CSR which mainly focuses on contribution to solution of social issues through business activities" as major components. We will move forward with working out a CSR voluntary plan with both offensive and defensive sides properly balanced to meet effectively constantly-changing social challenges.

### (2) Individual CSR issues

#### ① CSR Procurement

It takes collaboration not only within the group but also with the industrial circle for efficient promotion of CSR in supply chains. We will be pressing ahead to work a CSR guideline with infiltration of activities within the company and affiliates of the group.

#### ② Customer comes first

We will get the "Customer comes first" approach permeated in the minds of all members of the SUBARU group, through reinforcement of education and trainings for further understanding, motivating and practicing of the "Customer comes first" and grasp and spread of best practices.

#### ③ Three pillars in CSR activities

We have been expending efforts to commonly act for "environment, traffic safety and contribution to local communities" since last year, taking it our social responsibilities as a manufacturer of transport equipment including automobiles. Particularly, in the area of traffic safety, since there are many undertakings going on, they will be sorted out by areas related to, local communities and direct harnessing of our resources with their aims clearly defined.

#### ④ Deployment of PDCA in CSR

The North American CSR Committee was incepted in FY2008. In dissemination of the CSR Policies which clarified both fundamental and strategic aspects of CSR and drawing up a CSR voluntary plan, PDCA management will be forged ahead, while carefully coordinating within the group.

### (3) Media and Contents of Reports

We reviewed the positioning of Web and pamphlet version on the occasion of issuance of the report under the name of "the CSR Report", and, as a result, refined the Web version for full-fledged reporting and the pamphlet for digest reporting. The content of the pamphlet version will be improved on a continual basis, reflecting the input from reader responding to questionnaires.



### Environmental symbol Logo

In June 2005, we created the FHI Group's environment logo.

The environment logo has a leaf at the center, with "green earth" and "blue sky" to represent the globe. Into this logo, we incorporated our determination to actively work on providing product that are friendly to the earth, society, and people, which is stated in the FHI Environmental Policy.

SUBARU participates "Team minus 6%"  
-a national campaign against global warming



**Stop Global Warming**

**Team minus 6%**



### The Cover Design

We have charged the promotion of CSR activities through our line of business with significance in releasing the report the first time under the name of "the CSR Report". Contribution to the society and environment through the course of business is expressed by connecting the "SUBARU's CSR" to the plug-in electric vehicle STELLA which is running about in a city.

~Editors and Issuance~

CSR and Environmental Affairs Promotion Office,  
General Administration Department, Fuji Heavy Industries Ltd.  
Contact ●

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# Please Give Us Your Opinions and Ideas

Thank you for reading Fuji Heavy Industries' 2009 CSR Report.

This report explains the measures for social actions and environmental conservation implemented in FY2008 focusing primarily on FHI.

We will continue to publish the report annually. We believe that your opinions and ideas will help make the reports more complete.

Please take a moment to fill in the questionnaire on the reverse side and fax or mail it to us at the number and address shown.

Thank you for your cooperation.

## Reports on the results of the questionnaire for our 2008 Social & Environmental Report

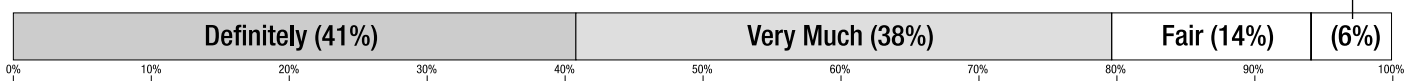
Our sincere thanks to the many individuals that completed last year's questionnaire (published in July 2008).

These are the results.

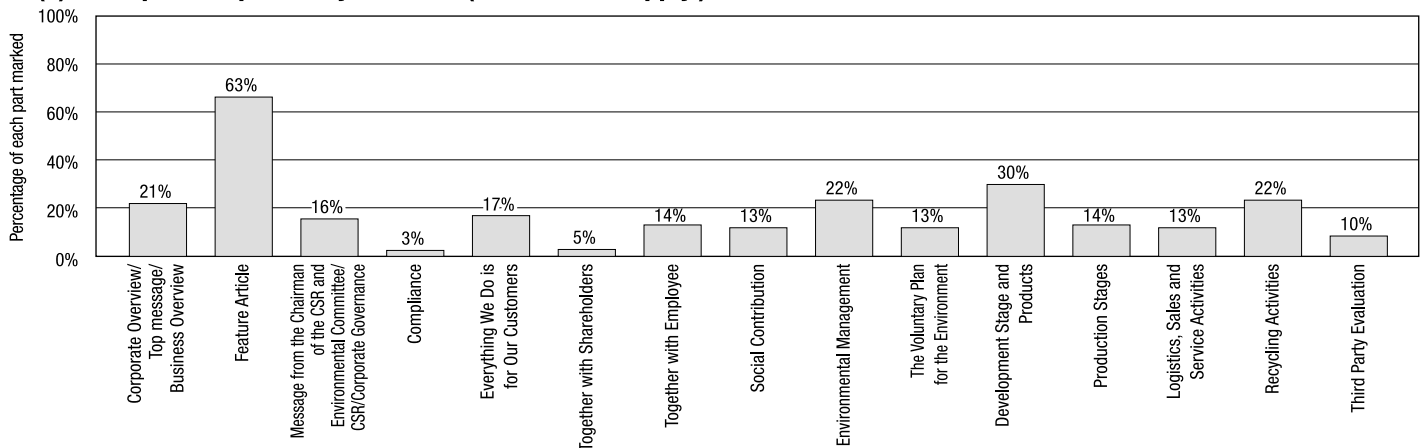
### 1. About the 2008 Social & Environmental Report

(1) Were the contents of this report sufficient and appropriate for a Social & Environmental report?

Not very much



(2) What parts impressed you most? (Mark all that apply.)



### 2. Comments for improvement of and/or addition to the contents of the Report

- If there are articles which introduce how other dealerships nation-wide are tackling with CSR and environment related issues, it will be very useful.
- Information on environment-related products such as future-oriented electric vehicles should be pitched for by featuring such products in the Report and by some other means.
- I want to know how you are dealing with environment-related issues at each production process of automobiles.
- I want to see detailed reports on the technological development status of new products which could give significant impacts on the environment.
- I would also expect rather negative information on accidents and problems as well as corrective actions taken.
- There was a series of scandals in industries lately. More compliance-related articles and their links with environment-related issues are expected to be carried.
- It would be better for the sake of environment to reduce the number of pages of the printed version and its copies for distribution.
- I rather want to know what you are doing in non-automotive areas such as aerospace and large-scale wind power generation business.

### 3. Comments on the Social & Environmental Report and our environmental activities

- I felt something is missing since information related to the interaction with the society is less in space and number of articles than that on other topics. I also think some efforts are being wasted since appealing the efforts to the public is not enough for the large number of action programs and events.
- The Report is compiled with care, but I would like to see more pictures and graphs so that people in general can understand better.
- I would expect on-going enhancement of CS activities at dealerships.
- Each approach is good, but SUBARU is expected to continue its efforts as a corporate to meet the increasingly sophisticated social needs.
- I like the way that SUBARU works for recycling from the design phase. But, at the same time, I could see well that making cars which are simply convenient cannot be accepted at large, which made me think.

We have reflected the readers' valued opinions as much as possible in this 2009 CSR Report. We again solicit your opinions and guidance in order to promote improvement of our Social and Environmental Report continuously.

# 2009 CSR Report QUESTIONNAIRE FORM

Please fax or mail the form to the number or address below after filling it in.  
We will report the result of this questionnaire in the next our FY2010 CSR Report.

## Q1. How did you learn about this 2009 CSR Report? (Mark one that applies)

- (1)Newspaper / Magazine article (2)Questionnaire at the Shareholder general meeting (3)FHI Web site  
(4)Other Web site (5)FHI employee (6)FHI business partner or supplier (7)SUBARU dealers (8)Friend, or acquaintance  
(9)Other (please specify: )

## Q2. Which media did you select to read this Report?

- (1)Pamphlet version [Japanese only] (2)Website version (3)Both versions of Pamphlet and Website.

## Q3. Were the contents of this report sufficient and appropriate for a CSR report? (Mark one that applies)

- (1)Definitely (2)Very much (3)Fair (4)Not very much (5)Not at all

Please state your reasons.

Reasons:

---

## Q4. What do you think of FHI's CSR activities? (Mark one that applies)

- (1) Definitely sufficient (2) Sufficient (3) Acceptable (4) Not sufficient (5) Definitely not sufficient

Please state your reasons.

Reasons:

---

## Q5. What parts impressed you most? (Please mark all that apply.)

- (1) Top Message (2) Message from the Chairman of the CSR and Environmental Committee (3) Corporate Overview /Business Overview  
(4) CSR Feature Articles (5) CSR Feature Article in FUJI SUBARU Inc. (6) Feature Article of Approaches to prevention of Global Warming  
(7) Feature Article of New EXIGA (8) Feature Article of Industrial Products Company (9) CSR Management  
(10) Corporate Governance/ Risk Management (11) Compliance (12) Everything We Do Is for Our Customers  
(13) Together with Suppliers and Shareholders (14) Together with employee (15) Social Involvement  
(16) Environmental Management/Environmental Performance (17) The 4th Voluntary Plan for the Environment  
(18) Green Products (19) Automobile Recycling (20) Clean Plants (21) Green Logistics, Sales and Services  
(22) Site Report (23) Independent Evaluation  
(24) Other ( )

## Q6. Please indicate which topics you would like more detailed information.

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## Q7. What is your opinion of FHI's environmental activities based on this report?

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## Q8. What is your relationship with FHI? (Mark one that applies)

- (1) Customer (2) Neighboring resident of FHI business sites (3) Engaged in government administration (4) FHI shareholder  
(5) News media-related (6) Related to an environmental NGO or NPO (7) Finance- or investment-related (8) Business partner/supplier  
(9) Employee or family member of employee  
(10) Other (please specify: )

## Q9. Could you tell us your gender and age?

Male/Female \_\_\_\_\_ years old

Thank you for your cooperation. If you agree with the use of personal information, please provide some information about yourself (optional).

Name

Occupation

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Address □□□-□□□□

Telephone ( ) —

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In case we might contact you to receive your opinion in more detail, do you accept it? (1) Yes (2) No

The use of personal information: Your personal information will not be used for other purposes other than improving the contents of our CSR Report. Furthermore, we will not disclose that information to any third party without due cause.

To CSR & Environmental Affairs Promotion Office, General Administration Department, FUJI HEAVY INDUSTRIES LTD.  
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