

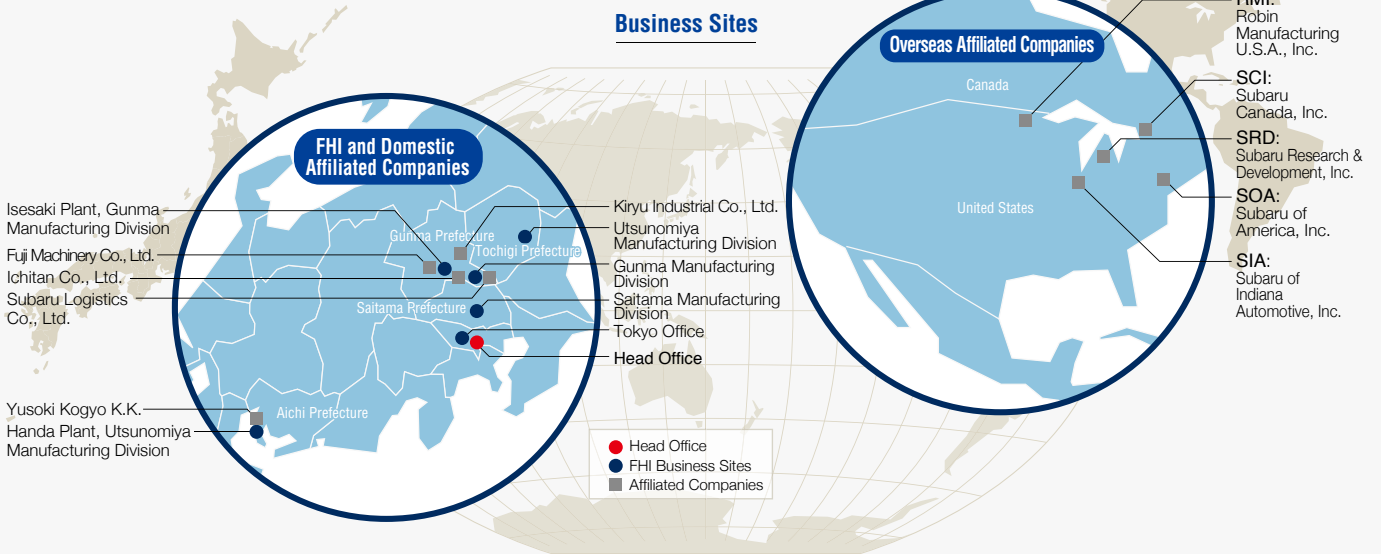
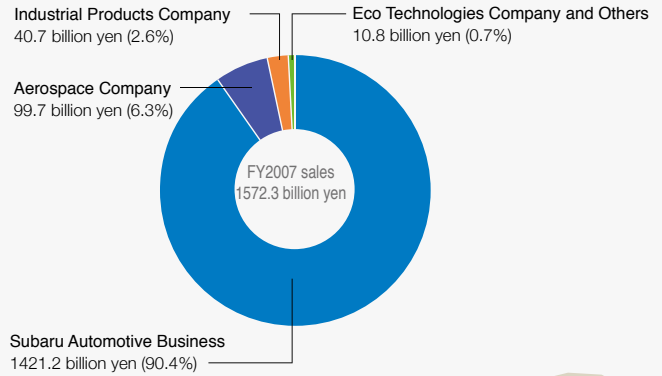
2008



**Corporate Overview** (As of March 31, 2008)

<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>	26,404 (Consolidated) 12,801 (Non-consolidated)
<b>Head Office</b>	Subaru Building, 7-2 Nishi-shinjuku, 1-chome, Shinjuku-ku, Tokyo 160-8316, Japan Phone: 03-3347-2111 [Main switchboard] (Domestic) Phone: +81-3-3347-2111 (International)
<b>Sales</b>	1572.3 billion yen (Consolidated) 1018.8 billion yen (Non-consolidated)
<b>Operating Income</b>	45.7 billion yen (Consolidated) 25.8 billion yen (Non-consolidated)
<b>Ordinary Income</b>	45.4 billion yen (Consolidated) 24.8 billion (Non-consolidated)
<b>Number of Consolidated Subsidiary</b>	44 (Domestic), 18 (Overseas)
<b>Number of Equity Method Subsidiary</b>	16 (Domestic), 5 (Overseas)

**FY2007 Sales Ratio by Business Unit (Consolidated)**



**Social & Environmental Report**

2008



**About the Cover Design "Subaru, People and Global Environment"**

It is designed to project an image of interrelationship among Subaru, People and Global Environment by creating space for Subaru's electric cars and diversified stakeholders. The design reminds readers of our providing products and service appreciated by customers and inspires our orientation for coexistence with stakeholders and the global environment.



Subaru participates "Team minus 6%"  
—a national campaign against global warming



**Editorial Policy**

This report has been issued to introduce the social and environmental achievements of Fuji Heavy Industries Ltd. (FHI), its domestic and overseas affiliated companies, in order to set the stage for communication with stakeholders including our customers, shareholders, partner companies, local communities and employees, and to further improve our activities for environmental protection and social activities.

In order to make this report easy to understand, we focused only on major issues as much as we could, and included our special achievements in "Feature Articles". For this reason, we have separately placed "Supplementary Volume for Data related to the 2008 Social and Environmental Report" on our website, and report other information such as the calculation results of environmental accounting and the details on our activities.

[Address of our website introducing our environmental achievements]  
<http://www.fhi.co.jp/envi/report/index.html> [Japanese]  
<http://www.fhi.co.jp/english/envi/report/index.html> [English]

We arranged for an independent evaluation by Ms. Mizue Unno (Manager Director of So-Tech Consulting, Inc.) following FY2007 on the contents of this report, since we believed we could continuously receive informative opinions and evaluation to proceed with our activities toward a "company fulfilling its social responsibilities". The resulting assessment is placed at the end of this report.

**Our Response to the Third Party Evaluation of the 2007 Social and Environmental Report**

We have taken actions to address the third party evaluation of the last issue as follows:

■ **Unfold Unique CSR Activities by Incorporating What Affect Subaru's Core Business in the CSR Policy**  
 CSR programs are now in progress with new items closely linked to our core business such as reduction of product-related environmental burdens/risks and traffic safety.

■ **Expand the Scope of CSR Activities to the Whole Group Including Productions and Sales Overseas**  
 The CSR and Environment Committees were integrated into the CSR and Environmental Committee to promote group-oriented CSR activities. Major overseas affiliates also have started running with newly established systems.

■ **Study KPI (Key Performance Indicators) Globally and Apply Them to CSR Activities**  
 Effective indicators are now under study by reviewing CSR action items commonly practiced within the group.

■ **Keep Reporting on Involvements in Eco Technologies like Wind Power Generation**  
 Activities related to eco technologies are featured in this issue. Similar articles will follow in future.

[Report on Social Aspect]

■ **Keep Working to Get Social Awareness Sink into Employees' Mind**  
 Action programs were hammered out and executed at each business unit under a company-wide policy to deepen the employees' social awareness. However, an in-house survey indicated that we were still short of reaching a desired level. We will continue our efforts to make it rooted into their mind.

■ **Show Why "Customers Come First" is Critical, Issues at Hand and Direction to Go**  
 Specific case studies are introduced as opening features of this issue to show how CS issues are being handled in-house and at a dealership.

■ **Review Reporting Cycles on Company Policy Planning, Evaluation of Vital Programs, Goal-setting and Performance Assessment**  
 The outcomes and the plans for the coming year are presented for major CSR programs in this issue.

[Report on Environmental Aspect]

■ **So Far Management Rather Limited to Japan, Check and Review Globally**  
 The performance and plans of main overseas affiliates will be reported and reviewed at the CSR and Environmental Committee. Measures are now being taken by the affiliates as practiced in Japan.

■ **Present Three Vital Topics, Fuel Economy, Exhaust Emissions and Clean Energy Vehicles in a More Simple and Understandable Way**  
 We have taken up such subjects in a feature article on activities to prevent global warming in an easy-to-read manner.

**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 and other), Tokyo office (Mitaka City, Tokyo)]
- Industrial Products Company [Saitama Manufacturing Division (Kitamoto City, Saitama Prefecture)]
- Aerospace Company [Utsunomiya Manufacturing Division (Utsunomiya City, Tochigi Prefecture; Handa City, Aichi 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)

NOTE: In FY2007 Social & Environmental Report, members of the Domestic Affiliated Company Subcommittee were six, but we divested all the share of Fuji Robin Industries Ltd., which we had owned, to Makita Corporation in 2007. Fuji Robin Industries Ltd. is now excluded from the FY2007 results.

**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**

This report covers our achievements and activities in Japanese fiscal year (FY) 2007 (April 2007 through March 2008; \*for overseas affiliated companies: January through December 2007) and some activities from prior fiscal years and others conducted just before the issuance of this report.

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

◇ **Inquiries about This Report**  
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Independent Evaluation

**Contents of Supplementary Volume for Data related to the 2008 Social & Environmental Report**

The data can be easily downloaded from our website. Please visit our site at

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

- Chronology of FHI's Social & Environmental Activities
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