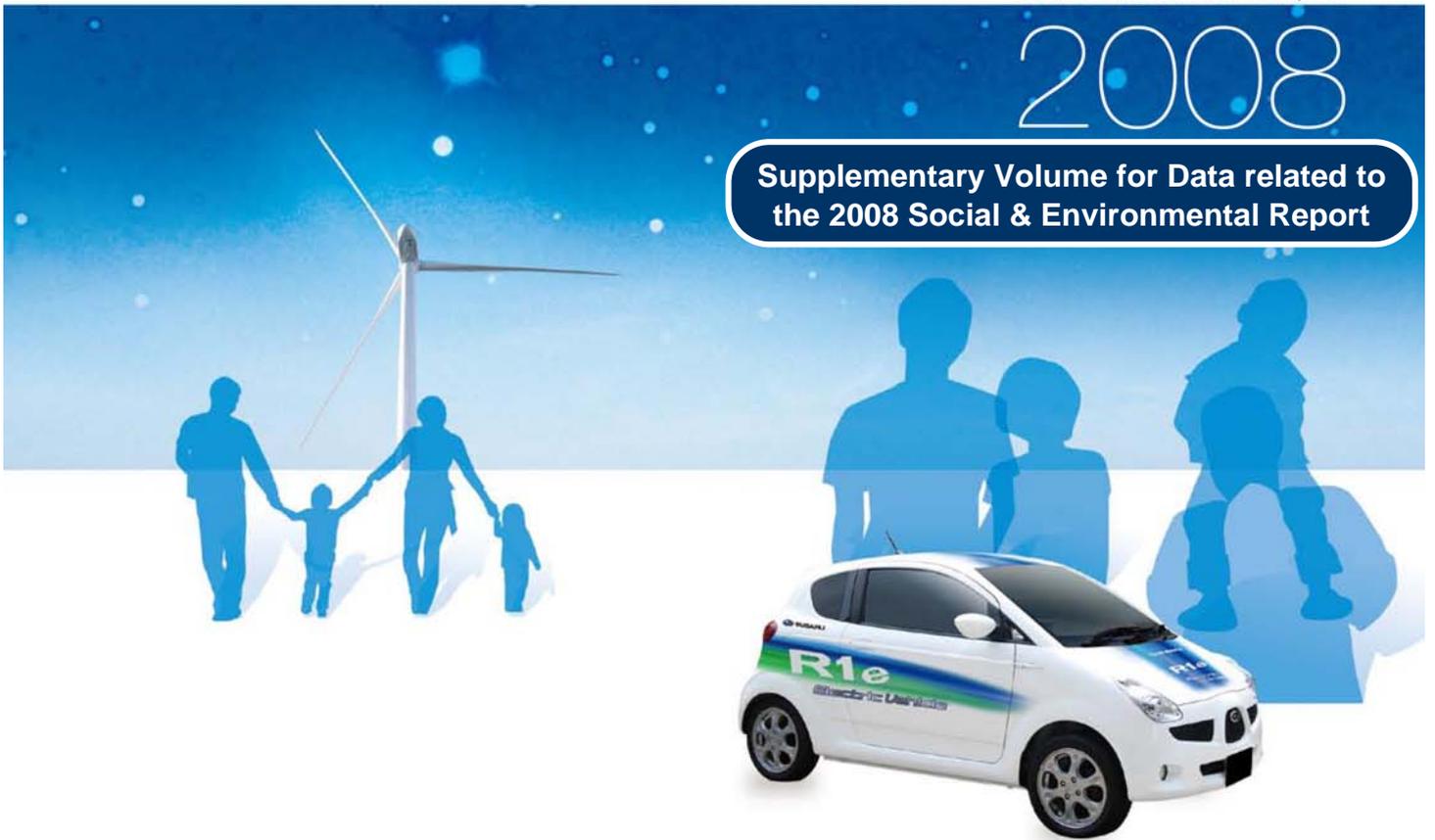




Social & Environmental Report

2008

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





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

Data	Details	Page
Contents		1
Chronology of FHI's Social & Environmental Activities	Chronology of FHI's Social & Environmental Activities -1 (1993 - 2002)	2
	Chronology of FHI's Social & Environmental Activities -2 (2003 - 2008)	3
Corporate Overview	FHI Overview, Locations of Major Facilities / Affiliated Companies, etc.	4-5
	Financial Data	6
	Data related to Employment	7
Environmental Management Data (Achievement in FY2007)	FHI's CSR and Environmental Management System (EMS) Organization	8
	FHI's Environmental Performance Data	9-10
	The FHI Environmental Conservation Program (FY2007 results, FY2008 plans)	11-12
	Environmental Accounting Data Collection Result	
	(1) FHI (non-consolidated) Results of the Aggregated Environmental Costs and Effects	13
	(2) Domestic Affiliated Companies (5 companies)* ¹ Results of the Aggregated Environmental Costs and Effects	14
	(3) Overseas Affiliated Companies (4 companies)* ² Results of the Aggregated Environmental Costs and Effects	15
	Environmental Measurement Data (1) Gunma Manufacturing Division	16-17
	(2) Utsunomiya Manufacturing Division	18-19
	(3) Saitama Manufacturing Division	20
(4) Tokyo Office	21	
(5) Domestic Affiliated Companies(5 companies)	22-23	
Social & Environmental Activities within Local Communities	Gunma Manufacturing Division	24-25
	Utsunomiya Manufacturing Division	26-28
	Saitama Manufacturing Division	29-30
	Tokyo Office	31
	Head Office	32
	Domestic Affiliated Companies(5 companies)	33-34
	Overseas Affiliated Companies(5 companies) * ³	35-36

*1 Domestic Affiliated Companies (5 companies) are Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd and Subaru Logistics Co., Ltd., which participate in Domestic Affiliated Company Subcommittee.

Fuji Robin Industries Ltd. Had been a member of the committee until FY2006; however, we divested all the share of the company (7,525,00 which we had owned, to Makita Corporation on May 15, 2007. Fuji Robin Industries Ltd. is now excluded from the FY2007 results.

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

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

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

*3 Overseas Affiliated Companies (5 companies) are 4 companies of *2 and RMI. RMI: Robin Manufacturing U.S.A., Inc

Chronology of FHI's Social & Environmental Activities - 1 (1993 - 2002)

	Management Division	Automotive Business Unit	Other Companies
Mar. 1993	<ul style="list-style-type: none"> Established the Voluntary Environmental Protection Plan Set up the Corporate Environment Committee Set up the Engineering Environment Committee and the Plant Environment Committee developed from the SEF Committee 		
Apr. 1994		Completed replacement of air conditioner refrigerants from CFC12 to HFC134a	
Jan. 1995			Began manufacturing multipurpose engines that met the California Air Resources Board (CARB) emission regulations
Apr.		Began sales of the electric vehicle, Sambar EV	
Jun.		Developed a new environment-friendly protective coating film and applied to Legacy and Impreza	
Aug.			Began delivering a low-pollution CNG refuse collection vehicle
Sep.			Delivered a transportation container and a container transport vehicle to Kawasaki City for Japan's first refuse railroad transportation.
Oct.		Displayed a direct gasoline injection engine and a hybrid electric vehicle at the Tokyo Motor Show	
Feb. 1996		Developed and implemented the Roller Press method, a new technique for removing the coating film, and began bumper-to-bumper recycling	
Apr.	Established the Environment Plan for 2000		
Oct.			Developed and began sales of the container collection and measurement system for refuse collected for a fee
Jul.	Set up the Environmental Affairs Promotion Office		Developed a solid waste ash melting furnace
Sep.			Delivered the first Fuswton, high-rise building waste management system
Feb. 1998	Established the Recycling Initiative for End-of-Life Vehicle Voluntary Action Plan for Automobile Recycling		
Apr.	Established Environmental Policy		
Jun.	Published the environmental pamphlet "For Harmony between People, Society, and the Earth"		
Oct.		Completed nationwide extension of JAMA's CFC-12 collection and destruction system	Announced the four-stroke OHV engine (EH09D) used in rammers, an alternative to the two-cycle engine
Nov.	SIA in the U.S.A. acquired ISO 14001 certification		
Mar. 1999	Gunma Manufacturing Division acquired ISO 14001 certification		
May	Saitama Manufacturing Division acquired ISO 14001 certification		
Jun.		Began recycling PET bottles for use in interior parts	
Jul.	<ul style="list-style-type: none"> Transportation and Ecology Systems Division in the Utsunomiya Manufacturing Division acquired ISO 14001 certification Hosted first Affiliated Companies Environmental Problems meeting 		
Oct.	Started the General Managers' Meeting on the Environment at the Gunma Manufacturing Division		
Jan. 2000		Began reuse of painted bumper scrap from production process for the Pleo's mass-produced bumpers	
Mar.	Eliminated the incinerator at the Tokyo Office	Expanded the scrap bumper collection system to the Tohoku area and built a nationwide system in Japan	Fuswton won the Resource Recycling Technology System Award for fiscal 1999 from the Ministry of International Trade and Industry's Environment and Industrial Location Bureau
Aug.		Began sales of the new Impreza, and all models met authorized low emission standards	
Sep.	Published the 2000 Environmental Report, aggregating results of all environmental activities for fiscal 1999		
Oct.		Began recycling of auto window glass recovered from ELVs as glass wool soundproofing material	
Nov.			<ul style="list-style-type: none"> Unveiled the Subaru Small Wing Turbine Generator System Began sales of the new LP0 low-noise refuse collection vehicle
Dec.	Eliminated the incinerator at the Yajima Plant of the Gunma Manufacturing Division.		
Mar. 2001	Achieved zero emissions at the Gunma Manufacturing Division		
May			Began sales of the multipurpose Robin EX series engine in order to lower exhaust emissions, the level of noise, and the level of vibration
Jun.	Published the 2001 Environmental Report, aggregating results of all environmental activities for fiscal 2000		
Sep.	Eliminated the incinerators at the Utsunomiya Manufacturing Division and the Saitama Manufacturing Division		
Oct.		Exhibited the next generation hybrid minicar, the HM-01, at the Tokyo Motor Show	
Jan. 2002			The Subaru Small Wind-Power Generation System won the NEF Prize of fiscal 2001 (the Agency of Natural Resources and Energy Director-General Prize)
Feb.		Began sales of the new Forester. All models met the fiscal 2010 fuel economy standards and were accepted as good low emissions vehicles (G-LEV)	
Mar.	Utsunomiya Manufacturing Division and Saitama Manufacturing Division achieved zero emissions		
May	Established the Environmental Conservation Program (fiscal 2002 through fiscal 2006)	The company for the development of automobile batteries was jointly established by NEC Corp. and FHI	
Jun.	Published the 2002 Environmental Report		
Jul.		Consigned matters involving the collection and destruction of CFCs to the Japan Automobile Recycling Promotion Center	
Oct.		Limited marketing of the Legacy B4, CNG (Compressed Natural Gas) Vehicle	
Nov.			Switching to Pollution-Free Paint Remover for Regular Servicing of Airplanes won an award from Defense Procurement and Infrastructure Association

(Note) For chronology in 1993 or earlier, please see p.2 of "Supplementary Volume for Data related to the 2007 Social & Environmental Report".

Chronology of FHI's Social & Environmental Activities - 2 (2003 - 2008)

	Management Division	Automotive Business Unit	Other Companies
Apr. 2003	Saitama Manufacturing Division received a regular assessment for ISO 14001		Developed ASR Pre-Processing Separating System
May		<ul style="list-style-type: none"> Full model change of Legacy to launch the New Legacy All models met the fiscal 2010 fuel economy standards except for 2.0 GT spec.B 2.0L SOHC engine equipped cars achieved a 75% reduction in emissions compared to 2000 standards 	Development of the Pollution-Free Paint Remover for Regular Servicing of Airplanes won a special award from the Japan Aeronautical Engineer's Association
Jun.	<ul style="list-style-type: none"> Published 2003 Environmental Report Utsunomiya Manufacturing Division received a regular assessment for ISO 14001 		
Jul.	<ul style="list-style-type: none"> Set up the six star mitsuraboshi corporate symbol Established Subaru Visitor Center at the Yajima Plant of the Gunma Manufacturing Division. 		Solid waste ash melting furnace developed jointly with Oghihara Co., Ltd. acquired technology authorization from the Japan Waste Research Foundation
Aug.		<ul style="list-style-type: none"> Legacy B4 CNG challenged to complete a full circuit of Japan Conducted the presentation of Subaru Mobility techniques 	
Sep.	Achieved zero emissions at the Tokyo Office		
Oct.	The Gunma Manufacturing Division won the fiscal 2003 3Rs Promotion Association Chairman's Award	<ul style="list-style-type: none"> Disclosed the system of sequential hybrid series Set up the Subaru brand message "Think. Feel. Drive." 	
Nov.		The Legacy won the 2003 - 2004 Japan Car of the Year Award	
Dec.		<ul style="list-style-type: none"> Developed a new processing technology for automotive parts, the "hard broaching method" Launched a new minicar, the Subaru R2. Achieved fuel economy of 24.0 km/l(10/15 mode) (R) and a 75% reduction in emissions compared to 2000 standards. (R and i) 	
Jan. 2004	The Head Office and the Tokyo Office acquired ISO 14001 certification		
May			The Industrial Products Company (V model two cylinder engine) received the "Supplier of the Year" award from Cummins Inc.
Jun.	Published the 2004 Environmental & Social Report		
Sep.		Subaru won the WRC championship "Rally Japan 2004" held in Japan for the first time	
Nov.	Received public recognition of office excellence for the hiring of disabled people	<ul style="list-style-type: none"> 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	
Jan. 2005	Opened "Subaru Academy" in Hachioji, Tokyo	In response to the Japanese End-of-Life Vehicles Recycling Law, the Automotive Recycling System of SUBARU(ARSS) was implemented	
Feb.			The Natural Gas Engine Cogeneration system started operations at the Utsunomiya Manufacturing Division
Mar.	<ul style="list-style-type: none"> The Subaru Parts Distribution Center (Ota City) acquired ISO 14001 certification (extending the scope of Gunma Manufacturing Division's certification) The Subaru Parts & Accessories Division (Saitama City) acquired ISO 14001 certification (extending the scope of head office's certification) 	<ul style="list-style-type: none"> Accumulated sales units of Subaru in domestic market achieved 10 million Hit the three million mark for worldwide Legacy production 	
May	Views on corporate social responsibility were clarified in "CSR Policy"		Began sales for the new model refuse collection vehicle, the "Fuji Mighty LP71 model series"
Jun.	<ul style="list-style-type: none"> FHI Group unveiled its "Environmental Logo" Published the 2005 Environmental & Social Report 		
Jul.	FHI joined the "Team minus 6%"		
Oct.		Subaru R1 received "Good Design Award 2005" from Japan Industrial Design Promotion Organization	
Nov.		Released partially-improved Subaru R2(Refi) and R1 (S), with NA engines of 75% reduction beyond 2005 emission standards	
Dec.			Eco Technologies Company erected the prototype "SUBARU 80/2.0", a 2,000-kW class large-scale wind turbine system and began demonstration testing in Kamisu City, Ibaraki Prefecture
Feb. 2006	Environmental Affairs Promotion Office renamed to CSR & Environmental Affairs Promotion Office		
Mar.		Subaru Environmental Exchange Circle (Eco Class Delivery Service) received the 15th Energy Publicity Activities and Facilities Award	
May			Aerospace Company delivered the main wings for the Eclipse 500 mass production for the first time
Jun.		<ul style="list-style-type: none"> The prototype of SUBARU "R1e", a next generation electric vehicle jointly developed with TEPCO, was completed and delivered for business use at TEPCO 	
Aug.	Published the 2006 Environmental & Social Report and together unveiled the Fourth Voluntary Plan for the Environment (fiscal 2007 thru 2011)	<ul style="list-style-type: none"> 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 	
Sep.		Announced the development of horizontally-opposed diesel engine was put into shape at Paris Motor Show	
Nov.		Published and released the Legacy SI-Radar Cruise Control (SUBARU Intelligent Radar Cruise Control)	
Dec.	The Head Office underwent renewal assessment for ISO 14001 certification	Electric vehicle, the Subaru R1e, received The Minister of the Environment Prize for global warming prevention activity	<ul style="list-style-type: none"> Eco Technologies Company: The large-scale Wind Turbine System won the Agency of Natural Resources and Energy Director-General Prize Robot Department: received the 2006 Robot Awards established by the Ministry of the Economy, Trade and Industry. Industrial Products Company: released Subaru KX21, the engine for sport karts
Jan. 2007	The Tokyo Office underwent renewal assessment for ISO 14001 certification		Aerospace Company: made first shipment of Center Wing for Boeing 787
Feb.		Started operation of natural gas cogeneration systems at the Oizumi Plant of the Gunma Manufacturing Division	Industrial Products Company: released rechargeable lawn mowers
May.			Eco Technologies Company: Published and released "Fuji Mighty LP81 model series"
Jun.		Full model change of Impreza to launch the New Impreza	
Jul.		Started operation of 2nd natural gas cogeneration systems at the Yajima Plant of the Gunma Manufacturing Division	
Sep.	Issued FY2007 Social & Environmental Report		Eco Technology Company: delivered the 1st large-scale wind turbine system for mass production
Dec.		Full model change of Forester to launch the New Forester	Industrial Products Company: EX40 and EX35 added to Robin general-purpose engine EX series
Apr. 2008		Impreza received "New Car Assessment Grand Prix"	
Jun.		Released Exiga, the new 7 seater panorama touring model	

Corporate Overview (As of March 31, 2008)

Name	Fuji Heavy Industries Ltd.
Established	July 15, 1953
Paid-in capital	153.7 billion yen
Employees	26, 404 (Consolidated) 12,801 (Non-consolidated)
Head Office	Subaru Building, 7-2 Nishi-shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8316 Japan Phone: 03-3347-No.of each division (Domestic), +81-3-3347-No.of each division (International) (dial information: 03-3347-2111 (Domestic), +81-3-3347-2111 (International))
Sales	1572.3 billion yen (Consolidated) 1018.8 billion yen(Non-consolidated) (for the FY ending March 2008)
Ordinary Income	45.4 billion yen (Consolidated) 24.8 billion yen (Non-consolidated) (for the FY ending March 2008)
Number of Consolidated Subsidiary	44(Domestic), 18(Overseas) Number of equity method subsidiary 16(Domestic), 5 (Overseas)

Fuji Heavy Industries Ltd. (Main manufacturing facilities)

Subaru Automotive Business [Gunma Manufacturing Division (Gunma Prefecture), Tokyo office (Mitaka City)]

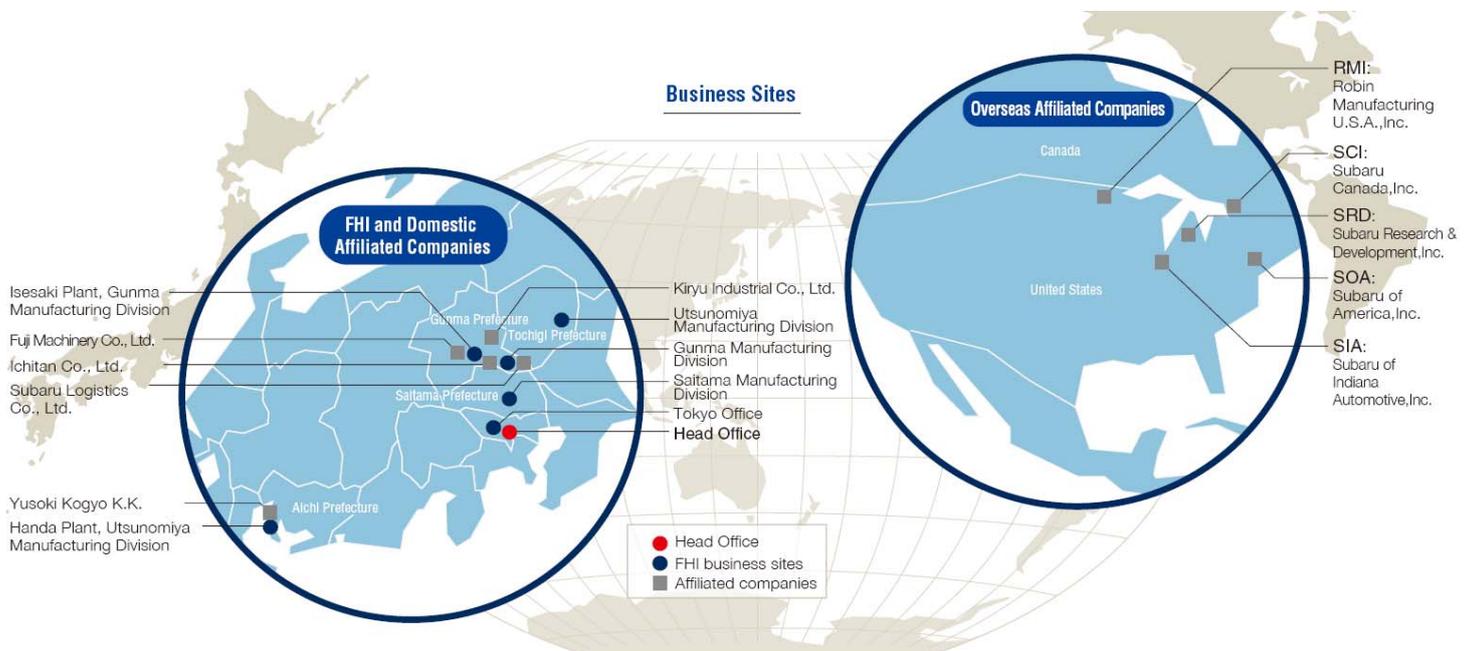
Aerospace Company [Utsunomiya Manufacturing Division* (Utsunomiya City, Tochigi Prefecture; Handa City, Aichi Prefecture)]

Industrial Products Company [Saitama Manufacturing Division* (Kitamoto City, Saitama Prefecture)]

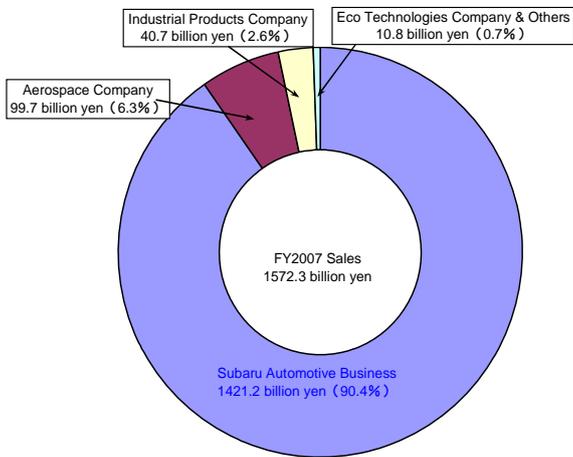
Eco Technologies Company [Utsunomiya Manufacturing Division* (Utsunomiya City, Tochigi Prefecture)]

* For the sake of convenience, in this report, the production sites of the Aerospace Company and Eco Technologies Company may be referred to as the Utsunomiya Manufacturing Division and the Industrial Products Company as the Saitama Manufacturing Division.

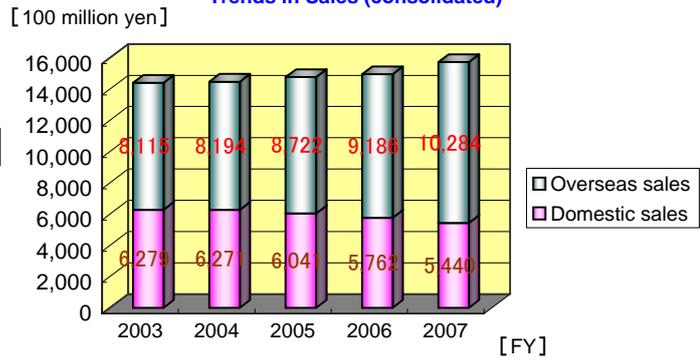
Locations of FHI's Major Facilities and Affiliated Companies (FHI's main manufacturing facilities and affiliated companies in the range of the report)



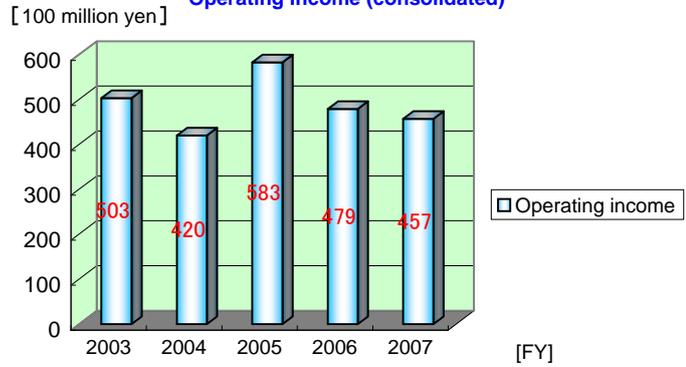
FY2007 Sales Ratio by Division (consolidated)



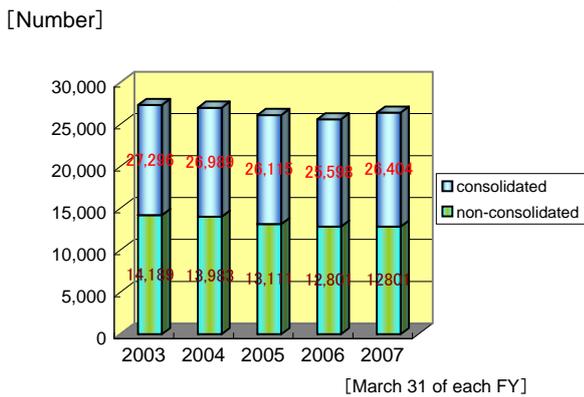
Trends in Sales (consolidated)



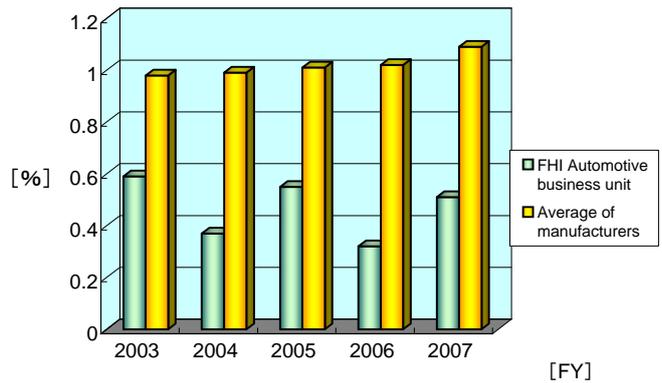
Operating Income (consolidated)



Trends in the Number of Employees



Ratio of Occupational Accidents Occurred



Financial Data

Trends in sales and ordinary income (consolidated)

	Unit: 100 million yen				
	2003	2004	2005	2006	2007
Domestic sales	6,279	6,271	6,041	5,762	5,440
Overseas sales	8,115	8,194	8,722	9,186	10,284
Total sales	14,394	14,465	14,764	14,948	15,723
Operating income	503	420	583	479	457
Ordinary income	566	436	468	422	454

Trends in sales volume (consolidated)

	Unit: 1000 units				
	2003	2004	2005	2006	2007
Domestic sales volume	246	254	230	227	209
Overseas sales volume	306	328	341	351	388
Total sales volume	552	582	571	578	597

Net sales breakdown by divisions (consolidated)

	Unit: million yen				
	2003	2004	2005	2006	2007
Subaru Automotive Business	1,316,951	1,319,603	1,329,161	1,339,291	1,421,179
Aerospace Company	56,632	59,434	81,787	94,012	99,673
Industrial Products Company	42,257	46,814	52,436	49,699	40,678
Eco Technologies Company & Others	23,611	20,640	12,984	11,815	10,816
Total sales	1,439,451	1,446,491	1,476,368	1,494,817	1,572,346

Net sales breakdown by divisions (non-consolidated)

	Unit: 100 million yen				
	2003	2004	2005	2006	2007
Subaru Automotive Business	835,541	844,687	843,369	823,225	873,791
Aerospace Company	56,788	59,434	81,787	94,012	98,778
Industrial Products Company	34,210	38,899	43,750	40,040	39,187
Eco Technologies Company & Others	10,370	6,490	7,236	7,147	7,065
Total sales	936,911	949,511	976,143	964,424	1,018,821

Trends in paid-in capital

	Unit: 100 million yen				
	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Paid-in capital	1,537	1,537	1,537	1,537	1,537

Trends in the number of employees

	Unit: employees				
	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Number of employees (consolidated)	27,296	26,989	26,115	25,598	26,404
Number of employees (non-consolidated)	14,189	13,983	13,111	12,801	12,801

Trends in capital investment and test/research cost

	Unit: 100 million yen				
	2003	2004	2005	2006	2007
Capital investment (consolidated)	745	853	562	596	563
Depreciation (consolidated)	532	511	575	589	655
Capital investment (non-consolidated)	327	256	239	330	369
Test/research cost (non-consolidated)	573	528	467	505	519

Data related to Employment**Trends in the number of employees (consolidated)**

Unit: employees

	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Number of regular employees (consolidated)	27,296	26,989	26,115	25,598	26,404

Trends in the number of employees (non-consolidated)

Unit: employees

	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Number of regular employees	14,189	13,983	13,111	12,801	12,801
Male	13,242	13,060	12,215	11,914	11,929
Female	947	923	896	887	872
Average age (years old)	38.4	38.6	38.5	38.3	38.7
Average length of service (years)	17.9	18.1	17.5	17.8	18.0
Trends in the number of employees hired by periodic recruitment	321	349	219	298	393
Number of female of those employees	45	45	23	33	38
Trends in the number of mid-career recruitment* ¹	74	36	29	54	175
Number of female of those recruitments	8	3	3	3	11

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

Unit: %

	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Male	93.3	93.4	93.2	93.1	93.2
Female	6.7	6.6	6.8	6.9	6.8

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

Unit: %

	Mar. 31, 2004	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008
Proportion of employees with disabilities	2.00	1.89	1.80	1.95	2.00

Number of occupational accidents (non-consolidated)

Unit: cases

	2003	2004	2005	2006	2007
Number of occupational accidents	48	45	34	37	34

Number of occupational accidents in the automotive business unit

Unit: %

	2003	2004	2005	2006	2007
Frequency rate (FHI Automotive business unit)	0.59	0.37	0.55	0.32	0.51
Frequency rate (Average of manufacturers)	0.98	0.99	1.01	1.02	1.09

Trends in the number of FHI Workers' Union members

Unit: employees

	July 1, 2003	July 1, 2004	July 1, 2005	July 1, 2006	July 1, 2007
Number of the union members	13,224	13,111	12,987	11,998	11,778

【Labor-Management Relations at FHI】

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

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

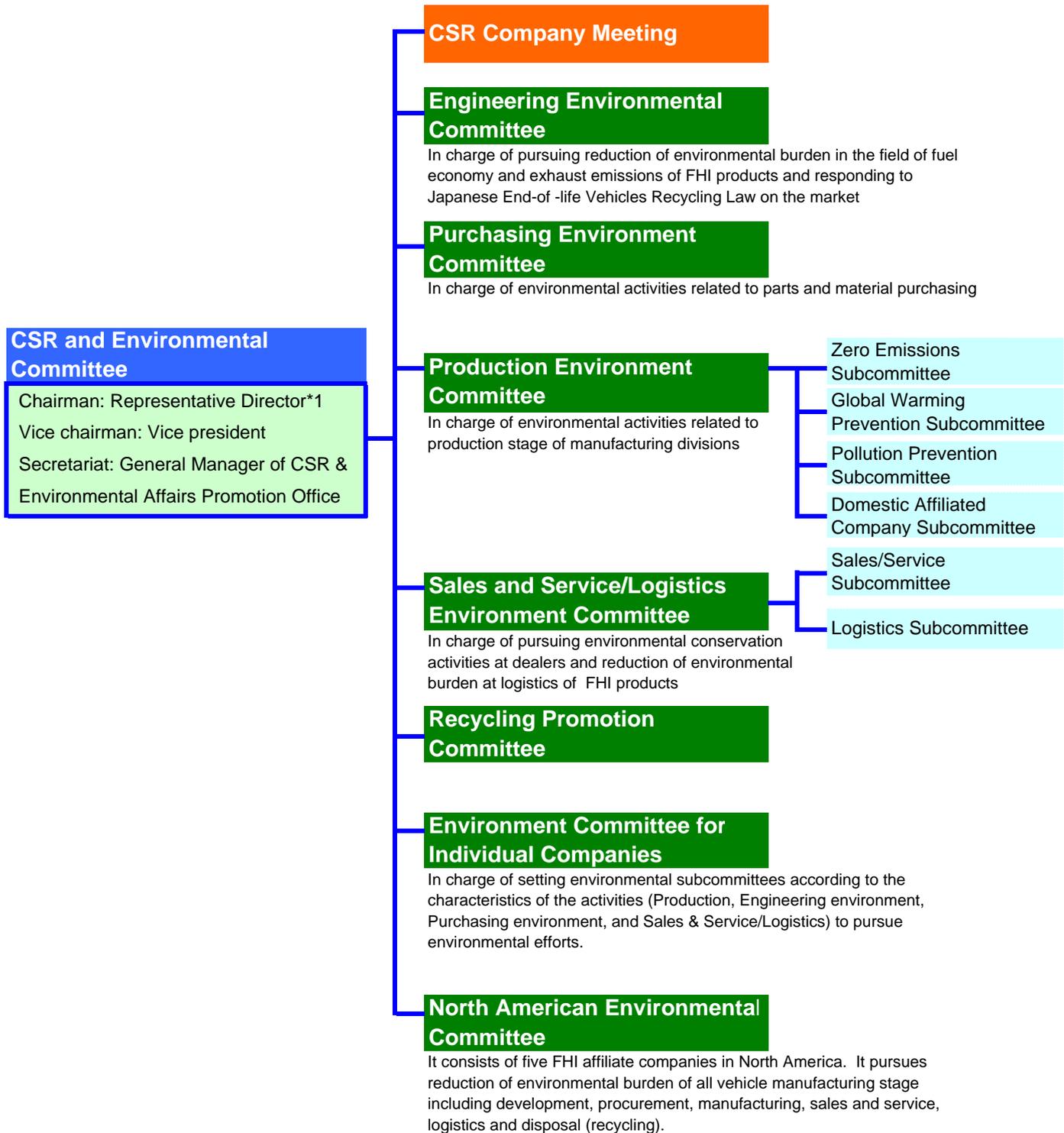
FHI's CSR & Environmental Management System (EMS) Organization

Organization

FHI Corporate Environment Committee consists of representative director as chairman and representative managers from all companies and divisions. Setting it as the hub of FHI's EMS efforts, we have been actively pursuing various activities to reduce environmental burdens by making whole-company strategies and plans and by collecting the achievements. In FY2007 2nd half year, we changed to the CSR and Environmental Committee to discuss a wider range of issues in order to start top management of CSR besides EMS.

In FY2007 we held Corporate Environment Committee and CSR and Environmental Committee on May. 29 and Nov. 27 respectively to discuss and confirm the approaching status to CSR and the progress of the Environmental Conservation Program.
(The conventional Corporate Environment Committee and the CSR Committee were merged to form the CSR and Environmental Committee.)

Organization of the CSR and Environmental Committee (As of April 2008)



*1 As of April 2008: Chairman: Shunsuke Takagi, Corporate Executive Vice President; Vice chairman: Mitsuru Takahashi, Corporate Vice President; Secretariat: Tatsuya Suzuki, General Manager of CSR & Environmental Affairs Promotion Office

FHI's CSR & Environmental Management System (EMS) Organization

FHI's Environmental Performance Data (1)

Qualified Personnel in Environment-related Certifications

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

The Number of Personnel Holding Official Qualifications (As of March 31, 2008)

Qualification type		Total number of qualified personnel	
Pollution control managers	Chief managers	6	
	Air-related	Type 1	6
		Type 2	7
		Type 3	44
		Type 4	14
	Water-related	Type 1	10
		Type 2	22
		Type 3	13
	Dioxin-related	23	
	Noise-related	46	
	Vibration-related	43	
Noise & Vibration-related	1		
Tokyo Pollution Control Managers		4	
Managers Responsible for Tokyo Water Quality		3	
Energy management experts (Heat / Electronic)		40	
Soil contamination risk management experts		1	
Working environment measurement experts		1	
Engineering manager for industrial waste		10	
Management representatives for industrial waste subject to special control		43	

The Number of ISO14001 Internal Environmental Auditors

(in FY2007)

Qualification type	Division/Company name	Number of internal auditors
ISO14001 Internal environmental auditors (internal qualifications)	Gunma Manufacturing Division	156
	Aerospace / Eco Technologies Companies	140
	Industrial Products Company	32
	Tokyo Office	60
	Head Office area	73
Overall FHI total		461

FY2007 the Number of Environment-related Complains We Received and Details

We received three complains related to the environment in FY2007 as following table, and we have already taken appropriate corrective measures for all of them as shown in the table.

The number of the complains in FY2007 has decreased by five compared to FY2006 (eight complains). we will proceed with our effort aiming at zero complain.

Name of manufacturing	Number of cases:	Details:	Main corrective measures:
Gunma manufacturing division	2 (odor)	① Complaint on paint odor received from residents on the north side of Yajima Plant.	Remedies taken include: cleaning intensified, sterilizer and water-based paint used. Then, odors under constant monitoring. In FY2008, more actions to follow.
		② Complaint on paint odor and mist adhesion received from a resident on the west of the Main Plant	Activated charcoal filter for mist trap and odor absorption installed to prevent discharge of both odor and mist outside. In 2008, a device for sprinkling deodorizer to be added.
Aerospace Company (Utsunomiya Manufacturing Division)	1 (noise)	① Complaint on flight noise received from resident on south side of air strip in Utsunomiya City.	Flight paths, altitudes, etc. modified considering local residents, which has been accepted.

FHI's CSR & Environmental Management System (EMS) Organization

FHI's Environmental Performance Data (2)

FY2007 The Number of Cases Where Limits Set in Environment-Related Laws were Exceeded and Details

FHI established voluntary standards, which are 20% stricter than environment-related laws, and is working to achieve zero cases where these standards are exceeded. However, 8 cases have exceeded voluntary standards 2 has exceeded the limits set in environment-related laws) in FY2007 as following table, and we are taking appropriate corrective measures for them as shown in the table. Unfortunately, the number of cases increased by 3 of FY2006 (5 cases). Taking this result seriously, we will make efforts to achieve zero cases.

Name of manufacturing	Number of cases:	Details:	Main corrective measures:
Gunma Manufacturing Division	2 (water pollution)	① The measured BOD at the Oizumi Plant exceeded the voluntary standard.	This was due to waste fluid flowing into individual sewage treatment tank which processes waste fluid from plant's dining hall beyond its capacity. Remedy already taken and maintenance of welfare
		② The measured n-hexane mineral oil at the Oizumi Plant exceeded the locally agreed level after long holidays.	The incident reported to the local government, the operation procedure of waste fluid treatment facilities after long holidays reviewed and
Saitama Manufacturing Division	1 (noise)	① Noise level at Akabori River bed northeast of plant exceeded the legal limit.	No complaint or claim, but reported to authorities and controlled properly. Reduction of noise level from ventilating and other fans under study.
	3 (water pollution)	② BOD in discharged swage water exceeded voluntary standards two times.	Absorbent in effluent treatment replaced and monitoring drains from dinning hall enhanced.
		④ pH of discharged sewage water once exceeded the voluntary standard	The volume of water from the dining hall adjusted and agent thrown in water from restrooms
Aerospace Companies(Handa West Plant)	1 (water pollution)	① Swage water discharged from Handa West Plant to river once exceeded voluntary standards	To separate production and rain waters and monitor for reduction of pH fluctuation.
Tokyo Office	1 (water pollution)	① n-hexane animai snd vergetable oils in swage water once exceeded the legal limit.	Reported to authorities. Trapping grease from dining hall and checking & monitoring swage processing enhanced.

FY2007 The Number of Environmental Accidents and Details

FHI is working to reduce the number of incidents and take proactive measures to prevent accidents which can have an environmental impact by keeping count of environmental accidents including those solved internally by the relevant office or division. 7 accidents occurred within our premises in FY2007 as following table. We have prevented from leaking to the outside by collecting the discharge immediately and are taking appropriate corrective measures. The number of accidents is fewer than FY2006 (11 cases) by 4. We will keep working on prevention of environmental accidents.

Name of manufacturing	Number of cases:	Details:	Main corrective measures:
Gunma Manufacturing Division	3	① Work contractor's high-place work vehicle rolled down from a trailer, causing about 1- liter leak of light and hydraulic oil.	Accident prevention training held annually for work contractors. They were retrained and constant stock of emergency service supplies at the site and other
		② Discharge of about 30 liters of coolant overflowed from tank at Oizumi Plant	Check sheet and equipment standards revised, and bulwark provided for accident prevention..
		③ Booth water circulation tank at the paint shop of the Yajima Plant overflowed, releasing circulating water.	This was due to malfunction of the antifoam pump. The pumps and sensors at the site and the other paint booths improved for accident prevention.
Tokyo Office	4	① About 2 liters of mission oil leaked to road from running test vehicle after parts exchange.	Operating procedure of test vehicles revised to prevent oil leak. Aiso, revealing articles on prevention of related incidents placed in in-hoese news letter.
		② About 0.5 liters of oil leaked to road from running test vehicle after parts exchange.	
		③ About 3 liters of coolant leaked to road from running test vehicle.	Operation procedure and check sheet revised to prevent similar incidents
		④ Light oil leaked while its supplier was refueling light oil.	

FY2007 Administrative Advice from Government Authorities

There were no administrative advice and recommendations from governmental authorities.

The FHI Environmental Conservation Program -1 [FY2007 Results and FY2008 Plans]

We announced the FHI Environmental Conservation Program (FY2007 through 2011) in FY2006.

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. We will actively and continuously work on the improvements of the environmental issues by sharing the program within Subaru group as the policy of not only FHI but also the group.

Described here is the items in the Environmental Conservation Program which was first presented in the 2007 Social & Environmental Report and the plan for FY2008.

Outline of the FHI Environmental Conservation Program (FY2007 through FY2011)

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 CO2 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 talking recyclability into account in new car designs.
- We will reduce emissions of volatile organic compounds (VOCs) per painted surface area of bodies (g/m²) in vehicle production lines by 30% compared to FY2000 levels by the end of FY2010.
- We will reduce the amount of waste materials 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.

FHI Environmental Conservation Program (FY2007 through FY2011)

1.Green Products

Ev.: Evaluation, ○: Achieved, ×: Not Achieved

Items	Goals and Actions	FY2007 Results	Ev.	FY2008 Plans
Improving fuel economy [Automobiles]	a. Continue to improve fuel economy (FE) for every full model change and annual model change.	◆All fully changed Forester and Impreza (exc. WRX and STI version) models achieved the FY2010 FE Standards.	○	■FE to be improved continuously on any fully or annually changed models.
	b. Increase models that achieve FY2010 FE Standards.	◆Cars meeting the FY2010 Standards upped to 90% of their total production. ◆The FY2010 Standards achieved in all weight categories. *1	○	■The scope of vehicles which meet the FY2010 Standards to be expanded.
	c. Promote improvement of FE toward for FY2015 FE standard.	◆FE improved toward the FY2015 FE Standards. Cars meeting the Standards marketed in May, 2008.	○	■FE to be improved continuously to meet the FY2015 FE Standards.
Cleaner exhaust emission [Automobiles]	a. 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 64% of the total production. ◆Cars with emissions down 50% from FY2006 Standards (☆☆☆) upped to 90% *1	○	■Cars with emission down 75% from the 2005 Standards to be further upped.
Developing products using clean energy	a. 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.
	b. Electric vehicles: Develop vehicles for launch on the market in addition to business use. [Subaru Automotive Business]	◆40 R1e delivered to Tokyo Electric Power Co., Inc. and now under verification tests.	○	■Development to be promoted for its marketing in FY2009.
	c. Continue development of wind turbine systems and market expansion. [Eco Technologies Company]	◆Mass production line for 2000kW large wind turbine system (SUBARU80/2.0) set. ◆The 1 st mass production unit delivered.	○	■Sell the large wind turbine system to be promoted, while improving further the performance.
	d. Expand market for applied products which use LPG/CNG engines. [Industrial Products Company]	◆Introduced EH72 gas engine on American market and started its production.	○	■Production of gas engines to be expanded.
Improving recyclability [Automobiles]	a. 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 72.9%. ◆Recycling rate of air bags met the legal standards with 94.2%. ◆Harness design guidelines set with ART*2 and announced in May, 2008. ◆Recycle-efficient olefin resin used for most of resin materials for new cars. Its wide use to continue.	○	■Recycling rate to be further upped. ■Information on removal of copper-containing parts to be made open. ■Recycle-oriented new car design to be further enhanced.
Reducing substances with environmental impact [Automobiles]	a. Enhance management of substances with environmental impact and further reduce the use of such substances.	◆Bearing shells and bushes made of lead compounds and machining aluminum changed lead free. ◆Non lead solder employed to part of seatbelts, door mirrors and others. To be expanded in steps.	○	■Change of lead compounds to lead-free materials to be implemented in steps.
Reducing exterior noise	a. Continue to promote development of technology to reduce noise that is compatible with both fuel economy improvement and exhaust emissions reduction.	◆Noise reduction promoted while balancing with FE improvement and emission gas reduction device. ◆Quietness comparable to that of gasoline-powered vehicles realized on diesel-powered vehicles.	○	■Development of smaller and lighter noise reduction devices to be promoted.
Curbing global warming regarding air conditioning refrigerants	a. Promote further reduction in the amount of refrigerant (HFC134a) per vehicle.	◆Usage reduced on New Forester over its predecessor.	○	■Reduction in amount of refrigerant to be promoted further.
	b. Advance the development of air conditioner with low GWP refrigerant.	◆Promoting the development of air conditioner with low GWP refrigerant.	○	■Further advance the development of air conditioner with low GWP refrigerant.
Research on traffic environments [Automobiles]	a. Work further on Intelligent Transport Systems (ITS) that realize a safe and comfortable motorized society.	◆Probe technology application system provided for pilot experiments in safe driving support project. ◆Took part in advanced safety vehicle project by the Ministry of Land, Infrastructure, Transport and Tourism and conducted. evaluation tests on public roads	○	■Involvement in ITS to be further promoted.
Developing environment-related products and businesses	a. Advance environment-related businesses such as development of refuse collection vehicles and environmental equipment and devices. [Eco Technologies Company]	◆Vehicle operation control system for refuse collection vehicles using ITS technology completed and marketed. ◆"Eco conscious design" promoted. ·Loading efficiency upped by 5% on sanitation trucks with refusal-compacting capabilities over its preceding model. ·Noise level reduced (Direct drive*3) prototyped).	○	■"Eco conscious design" to be continued ·Improvement of loading efficiency to be continuously pursued ·Noise level reduction to be continued. ·A direct drive model to be commercialized
	b. Advance robot-related businesses for conservation of power, labor and energy. [Robot Dept. Strategy Development Div.]	◆In "The Robot Award 2007", the "articulated medical goods container transportation robot" developed jointly with Tsumura & Co. rewarded with outstanding award.	○	■Introduction of this robot to be promoted.

*1 This is one of the goals of the previous Environmental Conservation Program (FY2002 through FY2006) and has been achieved in FY2007.

*2 ART: Automobile shredder residue Recycling promotion Team, which is run by Nissan, Mazda, Mitsubishi, Subaru and other 12 companies.

*3 Direct drive: mechanism which drives a conveyor panel directly by a hydraulic motor without chains at loading mechanism of refuse collection vehicles.

The FHI Environmental Conservation Program -2 [FY2007 Results and FY2008 Plans]

2. Clean Plants

Items	Goals and Actions	Results in FY2007	Ev.	Plans in FY2008
Curbing global warming	a. Aim to reduce CO ₂ emissions by 15% from manufacturing plants compared to FY1990 level by FY2010.	◆CO ₂ emissions reduced by 20% against FY1990.	○	■CO ₂ emissions to be reduced by 13% against FY1990.
Control and reduction of substances with environmental impact at manufacturing plants	a. Continue reducing emissions of PRTR chemical substances to the environment.	◆Reduced emissions by 60.2% against FY1999.	○	■Emissions to be reduced by 59.9% against FY1999.
	b. Reduce volatile organic compound (VOC) emissions (g/m ²) in vehicle production lines by 30% compared to the FY2000 level by the end of FY2010.	◆Emissions reduced by 30.9% in g/m ² against FY2000.	○	■The reduction level of 30% or higher in g/m ² against FY2000 to be maintained.
	c. Reduce environmental risks through Environmental Risk Assessment and totally eliminate the occurrence of incidents, claims and cases where voluntary standards are exceeded	◆In FY2007, 3 environment-related claims, 2 cases exceeding limits set in laws, 6 cases exceeding voluntary standards and 7 leak accidents within our premises occurred.	×	■Promote activities to totally eliminate the occurrence of incidents, claims and cases where voluntary standards are exceeded.
Reducing wastes generated at manufacturing plants	a. 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 FY2007 totaled 71,653 tons, a reduction by 21% against FY1999 and 2% against FY2006.	○	■Due to large production increase, hike by 14% expected against FY2007. Remedies to be added to minimize the hike.
	b. Continue zero emissions (zero level of landfilled waste both directly and indirectly).	◆Zero emissions for both directly or indirectly landfilled kept (inc. burnt residues after thermal recycling).	○	■Zero emission to be continued.
Saving water resources	a. Aim to reduce amount of water used at manufacturing plants by 45% compared to the FY1999 level by FY2011.	◆Reduce water used by 41.8% compared to FY1999. [Target of FY2007: Cut by 42.9% compared to FY1999]	×	■Water used to be reduced by 43.4% compared to FY1999.
Green purchasing activities	a. 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.	◆97% of our suppliers (522/536) now have EMS. - All the suppliers in Automotive (333 inc. 12 overseas) and Industrial Products (102) maintained their EMS status. - All the suppliers in Eco Technologies (40) set EMS. - 77% (47/61) of suppliers in Aerospace set EMS.	○	■Automotive, Industrial Products and Eco Technologies to keep 100% EMS status. ■Aerospace to work for 100% establishment.
	b. To reduce substances with environmental impact, adhere to the schedule of laws, regulations and agreements such as the EU directive.	◆Switch to parts as regulated by the EU directive completed.	○	■Preliminary REACH registration to be proceeded.
	c. For CSR procurement, set the guideline to develop for the suppliers.	◆Working out Global Green Purchasing Guidelines started as part of CSR Purchasing.	○	■Global Green Purchase Guidelines to be released on FHI's website.

3. Green Logistics

Items	Goals and Actions	Results in FY2007	Ev.	Plans in FY2008
Reducing the environmental burden caused by logistics	a. 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.	◆Energy used per sales reduced by 13.3% against FY2006.	○	■Energy used per sales to be further reduced by 1% against FY2007.
	b. Try to reduce substances with environmental impact by promoting reuse of packaging materials and returnable boxes.	◆Packaging materials increased by about 200 tons over FY2006 due to increased shipments to overseas.	×	■Returnable packaging materials to be expanded.

4. Green Dealers

Items	Goals and Actions	Results in FY2007	Ev.	Plans in FY2008
Promoting environmental conservation activities at dealers	a. Support environmental conservation activities by dealers.	◆Important monitor items selected and status at dealer outlets confirmed.	○	■Insufficient items to be improved in a systematic way.
	b. Continue to collect used bumpers.	◆41,400 used bumpers were collected.	○	■Collecting used bumpers to be continued.
	c. Continue to collect changed warning flares.	◆99,000 changed warning flares were collected.	○	■Collecting changed warning flares to be continued.
	d. Continue to comply with the ELVs Recycling Law.	◆FY2007 recycling achievements based on the ELVs Recycling Law - Shredder dust recycling rate reached 72.9%, exceeding the legally required 70%. - CFC's collected from 156,429 vehicles (47,089kg) and processed properly - Airbags from 45,498 vehicles (10,855kg) delivered to recycling facilities, and 10,222kg recycled with a recycling rate of 94.2%, exceeding the legally required 85%	○	■Compliance with the ELVs Recycling Law to be continued for higher recycling rate

5. Improving Environmental Management

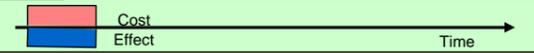
Items	Goals and Actions	Results in FY2007	Ev.	Plans in FY2008
Implementing actions contributing to society	a. Continue to join environmental events, communicate with local residents at plants, and welcome visitors to plant tours.	◆Visitors for plant tours exceeded 100,000. Eco Class Delivery Service provided to about 4,200 pupils at 50 local elementary schools.	○	■More people planned to be accepted.
	b. Continue to join cleaning and tree-planting activities in local communities around plants.	◆A total of more than 200,000 people mobilized for continual local cleaning around plants.	○	■Cleaning activities around plants to be continued.
	c. Offer support and cooperation to environmental activity groups.			
Disclosing environment-related information	a. Continue to publish social and environmental (S & E) reports, and aim at releasing S & E information through publicity channels from time to time.	◆The 2007 S & E Report issued in July (Japanese) and Oct. (English). ◆Efforts made to improve the contents including the Supplementary for Data, showing them on website. ◆The Report also includes activities of affiliates.	○	■The 2008 edition to be issued in July (Japanese) and Sep. (English). ■The coverage to be expanded for more group-oriented reporting.
	b. Improve and upgrade the contents of S & E reports (e.g., compliance with guidelines, and reports including affiliates).			
Implementing environmental education and educational campaigns	a. Continue to incorporate social and environmental education into the company education system and put it into practice.	◆Skill and work site specific trainings on environment	○	■Trainings, education and presentation meetings to be further promoted.
	b. Continue to implement educational campaigns through company education newsletters and various media.	◆Environmental education promoted through in-house magazines and intranet.		
	c. Continue to implement lectures and presentations of operation improvement case studies at worksites.	◆Operations Improvement Case Study Presentations held at each business unit.		
Establishing Environmental Management System	a. Continue to improve the EMS at all business sites with ISO14001.	◆All business units continued with the external ISO 14001 certification and conducted internal audits for further improvement.	○	■External certification and internal audits to be continued.
	b. Continue to improve cooperation with affiliates and establish consolidated EMS.	◆Domestic Affiliated Company Subcommittee and North America Environmental Committee each held twice to promote environmental activities as a group.		■Establishment of consolidated EMS to be promoted.

(1) [Environmental Accounting] FHI (non-consolidated) Results in FY2007

Concept and calculation method of environmental cost and economic effect

With reference to the guidelines of the Ministry of the Environment, FHI formulated its own guidelines (calculation method has been partly changed from FY2005 data collection) according to its environmental conservation activity organization, based on which the environmental cost and economic effects are calculated. (The same method is applied to FHI's group companies.)

Please refer to p.9 to p.13 in the Supplementary Volume for Data related to 2006 Environmental & Social Report for the detail of calculation method.

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

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

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

Amount invested in facilities, environmental cost = K x (amount invested in the manufacturing facilities, maintenance cost, etc.)

This K is an environmental impact factor that is calculated by the following scheme:

$$K = (\text{Total amount invested} - \text{Amount invested without energy-saving targets}) / \text{Total amount invested}$$

Regarding small facilities whose investment amount is less than 25 million yen, and anything purchased primarily for environmental purposes, any costs related to these environmental facilities, such as investment amount and maintenance cost, are all included in the calculation. Please note that depreciation cost of facilities invested is not included in the environmental cost from the viewpoint of placing value on cash flow. Small expenses such as fixed asset tax and insurance cost are also extracted from the total.

Environmental cost and economic effect by environmental facilities are only recorded for 3 years starting from the 2nd year after the facilities are put into operation.

Method used for calculating the economic effect

This calculation is based on information in the Ministry of the Environment's guidelines that states the attendant reductions in cost that can be gained from reducing environmental impact, interlinked with FHI's own independent ideas.

In detail, the reduction in waste treatment costs achieved by better control of waste output and changes in the waste treatment methods, and the reduction in energy costs, are all calculated according to their respective cost categories. With regard to environmental improvement measures that require no facilities, the difference in cost from the previous fiscal year (or the cost difference from cases where no such measures were taken) is recorded as an economic effect. Because currently it is difficult to obtain enough supportive evidence, other factors such as contributing to value-added products, and reducing risks (exempting the manufacturer from any liability, etc.), are excluded from this part of the economic effect calculation.

FY2007 calculation result

• Environmental cost was 16.4 billion yen, an increase of 420 million yen (2.6%) compared with the previous fiscal year. The cost increased due to the increase in product R&D cost (+870 million yen) and due to cost for the reduction of volatile organic compound (VOC) in vehicle production (+70 million yen), etc.

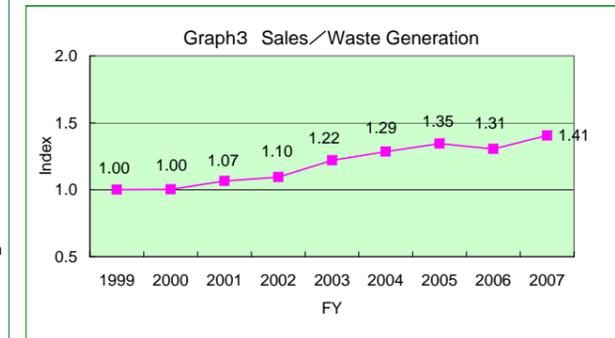
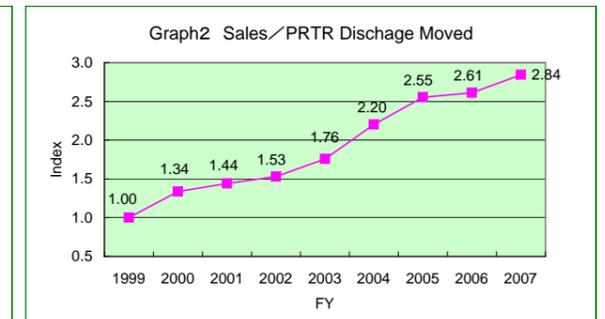
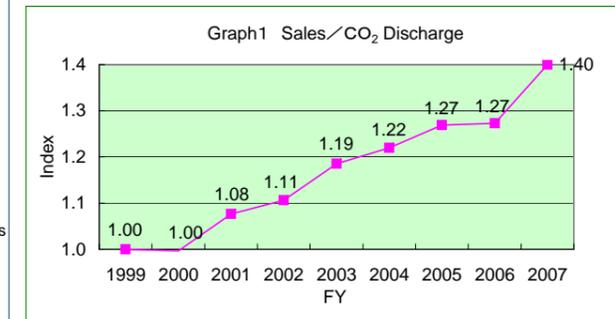
• Economic effect was 2.0 billion yen, an increase of 80 million yen compared with the previous fiscal year. Increase in profit from the sales of valued materials (+130 million yen) contributed significantly to the increased economic effect.

• Environmental performance (quantitative effects) has improved successfully in reduction of CQ discharge, wastes and VOC discharge. For PRTR chemicals, handled amount has increased but released one was reduced.

Environmental management indexes

Environmental efficiency of business activities, which is one of the environmental management indexes, was regarded as [sales ÷ environmental burden]. They are calculated with the environmental burden in the production process by regarding the FY1999 levels as the standard.

Environmental efficiency in CO₂ discharge, PRTR discharge moved and waste have been improved well. (Landfilled waste has maintained 'zero level' since FY2004.)



Note: As figures are rounded, some totals are not precise. Data collection period: from Apr. 2007 to Mar. 2008

Results of the Aggregated Environmental Costs and Effects in FY2007 for Entire FHI (non-consolidated) Apr. 2007 - Mar. 2008

Environmental costs				Facility investment			Economic effects			Environmental performance (quantitative effects)									
Cost categories in [] at the bottom is based on the Guideline by the Ministry of Environment (see *1)	Costs (million yen)			Main activities ☆: New measures in FY2007 (cost increase factor)	(million yen)			Description	Effects (million yen)			Category	unit	FY2007 result	gap vs. FY2006	FY2006 result	FY2005 result		
	FY2007	FY2006	FY2005		FY2007	FY2006	FY2005		FY2007	FY2006	FY2005								
A) Costs for reducing environmental burden (at manufacturing stage)	Waste treatment/recycling and waste reduction [①-3]	408	418	434	☆Re-equipping of paint sludge collection system	173	18	11	Reduced costs through waste control and treatment method changes Profit from the sales of valued materials obtained through recycling Utilization of renewed engine oil	1,628	1,496	1,293	Amount of waste materials	ton	71,653	-1,409	73,062	71,700	
					☆Grinding sludge solidification device introduced									Amount of landfilled waste (directly and indirectly)	ton	0	-1	1	1
	Energy conservation and CO ₂ emissions reduction [①-2]	41	41	37	☆Paint shop renewed	729	254	254	Reduced energy costs Effect of introducing co-generation systems	226	265	362	Energy consumption (crude oil equivalent)	1,000kl	134.6	0.4	134.2	134.0	
					☆Inverter lighting									Energy consumption per sale	kl/100 million yen	13.3	-0.7	14.0	13.8
	Reduction of CFC alternative discharge [①-2]	0.7	0.7	0.7	☆Air conditioner refrigerant collection device	0.3	0.3	1	Collected and recycled CFC alternative	4	4	0	CO ₂ discharge	10,000ton-CO ₂	21.8	-0.9	22.7	23.0	
Pollution control such as wastewater and exhaust gas treatment [①-1]	271	383	427	☆Work to prevent bumper paint odor	276	268	558	Reduced treatment costs	5	5	3	PRTR chemicals *2							
				☆Weld fume dust collector introduced									Amount handled	ton	4,053	68	3,985	4,095	
Reduction of VOC discharge [①-1]	15	7	4	☆Paint shop renewed (water-based paint introduced)	726	8	0	Coating efficiency improved by changing paint guns	100	111	96	Amount released	ton	843	-26	869	899		
Total of A) cost	735	849	902		1,905	548	825	Total savings from the effects of reducing the environmental burden	1,963	1,880	1,754	VOC discharged (Automobiles only)	g/m ²	63.2	-6.6	69.8	46.2		
B) Investment costs	Education and ISO 14001 related matters [③]	114	115	120	Environmental education, maintenance of ISO														
	Product research and development [④]	14,998	14,131	13,898	Maintaining ISO14001(application fee, labor cost of full-time EMS staffs)	893	532	647											
					Improved fuel economy, cleaner emissions, and better recycling efficiency Development of eco products														
Total of B) cost	15,112	14,246	14,017		893	532	647	(Total investment effects) N/A for the time being	0	0	0								
C) Other costs	Measures for end-of-life products [②]	229	258	318	Collection of used bumpers and recycling of other parts	2	5	116	Reduced virgin material purchasing costs by using recycled materials	29	34	23							
	Social contribution and other environmental measures [③⑤⑥⑦]	283	586	346	Measures to cope with the ELVs Recycling Law	0	0	0		0	0	0							
					Preparation of Social & Environmental Report, cleaning around the plants Environment-related projects by JAMA Planting trees, measures for environmental														
Total of C) cost	512	844	664		2	5	116	Total of other effects	29	34	23								
Grand Total	16,359	15,938	15,584		2,800	1,085	1,587		1,992	1,914	1,777								

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

Rates of Environmental Conservation Activities in FHI Business Activities

	FY2007	FY2006	FY2005
Proportion of the R&D cost for environmental conservation to the test and research costs	29%	28%	30%
Proportion of the investment for environmental conservation to facility investment	8%	3%	7%

Calculation method and the basis for recording

Calculation was conducted according to FHI environmental accounting guideline introduced in FY2005 counting. Please refer to the previous page, (1) FHI (non-consolidated) Results in FY2007
For outline of the guideline, also p.9 to13 in the Supplementary Volume for the Data related to the 2006 E & S Report for the detail on our Web site.

FY2007 calculation result

Regarding the environmental burden reduction activities in the manufacturing stage of the five domestic affiliated companies, environmental costs decreased to 140 million yen (by 9 million yen) and economic effects increased by 33 million yen (by 17%) to 230 million yen compared with the previous year.
Generally the actual results of the environmental performance have been reduced. Especially amount of landfilled waste was reduced by 10 ton (40%) compared to FY2006. The total amount of the 5 companies maintained the zero emission level (the amount of the landfilled waste is 1% or less of the total waste generated) this year again.
They continue to make efforts to reach zero level of waste at each company.
Total amount of energy consumption and CO₂ emissions decreased and CO₂ emissions (24200 ton) have been reduced by 2.3% compared to FY2006.
We aim at further reductions of energy consumption and CO₂ emissions to prevent global warming.
As for PRTR chemical substances, both the amount handled and the amount released and handled have been reduced. No companies handled more than 1 ton of targetted substances during FY2007.

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

Results of the Aggregated Environmental Costs and Effects in FY2007

Data collection period: from April 2007 to March 2008

Companies subject to data collection: Yusoki Kogyo K.K., Fuji Machinery Co., Ltd., Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., Subaru Logistics Co., Ltd. The data of Fuji Robin Industries Ltd. is excluded in the result of FY2005 & 2006 as well.

Environmental cost				Facility investment			Economic effect			Environmental performance (quantitative effects)							
Cost categories in [] at the right bottom is based on the Guideline by the Ministry of Environment*1	Cost(million yen)			Facility investment (million yen)			Description	Effects (million yen)			Category	Unit	FY2007 result	gap vs. FY2006	FY2006 result	FY2005 result	
	FY2007	FY2006	FY2005	FY2007	FY2006	FY2005		FY2007	FY2006	FY2005							
A) Costs for reducing environmental burden (at manufacturing stage)	Waste treatment/recycling and waste reduction [①-3]	55	62	68	2	0.3	0	Reduced costs through waste control and treatment method changes, profit from the sales of valued materials obtained through recycling	193	153	155	Amount of waste materials	ton	7,775	-998	8,773	10,351
	Energy conservation and CO ₂ emissions reduction [①-2]	12	6	7	19	43	21	Reduced energy cost	33	41	27	Amount of landfilled waste (directly and indirectly)	ton	14	-10	24	49
	Pollution control such as wastewater and exhaust gas treatment [①-1]	6	8	5	74	8	24		0	0	0	Energy consumption (crude oil equivalent)	kl	13,765	-350	14,115	15,385
	Total of A) cost	72	77	80	95	52	46	Total savings from the effects of reducing the environmental burden	226	194	182	Energy consumption per production	kl/100 million yen	38.55	-0.88	39.43	41.03
B) Investment costs	Education, ISO 14001 related matters, environmental surveys, etc [③]	12	18	22	-	-	-		-	-	-	CO ₂ discharge	ton-CO ₂	24,198	-559	24,757	26,483
	Product research and development [④]	48	48	33	0.4	0.4	1.1					PRTR chemicals *2					
	Total of B) cost	60	66	55	0	0	1	(Total investment effects) N/A for the time being	0	0	0	Amount handled	ton	0	-2	2	0
C) Other costs	Change of raw materials, measures for end-of-life products, social contribution and other environmental measures [②⑤⑥⑦]	12	10	9	0	1	0		0.7	0	0	Amount released and handled	ton	0	-1	1	0
	Total of C) cost	12	10	9	0	1	0	Total of other effects	1	0	0						
Grand Total	144	153	144	95	53	47			226	194	182						

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

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

*2 Totalling chemicals, of which annual amounts handled are one ton or more (0.5 tons or more for class I designated chemical substances).
No substance was subject to PRTR in FY2007.

(3) [Environmental Accounting] Overseas Affiliated Companies (4 Automobile-related companies) Results in FY2007

We have summarized environmental accounting for FY2007 (from January to December 2007) of four affiliated companies related to Subaru automobiles in North America.

Calculation method and the basis for recording

We have calculated according to FHI new environmental accounting guideline introduced by FHI (non-consolidated) and its domestic affiliated company subcommittee members in FY2005. Please refer to FHI (non-consolidated) Results in FY2007 on p.13 for the outline of the new guideline.

FY2007 calculation result (trial)

- The environmental cost was 813 million yen in total.The breakdown is as follows: Waste treatment, 284 million yen; Pollution control such as wastewater treatment, 160 million yen; Product research and developmet, 285 million yen.
- The economic effects have earned 760 million yen due to the reduction of waste treatment cost.
- Although the waste amount has increased, the directly landfilled waste amount has decreased in the environmental performance (quantitative effects).
- Energy consumption and CO₂ discharge have risen due to the production increase. We will make further effort to reduce them to prevent global warming.

Trial Value of FY2007 Environmental Costs and Economic Effects

- Companies subject to data collection:SIA, SOA, SCI and SRD
- Data collection period: from January to December 2007

Environmental cost		Facility Investment		Economic effect		Environmental performance (quantitative effects)						
Costs (million yen)		(million yen)		Effects(million yen)		Category	Unit	FY2007 result	【trial】 FY2006			
FY2007	FY2006	FY2007	FY2006	FY2007	FY2006							
A) Costs for reducing environmental burden (at manufacturing stage)	Waste treatment/recycling and waste reduction [①-3]	284	95	0	0	Reduced costs through waste control and treatment method changes, profit from the sales of valued materials obtained through recycling	758	751	Amount of waste materials	ton	18,159	15,083
	Energy conservation and CO ₂ emissions reduction [①-2]	7	4	7	24	Reduced energy cost	1	4	Amount of landfilled waste (directly and indirectly)	ton	555	616
	Pollution control such as wastewater and exhaust gas treatment [①-1]	160	94	0	25		0	0	Energy consumption (crude oil equivalent)	kL	50,901	42,161
									CO ₂ discharge	ton-CO ₂	99,094	81,252
Total of A) cost		451	192	7	48	Total savings from the effects of reducing the environmental burden	760	755	Note: As figures are rounded, some totals are not precise.			
B) Investment costs	Education, ISO 14001 related matters and environmental survey (unsteady) [③]	51	42	0	0	—	—	—	*1 Cost categories based on the Guidelines by the Ministry of Environment: ① Costs in the business area ①-1 Pollution prevention costs ①-2 Global environment conservation costs ①-3 Resource circulation costs ② Upstream and downstream costs ③ Management activity costs ④ R&D costs ⑤ Social activity costs ⑥ Environmental damage costs ⑦ Other costs			
	Product research and development [④]	285	424	0	0							
Total of B) cost		336	467	0	0	(Total investment effects) N/A for the time being	0	0				
C) Other costs	Change of raw materials, measures for end-of-life products, social contribution and other environmental measures [②⑤⑥⑦]	26	28	0	0		0	0				
	Total of C) cost	26	28	0	0	Total of other effects	0	0				
Grand Total		813	687	7	48		760	755				

Environmental Levels Data (1)-1 Gunma Manufacturing Division

Gunma Manufacturing* FY2007 Plant Site Data

1. Energy, Water, and Waste *

CO₂ emission

(Unit: ton-CO₂)

Item	FY2007 actual result
CO ₂ emission	165,161
Index (FY1990 = 100)	79.2

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

Water consumption

(Unit: m³)

項目	FY2007 actual result
Water consumption	2,671,618
Index (FY1999 = 100)	53.1

Waste materials and scrapped metals

(Unit:t)

Item	FY2007 actual result
Scrapped metal	60,403
Amount of materials recycled within FHI	1,723
Waste materials directly landfilled	0
Waste materials externally treated	4,620
Waste materials landfilled after external treatment	0

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

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

Main plant

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.5	6.8	7.2
BOD	25	20	6.3	0.1	2.6
SS	50	40	6.9	0.9	2.4
Oil content (inorganic)	5	4	2.4	0.0	0.8
Fluorine	8	6.4	0.6	<0.2	0.3
Zinc	2	1.6	0.1	0.1	0.1
Soluble iron	10	8	<0.1	<0.1	<0.1
Soluble manganese	10	8	<0.1	<0.1	<0.1
Total phosphorus	16 (8)	6.4	1.4	1.0	1.2
Total nitrogen	120 (60)	48	5.8	2.6	4.2
Bacillus coli	3,000	2,400	120	50	85

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

Yajima plant

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.3	7.2	7.3
BOD	25	20	10.1	2.2	3.8
SS	50	40	5.3	0.7	2.2
Oil content (inorganic)	5	4	1.7	0.1	0.8
Fluorine	8	6.4	0.8	0.8	0.8
Zinc	2	1.6	0.3	0.3	0.3
Soluble iron	10	8	<0.1	<0.1	<0.1
Soluble manganese	10	8	0.2	0.2	0.2
Total phosphorus	16 (8)	6.4	1.5	1.5	1.5
Total nitrogen	120 (60)	48	3.9	3.9	3.9
Bacillus coli	3,000	2,400	85	85	85

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

Ota north plant

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.8	7.1	7.4
BOD	25	20	6.6	0.1	4.1
SS	50	40	10.0	0.4	4.1
Oil content (inorganic)	5	4	1.5	0.0	0.5
Fluorine	8	6.4	<0.2	<0.2	<0.2
Zinc	2	2	0.01	0.01	0.01
Soluble iron	10	8	0.2	0.2	0.2
Soluble manganese	10	8	0.2	0.2	0.2
Total phosphorus	16 (8)	6.4	2.6	2.6	2.6
Total nitrogen	120 (60)	48	2.1	2.1	2.1
Bacillus coli	3,000	2,400	10	10	10

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

Oizumi plant

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

Substance	Regulated values (by agreement)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.7	6.9	7.3
BOD	25 (10)	8	8.8*	1.4	4.0
SS	50 (10)	8	7.8	1.5	3.9
Oil content (inorganic)	5 (3)	2.4	3.3*	0.1	1.1
Fluorine	8	6.4	<0.2	<0.2	<0.2
Zinc	2 (2)	1.6	<0.1	<0.1	<0.1
Soluble iron	10 (5)	4	<0.1	<0.1	<0.1
Soluble manganese	10 (5)	4	<0.1	<0.1	<0.1
Total phosphorus	16 (8)	6.4	0.3	0.3	0.3
Total nitrogen	120 (60)	48	3.6	3.6	3.6
Bacillus coli	3000 (1000)	800	0	0	0

[Notations] ····pH: Hydrogen-ion concentration, BOD: Biochemical oxygen demand
 SS: Concentration of suspended solids in water (diameter: 2mm or smaller)
 [Units] ····Bacillus coli= number/ml, all others except pH: mg/L
 Regulated values for Total Phosphorus and Total Nitrogen are daily average value.
 * Please see p.10 in this volume for measures against BOD and n-hexane (mineral oil) over voluntary standard.

Iseaki plant

Water pollution data (Sewerage Law) Effluent outlet D and G

Substance	Regulated values (by agreement)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.7~8.7	6.0~8.4	7.7	6.9	7.3
BOD	300	240	139	2.0	30.5
SS	300	240	35.9	3.6	12.6
Oil content (inorganic)	5	4.0	<1	<1	<1
Fluorine	8	6.4	1.7	<0.2	0.9
Zinc	2	1.6	0.9	0.007	0.2
Soluble iron	10	8	<0.1	<0.1	<0.1
Soluble manganese	10	8	0.2	<0.1	0.1
Total phosphorus	20	16	3.5	0.4	1.4
Total nitrogen	150	120	20.0	2.1	5.5

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

Subaru Test & Development Center

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

Substance	Regulated values (by agreement)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.4	7.1	7.3
BOD	25	16	1.5	1.0	1.3
SS	40	32	<1	<1	<1
Oil content (inorganic)	5	4	<1	<1	<1
Fluorine	8	6.4	0.2	0.2	0.2
Zinc	2	1.6	<0.1	<0.1	<0.1
Soluble iron	3	2.4	<0.1	<0.1	<0.1
Soluble manganese	3	2.4	<0.1	<0.1	<0.1
Total phosphorus	8	6.4	<0.1	<0.1	<0.1
Total nitrogen	60	48	0.9	0.6	0.8

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

Environmental Levels Data (1)-2 Gunma Manufacturing Division

3. Air Pollution Data (each plant)

Main plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Boiler (No.5 & No.6)	NOx	150	120	110	103
	SOx	60.3	48.2	0.32	0.28
	PM	0.25	0.2	0.006	0.005
Dry-off furnace (Electrocoat, 2 nd & final coat)	NOx	230	184	45	42
	PM	0.2、0.3	0.16、0.24	0.005	0.004

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

*Among the 32 facilities specified by Law, we present here data of big boilers and dry-off furnaces. Also at the specified facilities not indicated here, measured values were in the range of values specified by Law.

Ota North plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Air conditioner (heater)	NOx	250	200	85	77
	PM	0.3	0.24	0.08	0.067
Dry-off furnace	NOx	230	184	55	41.0
	PM	0.35	0.28	0.007	0.005

【Unit】NOx: ppm, PM: g/m³N

*We present here data of 3 facilities specified by Law.

Yajima Plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Co-generation system (Gas turbine No.1)	NOx	70	56	30	25
	PM	0.05	0.04	0.001	0.001
Co-generation system (Gas engine No.2)	NOx	600	480	289	230
	PM	0.05	0.04	0.002	0.002
Boiler (No.1 & No.2)	NOx	230	184	120	97
	SOx	62	50	0.7	0.6
	PM	0.25	0.2	0.004	0.004
Dry-off furnace (Electrocoat, 2 nd & final coat, PP)	NOx	230、250	184、200	85	48.60
	PM	0.2、0.35	0.16、0.28	0.006	0.003

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

*Among the 26 facilities specified by Law, we present here data of co-generation system, big boilers and dry-off furnaces. Also at the specified facilities not indicated here, measured values were in the range of values specified by Law.

Oizumi plant

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Average values
Dry-off furnace	Dioxines	5	4	0.011	0.006
Co-generation system (Gas engine No.1 & 2)	NOx	150	120	390	346.0
	PM	0.05	0.04	0.001	0.00
Aluminum melting furnace	NOx	180	144	71	23.00
	PM	0.2	0.16	0.009	0.002

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N, Dioxines: ng-TEQ/m³N

*Among the 9 facilities specified by Law, we present here data of melting furnace and big boilers. Also at the specified facilities not indicated here, measured values were in the range of values specified by Law.

Isesaki plant

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

4. PRTR

Gunma Manufacturing Division (Main plant, Yajima plant, Ota north plant and Oizumi plant)

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

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
1	none	Zinc compound (Water-soluble)	23,985	0	260	5,027	18,698	0	0
9	103-23-1	Bis (2-ethylhexyl) adipate	1,147	0	0	0	1,136	12	0
16	141-43-5	2-Aminoethanol	1,910	0	153	611	0	1,146	0
30	25068-38-6	Polymer of 4,4'-isopropylidenediphenol and 1-chloro-2,3-epoxypropane (liquid)	17,095	0	0	1,579	15,422	93	0
40	100-41-4	Ethylbenzene	327,231	168,841	0	0	49,911	22,067	86,412
43	107-21-1	Ethylene glycol	1,706,069	0	0	0	1,706,069	0	0
63	1330-20-7	Xylene	692,508	343,159	0	0	225,496	51,726	72,127
179	none	Dioxins	0	(0.27)	0	0	0	0	0
224	108-67-8	1,3,5-trimethylbenzene	29,431	19,368	0	0	2,069	3,873	4,121
227	108-88-3	Toluene	633,090	268,770	0	0	287,063	43,174	34,083
232	none	Nickel compound	6,445	0	283	4,836	1,326	0	0
272	117-81-7	Bis (2-ethylhexyl) phthalate	9,475	0	0	194	9,281	0	0
283	none	Hydrogen fluoride and water-soluble salts	2,046	0	599	1,447	0	0	0
299	71-43-2	Benzene	17,445	59	0	0	17,386	0	0
309	9016-45-9	Poly (oxyethylene) = nonylphenyl ether	1,003	0	62	247	25	669	0
310	50-00-0	Formaldehyde	2,171	2,171	0	0	0	0	0
311	none	Manganese and its compounds	12,305	0	337	5,987	5,981	0	0
		Total	3,483,354	802,368	1,692	19,928	2,339,862	122,759	196,744

Isesaki plant

(Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
63	1330-20-7	Xylene	3,984	99	0	0	3,885	0	0
227	108-88-3	Toluene	4,645	18	0	0	4,627	0	0
272	117-81-7	Bis (2-ethylhexyl) phthalate	2,173	0	0	109	2,064	0	0
		Total	10,801	116	0	109	10,576	0	0

Subaru Test & Development Center (Sano City, Tochigi Prefecture)

(Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethylbenzene	3,189	11	0	0	3,178	0	0
63	1330-20-7	Xylene	15,192	52	0	0	15,139	0	0
227	108-88-3	Toluene	38,457	134	0	0	38,323	0	0
299	71-43-2	Benzene	983	3	0	0	980	0	0
		Total	57,820	200	0	0	57,620	0	0

Environmental Levels Data (2)-1 Utsumomiya Manufacturing Division

Utsumomiya Manufacturing FY2007 Plant Site Data

1. Energy, Water, and Waste

CO₂ emission

(Unit:ton-CO₂)

Business establishment	FY2007 result	Index (FY1990 = 100)
Aerospace Company	25,777	94.5
Eco Technologies Company	2,794	36.0
Utsumomiya Manufacturing Division	28,571	81.6

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

Water consumption

(Unit:m³)

Company	FY2007 result	Index (FY1990 = 100)
Aerospace Company	771,176	88.8
Eco Technologies Company	34,670	21.8
Utsumomiya Manufacturing Division	805,846	78.4

Waste materials and scrapped metals (Utsumomiya Manufacturing Division)
(Unit:t)

Item	FY2007 actual result
Scrapped metal	806
Industrial wastes & specially-controlled industrial wastes except scrapped metal	2,099
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0

Utsumomiya Manufacturing Division: Total of Aerospace and Eco Technologies

2. Water Pollution Data

Main plant

Water pollution data (Sewerage law, Utsumomiya city ordinances)

Water discharge effluent and public sewerage

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5< . >9	5.4~8.6	8.0	6.3	7.2
BOD	600	480	292	<0.5	43.5
SS	600	480	367	<1.0	43.7
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	19	<1.0	4.0
Fluorine compounds	8	6.4	1.4	<0.2	0.4
Cadmium	0.1	0.08	0.02	<0.005	0.006
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	0.08	<0.01	0.017
Hexavalent chromium	0.1	0.08	0.03	<0.02	0.02

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

South plant

Water pollution data (Sewerage law, Utsumomiya city ordinances)

Water discharge effluent and public sewerage

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5~9	5.4~8.6	8.0	6.6	7.2
BOD	600	480	113	1.6	34.9
SS	600	480	149	2.0	42.1
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	19.9	<1.0	4.5
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	0.04	<0.01	0.02
Hexavalent chromium	0.1	0.08	<0.02	<0.02	<0.02

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

South No.2 plant

Water pollution data (Sewerage law, Utsumomiya city ordinances)

Water discharge effluent and public sewerage

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5< . >9	5.4~8.6	7.9	6.9	7.3
BOD	600	480	83.4	0.9	32.4
SS	600	480	204	0.8	32.9
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	11.9	<1.0	3.4
Fluorine compounds	8	6.4	2.5	0.3	0.9
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	0.13	<0.01	0.028
Hexavalent chromium	0.1	0.08	0.03	<0.02	0.02

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

Handa plant

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	6~8	6.2~7.8	7.8	6.8	7.3
BOD	25	20	8.0	0.7	3.6
SS	25	20	10	1.0	4.5
COD	25	20	20	1.2	8.2
Bacilus coli (number/ml)	3000	2400	210	30.0	59.7

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

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.0~8.3	7.9	6.8	7.5
BOD	30	24	7.9	6.8	7.6
SS	50	40	2.0	1.2	1.6
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	<1.0	<1.0	<1.0
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	<0.01	<0.01	<0.01
Hexavalent chromium	0.5	0.4	<0.02	<0.02	<0.02

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

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.0~8.3	7.7	7.0	7.3
BOD	30	24	7.0	<0.5	1.2
SS	50	40	6.0	2.0	3.4
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	<1.0	<1.0	<1.0
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	<0.01	<0.01	<0.01
Hexavalent chromium	0.5	0.4	<0.02	<0.02	<0.02

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

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.0~8.3	7.9	6.7	7.3
BOD	30	24	2.8	0.5未満	1.07
SS	50	40	1.2	1.2	1.2
Oil content (inorganic)	5	4	<1.0	<1.0	<1.0
Oil content (norganic)	30	24	<1.0	<1.0	<1.0
Cadmium	0.1	0.08	<0.005	<0.005	<0.005
Syanide	1	0.8	<0.1	<0.1	<0.1
Total chromium	2	1.6	<0.01	<0.01	<0.01
Hexavalent chromium	0.5	0.40	<0.02	<0.02	<0.02

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

Handa west plant

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	6~8	6.2~7.8	7.9	6.7	7.6
BOD	15	12	4.2	<1	2.6
SS	15	12	14	<1	4.6
Oil content (inorganic)	2	1.6	1.4	<0.5	0.6
Oil content (norganic)	2	1.6	3.3	<0.5	0.7
Fluorine compounds	5	4	0.5	<0.02	0.22
Syanide	0.5	0.4	<0.1	<0.1	<0.1
Total chromium	0.2	0.16	<0.04	<0.04	<0.04
Hexavalent chromium	0.3	0.24	<0.04	<0.04	<0.04

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

Environmental Levels Data (2)-2 Utsumomiya Manufacturing Division

3. Air Pollution Data (each plant)

Main plant (Aerospace/ Eco Technologies Company)

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
10t-Boiler	NOx	250	200	80	76	78
	PM	0.3	0.24	0.012	0.006	0.008
2t-Boiler	NOx	180	144	78	75	77
Dry-off furnace	NOx	230	184	61	51	56
	PM	0.2	0.16	0.001	0.001	0.001
Co-generation	NOx	600	480	158	157	158

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

South plant (Aerospace)

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
10t-Boiler	NOx	250	200	88	82	85
	PM	0.3	0.24	0.003	0.002	0.003
3t-Boiler	NOx	180	144	124	120	120
	PM	0.3	0.24	0.001	0.001	0.001

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

Handa plant (Aerospace)

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
2t-Boiler	SOx	1.5	1.2	0.07	0.02	0.04
	NOx	180	144	38	33	35
	PM	0.1	0.08	0.002	0.002	0.002

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

Handa west plant (Aerospace)

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Maximum values	Minimum values	Average values
2t-Boiler	SOx	1.5	1.2	0.01	0.01	0.01
	NOx	180	144	37	27	30
	PM	0.1	0.08	0.002	0.002	0.002

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

4. PRTR

Utsumomiya Manufacturing Division (Aerospace company except Handa plant)

(Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions (Public water)	Water emissions (Sewerage)	Transfer	Consumption	Solvent wiping Removal	Recycle
30	25068-38-6	Chloro-2,3-epoxypropane	2,715				1,086	1,629		
40	100-41-4	Ethylbenzene	418	106				312		
63	1330-20-7	Xylene	4,656	2,274			793	1,589		
227	108-88-3	Toluene	26,025	18,226			5,053	2,746		
69	none	Hexavalent chromium compounds	4,658			3	2,435	1,279	940	
		Total	38,472	20,606		3	9,367	7,555	940	

Utsumomiya Manufacturing Division (Handa Plant [Aerospace company])

In FY2007, the amount of chemical substance subject to PRTR handled at Handa plant and Handa west plant was less than 1 ton/year.

Utsumomiya Manufacturing Division (Eco Technologies Company)

(Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions (Public water)	Water emissions (Sewerage)	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethylbenzene	6,605	4,016			1,605			984
63	1330-20-7	Xylene	17,995	10,941			4,373			2,681
227	108-88-3	Toluene	3,707	2,254			901			552
		Total	28,307	17,211			6,879			4,217

Environmental Levels Data (3) Saitama Manufacturing Division*

Industrial Products Company FY2007 Plant Site Data

1. Energy, Water, and Waste

CO₂ emission

Item	FY2007 actual result
CO ₂ emission (ton-CO ₂)	8,718
Index (FY1990 = 100)	75.2

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

Water consumption

(Unit: m³)

Item	FY2007 actual result
Water consumption	32,321
Index (FY1999 = 100)	84.4

Waste materials and scrapped metals

(Unit : ton)

Item	FY2007 actual result
Scrapped metal	1,310
Industrial wastes & specially-controlled industrial wastes	380
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0

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

2. Water Pollution Data

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

Substance	Regulated values (prefectural)	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5~9	5.4~8.6	8.7*	7.4	8.3
BOD	600	480	539*	162	298
SS	600	480	214	34	117
Oil content (norganic)	30	24	9.2	<0.5	5.6

[Notations] · · · pH: Hydrogen-ion concentration, BOD: Biochemical oxygen demand

SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

[Units] · · · mg/L (except pH)

* Please refer to p.10 in the Supplementary Volume for handling pH and BOD which exceed Voluntary Standards.

3. Air Pollution Data

We do not have any facility subject to Air Pollution Control Law.

4.PRTR

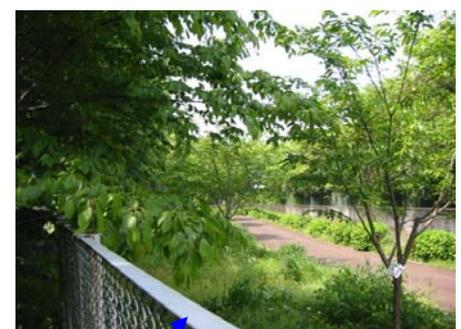
Industrial Products Company

(Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
43	107-21-1	Ethylene glycol	2,394				2,394		
63	1330-20-7	Xylene	7,939	48	0	0	7,891	0	0
224	108-67-8	1,3,5-trimethylbenzene	1,050	4			1,046		
227	108-88-3	Toluene	12,153	154	0	0	11,999	0	0
299	71-43-2	Benzene	530	20			510		
Total			24,066	226	0	0	23,840	0	0

5. Point Where Noise Level Exceeding Legal Requirement was Measured

The point where noise exceeded the regulated level as described in page 38 of the 2008 Social and Environmental Report is shown in the photo on the right. Although the premise boundary is close to the plant building, the outside of which is a riverside walking trail. The nearest resident lives about 150 meters away and no complaint has been received so far. Measures to reduce operating noise of ventilation fans and others are under study in FY2008.



Environmental Levels Data (4) Tokyo Office

Tokyo Office FY2007 Plant Site Data

1. Energy, Water, and Waste

CO₂ emission

Item	FY2007 actual result
CO ₂ emission (ton-CO ₂)	15,171
Index (FY1990 = 100)	80.6

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

Water consumption

(Unit: m³)

Item	FY2007 actual result
Water consumption	111,120
Index (FY1999 = 100)	93.9

Waste materials and scrapped metals

(Unit: ton)

Item	FY2007 actual result
Scrapped metal	153
Industrial wastes & specially-controlled industrial wastes	277
Waste materials directly landfilled	0
Waste materials landfilled after external treatment	0

2. Water Pollution Data

Tokyo Office No.1 wastewater catch basin (final)

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

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

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

Tokyo Office No.2 wastewater catch basin (final)

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

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

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

3. Air Pollution Data (each plant)

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated	Voluntary	Data
Boiler of Eng'g No.2 building (for heating)	NOx	100	80	79
	SOx	out of scope	out of scope	<0.001
	PM	0.3	0.24	0.001

[Unit] SOx: m³/h, NOx: ppm, PM: g/m³N

4. PRTR

Tokyo Office

(Unit: kg/year)

Code	CAS No.	Chemical Substances	Amount handled	Air release	Water emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethylbenzene	20,230	0	0	0	20,230	0	0
43	107-21-1	Ethylene glycol	4,043	0	0	0	4,043	0	0
63	1330-20-7	Xylene	91,877	2	0	0	91,875	0	0
224	108-67-8	1,3,5-trimethylbenzene	12,186	0	0	0	12,186	0	0
227	108-88-3	Toluene	273,627	15	0	0	273,612	0	0
299	71-43-2	Benzene	6,824	1	0	0	6,823	0	0
Total			408,788	19	0	0	408,769	0	0

Environmental Levels Data (5)-1 Domestic Affiliated Companies (5 companies)

1. Energy and Waste

FY2007 Energy consumption and CO₂ emission

	Yusoki Kogyo	Fuji Machinery	Ichitan	Kiryu Industrial	SLCO*	5 companies total	Index (FY2001 = 100)
Energy consumption (crude oil equivalent KL)	614	5,001	7,276	266	608	13,765	96.1
CO ₂ emission (ton-CO ₂)	265	10,789	11,657	444	1,043	24,198	107.4

*SLCO = Subaru Logistics Co. Ltd.

FY2007 Amount of waste materials and amount landfilled

	Yusoki Kogyo	Fuji Machinery	Ichitan	Kiryu Industrial	SLCO*	5 companies total	Index (FY2001 = 100)
Amount of waste materials (ton)	77	1,621	5,204	422	451	7,775	69.8
Waste materials directly landfilled (ton)	0.2	13.0	0.7	0.3	0.3	14.5	8.0

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

Yusoki Kogyo K.K.

Water Pollution Control Agreement with Handa City

Substance	Regulated values	Maximum values	Minimum Values	Average values
pH	6~8	8.0	7.8	7.9
BOD	15	6.7	1.3	3.0
COD	(15)	8.8	2.8	4.9
SS	15	9.0	2.6	4.8
Total nitrogen	30	2.2	0.8	1.2
Total phosphorus	4	0.42	0.14	0.29

【Notations】···pH:Hydrogen-ion concentration, BOD:Biochemical oxygen demand

SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

【Units】···mg/L (except pH)

Fuji Machinery Co., Ltd.

Headquarters Plant wastewater (Sewerage Law)

Substance	Regulated values	Maximum values	Minimum Values	Average values
pH	5.7~8.7	7.6	6.6	7.2
BOD	300	12	1	5.2
COD	-	10	1	5.8
SS	300	7	2	3.2
Oil content (inorganic)	5	1	1	1

【Notations】···pH:Hydrogen-ion concentration, BOD:Biochemical oxygen demand, COD:Chemical oxygen

SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

【Units】···mg/L (except pH)

Jonan Plant (Water Pollution Control Law)

Substance	Regulated values	Maximum values	Minimum Values	Average values
pH	5.8~8.6	7	6.8	6.9
BOD	20	4	1	2.2
SS	20	2	2	2
Oil content (inorganic)	3	2	1	1.2

【Notations】···pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand

SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

【Units】···mg/L (except pH)

Ichitan Co., Ltd.

Plant wastewater (Water Pollution Control Law)

Substance	Regulated values	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.0~8.4	9.7	6.6	7.4
BOD	25	20	4.2	0.6	2.8
SS	50	40	44	<0.1	7.5
Oil content (inorganic)	5	4	<0.1	<0.1	<0.1

【Notations】···pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand

SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

* : The pH and SS exceeding the regulation values were measured only once in July due to accidental water for afforestation work. A remedy has already been taken by setting work monitoring system.

【Units】···mg/L (except pH)

■ Kiryu Industrial Co., Ltd does not have any specified facilities.

Haga Plant (Sewerage Law)

Substance	Regulated values	Maximum values	Minimum Values	Average values
pH	5~9	7.3	6.6	6.9
BOD	600	3	1	1.6
COD	-	6	2	3.4
SS	600	4	2	3
Oil content (inorganic)	5	1	1	1

【Notations】···pH:Hydrogen-ion concentration, BOD:Biochemical oxygen demand, COD:Chemical oxygen

SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

【Units】···mg/L (except pH)

Subaru Logistics Co. Ltd

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

Substance	Regulated values	Voluntary standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.43	6.76	7.15
BOD	10	8	11.9	1.6	4.8
SS	10	8	4.6	1.7	3.3

【Notations】···pH:Hydrogen-ion concentration, BOD: Biochemical oxygen demand

SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

* : BOD exceeded Standard once at measurement in Feb. and its progress is being observed.

【Units】···mg/L (except pH)

Environmental Levels Data (5)-2 Domestic Affiliated Companies (5 companies)

3. Air Pollution Data (companies that emit subject materials)

Yusoki Kogyo K.K.

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

Facilities	Substances	Regulated values	Data
Heater	PM	0.1	0.004
			0.003

【Unit】PM: g/m³N

Fuji Machinery Co. Ltd.

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Amount measured
Headquarters Boiler	SOx	0.28	<0.01
	NOx	-	63
	PM	-	<0.001
Haga Plant Boiler(1)	SOx	0.28	<0.01
	NOx	-	59
	PM	-	<0.001
Haga Plant Boiler(2)	SOx	0.28	<0.01
	NOx	-	65
	PM	-	<0.001

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

Ichitan Co., Ltd.

Air Pollution data (Air Pollution Control Law)

Facilities	Substances	Regulated values	Voluntary Standard	Amount measured	
				29-Jun	18-Dec
N III (Boiler)	SOx	8	4	0.15	0.1
	NOx	180	90	60	120*
	PM	0.25	0.15	<0.002	0.005

【Unit】SOx:m³N/h, NOx: ppm, PM: g/m³N

*Correction of NOx emission over the self-imposed standard is under study, including how the self-imposed standard should be set.

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

4. PRTR (No company is concerned)

- In FY2007, no company handled 1 ton or more amount of chemical substance subject to PRTR a year.
(Type 1 specific chemical substance: less than 0.5 ton / year)

5. ISO 14001 Environmental Management System Certification Status

Company name	Timing of certification	Auditor
Fuji Machinery Co., Ltd.	Jun. 2002	TÜV Rheinland Japan Ltd.
Ichitan Co., Ltd.	Mar. 2004	Japan Quality Assurance Organization
Kiryu Industrial Co., Ltd.	Oct. 2004	TÜV Rheinland Japan Ltd.
Subaru Logistics Co. Ltd	Feb. 2004	Japan Automobile Research Institute Registration Body
Yusoki Kogyo K.K.	Jul. 2007	In the past, we had been certified by TÜV Rheinland Japan Ltd., but we returned the certification on August 25, 2006. Instead, we acquired the certification by Japan Quality Assurance Organization (JQA) anew in July, 2007 in the form of expanded certification of our Utsunomiya Manufacturing Division. We will keep promoting EMS-related activities together with the Utsunomiya Manufacturing Division.

Gunma Manufacturing Division



Main Plant



Yajima Plant



Ota North Plant



Oizumi Plant



Isesaki Plant

Outline for Each Plant

(As of the end of March, 2008)

Name	Location	Site Area (m ²)	Building Area (m ²)	Number of Employees	Main Products Manufactured
Main Plant	1-1, Subaru-cho, Ota City, Gunma Prefecture	585,521	312,313	3,086	Stella, R1, R2, Pleo, and Sambar models
Yajima Plant	1-1, Shoya-machi, Ota City, Gunma Prefecture	549,845	255,023	2,460	Legacy, Exiga, Impreza and Forester models
Ota North Plant	27-1, Kanayama-cho, Ota City, Gunma Prefecture	43,750	26,841	81	Automotive parts
Oizumi Plant	1-1-1, Izumi, Oizumi-machi, Ora-gun, Gunma Prefecture	376,038	179,984	1,533	Automotive engines, transmission
Isesaki Plant*	100, Suehiro-cho, Isesaki City, Gunma Prefecture	177,503	58,954	75	Automotive repair parts

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

1. The Gunma Region's* Environmental Policies

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

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

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

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



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

2. Major Environmental Conservation Achievements of FY2007

Curbing Global Warming

In FY2007, together with energy saving in paint process and minimizing fixed energy, the introduction of the second natural gas cogeneration system at the Yajima Plant in June, 2007 brought CO₂ down by 20.8% compared to the FY1990 level. The use of water resources dropped by 46.9% compared to the FY1999 level..

Reducing Waste Material

We have been working hard to reduce the amount of waste material we generate. In FY2007, we have reduced waste material (excluding scrap metal) by 398 tons compared to FY2006. Also, we have reduced scrap metal by 1,013 tons compared to FY2006.

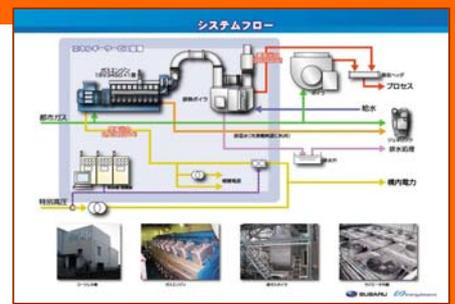
Preventing Environmental Pollution

Complains, leak accidents of chemicals and cases where limits set in environmenta-related laws were exceeded in FY2007 are shown on pp. 9 & 10.

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* in the painting process by using water-based paint etc.

*The target set in the Environmental Conservation Program to reduce VOC: Reduce VOC emissions (g/m²) by 30% or more compared to the FY2000 level. We will actively work on activities to achieve the targets of the Environmental Conservation Program in all the environmental conservation activities.



The introduction of natural gas cogeneration system at the Yajima Plant

3. Results of Environmental Audits

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

We classified all departments in Gunma region into seventy three sections, and conducted internal audits at all the sections during the period from July 6 to October 26 2007. At the same time, we conducted a environment-related legal compliance audit with all nine sections in charge of handling environment-related laws and regulations.

As a result, seventy seven 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.



Certificate of

Results of the ISO 14001 External Assessment

Our ISO 14001 renewal application was assessed during the period from January 29 to February 1, 2008, identifying one minor nonconformity and four cases deemed in need of further inspection. We took corrective actions for the minor nonconformity immediately and our ISO 14001 certification was successfully renewed.

4. Major Local Community Activities of FY2007 «Social Contributions»

Communication

In order to contribute to creating a prosperous society in coexistence with local communities, the Gunma Manufacturing Division has been working with local residents, offering friendship and community exchange events, accepting plant tours and participating in cleanup activities and local events. The major activities of FY2007 are introduced here.



May: Cleanup of Kanayama organized by the Subaru Community Exchange Association (400 participants)



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



Aug: Held Subaru Hands-on class inviting 100 pairs of parents and children who applied publicly



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



Oct: Joined Josyu Ota Subaru Marathon (100 participants as Subaru Community Exchange Association staff)



Nov: Promoted our electric vehicle "R1e" at "Ota Industry Environmental Festival"

Education

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



Apr: Health & Safety and Environmental education for new employees of affiliated and partner companies (257 participants from 24 companies)



Aug: Environmental education with 48 participants from affiliated in-plant resident companies and chemicals suppliers

Others

◆Our health and safety philosophy stipulates that safety comes before anything else. A variety of response drills have been carried out to minimize damage in case of emergency.



Example: Emergency response drill in envisioned leakage from a paint deposit tank in the paint process

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



Main Plant



South Plant



South No.2 Plant



Handa Plant



Handa West Plant

Outline for Each Plant

(As of the end of March, 2008)

Name	Location	Site Area (m2)	Building Area (m2)	Number of Employees	Main Products Manufactured	
Main Plant	1-1-11, Yonan, Utsunomiya City, Tochigi Prefecture	337,457	176,895	2,012	Aircraft, unmanned aircraft, space-related equipment	
South Plant	1388-1, Esojima, Utsunomiya City, Tochigi Prefecture				Aircraft	
South No.2 Plant	2-810-4, Miyanouchi, Utsunomiya City, Tochigi Prefecture				Aircraft	
Handa Plant	1-27, Shiohi-cho, Handa City, Aichi Prefecture				49,041	10,630
Handa West Plant	102, Kamihama-cho, Handa City, Aichi Prefecture	41,977	11,610	23	Aircraft	
Main Plant	1-1-11, Yonan, Utsunomiya City, Tochigi Prefecture	Eco Technologies Company	171,816	50,615	196	Refuse collection vehicles, wind turbine system, robots*2, etc

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

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

1. The Utsunomiya Manufacturing Division's Environmental Policies

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

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

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

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

2. Major Environmental Conservation Achievements of FY2007

Curbing Global Warming

Aerospace Company: Energy consumption rises as production increases, causing a hike of CO₂ emission by about 570 tons over FY2006.

We will proceed with reducing CO₂ while saving energy hereafter. The CO₂ emission in FY2007 was lower than that in 1990 by 4.4%.

Eco Technologies Company: Deterioration in production efficiency and others resulted in increased CO₂ emission by about 290 tons over FY2006.

Energy management will be enhanced to reduce CO₂. The CO₂ emission in FY2007 was lower than that in 1990 by 64%.

Reducing Waste Material

Aerospace Company: The amount of wastes increased by 110 tons due to increases of waste liquid in the paint process, sealants, adhesive residues and others over the preceding year.

We will take actions mainly to reduce these wastes while taking cost factor into account.

Eco Technologies Company: Changed packing specifications and improved cutting stock largely led to a reduction of wastes by 27 tons over the preceding year. We will proceed with using thinner metallic materials, expanding the scope of reused materials and other saving.

Preventing Environmental Pollution

Complains and cases where limits set in environment-related laws were exceeded in FY2007 are shown on pp. 9-10.

We will further promote Environmental Risk Assessment and education for constructor aiming at zero cases.

3. Results of Environmental Audits

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

We conducted an internal audit at all fifty two sections of the Utsunomiya Manufacturing Division (for both the Aerospace Company and the Eco Technologies Company) in May and June, October and November 2007. As a result, eighty six cases were identified for corrective actions. The sections concerned took countermeasures immediately, raising EMS to the required standards.

Results of the ISO 14001 External Assessment

We underwent ISO 14001 renewal assessment review from July 2 through 5, 2007.

There was no nonconformity pointed out including any minor one, thus the renewal of certification was granted.

This review also doubles as the review for expanding the scope of certification to include Yusoki Kogyo K.K., a FHI's subsidiary



External Assessment

4. Major Local Community Activities of FY2007

Communication

We at the Utsunomiya Manufacturing Division recognize the importance of coexisting with local communities as responsible members of society, and equally the importance of maintaining a prosperous society. In keeping with these ends, we have been contributing to local communities through various activities, by offering friendship and community exchange events for local communities and actively cooperating in cleanup activities and fund-raising campaigns. A few of these efforts and activities from FY2007 are introduced here.



July and August: The north side wall of the Main Plant was opened to residents nearby as an atelier for their free drawing of pictures. Pictures are redrawn once every two years, and this time is the ninth drawing.



October 28: Held Friendship Festival at Main Plant attracting 8000 visitors.

Run a booth to promote Environment at the festival, introducing the Plants' environmental efforts and distributing young plants



"Eco Class Delivery Service" was held at 20 local primary schools for an annual total of 50 classes on environmental issues to 1,519 pupils.

Please see pp.30-31 in 2008 Social & Environmental Report for other activities.

Education

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



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

The Utsunomiya Manufacturing Division's Site Report

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 them.



The Utsunomiya Manufacturing Division's Environmental & Social Report 2007

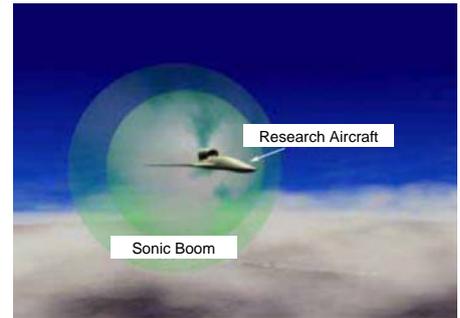
5. Product Developments

Introduced here are major engineering and product developments at the Utsunomiya Manufacturing Division.

Engineering Development at Aerospace Company

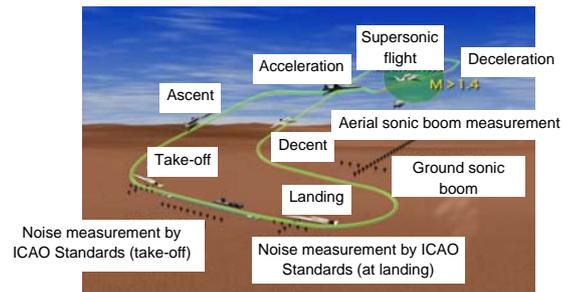
◆Participation in the design review of quiet supersonic research aircraft, which will contribute to reducing sonic boom that supersonic aircraft produce.
 ·In the development of next-generation supersonic aircraft, reducing sonic boom in a supersonic flight (which is heard when the shock waves generated from the fuselage reach the ground and is said to be equivalent to the sound of lightning strike on Concord) has become an important issue. To verify the technology to reduce this sonic boom, JAXA*¹ has been promoting R&D of quiet supersonic aircraft technology. Our Aerospace Company has become assigned to design review of the quite supersonic research aircraft planned in this R&D project, contributing to the realization of such supersonic aircraft in future.

*1 JAXA: Japan Aerospace Exploration Agency



Conceptual illustration of sonic boom [Source: JAXA's open documents]

◆Design of quiet supersonic research aircraft
 · The quiet supersonic research aircraft is a large unmanned plane which can make completely autonomous flights at supersonic speed. We will proceed with the development in cooperation with JAXA, utilizing and stepping up such technologies for unmanned aircraft and composite materials which we have nurtured through various developments over the years.



Conceptual illustration of quiet supersonic research aircraft flight experiment [Source: JAXA's open documents]

Low sonic boom and low resistance fuselage design technology (halving sonic boom)



High system integration technology (unmanned aircraft technology for autonomous flights from take-off to supersonic cruising and landing)

Technologies applied to quiet supersonic research aircraft [Source: JAXA's open documents]

Product Development of Eco Technology Company

◆Development of new rotary plate type refuse collection vehicle "G-RX"
 ·A next-generation new rotary plate type refuse collection vehicle was developed jointly with the ShinMaywa Industries, Ltd., the other leading manufacturer of refuse vehicles in the market, aspiring for its global standardization.
 ·Incorporating know-how on refuse collection vehicles that both companies have nurtured in the market, loading capacity, loading workability, operability and maintainability have been improved with unprecedented appearance design which casts off the image of conventional refuse vehicles. The structure of the vehicle was also reviewed to scrape off excess material for lighter weight, while the reduction of pressure loss in hydraulic pipes, noise level and substances of environmental concern and other means for significant improvement in environmental aspect over conventional refuse vehicles. Furthermore, the voluntary safety standard "SAFETY21" was set exceeding the legal requirements. A rearview camera for rear confirmation and high-mount stop lamp for visibility from the rear are provided as standard equipment for enhanced driving safety, which puts the new refuse collection vehicle among the best in the industry.



New "Fuji Mighty G-RX model series"

Saitama Manufacturing Division*



Industrial Products Company*
Saitama Manufacturing Division

Major products manufactured by the Industrial Products Company



Robin engines

The EX 40 and 35, the top-of-the-line models in Robin EX Series (OHC general purpose engine) have been on sale since Feb. 2008.



Rechargeable lawn mowers



Power generators

Outline for Plant

(As of the end of March 2008)

Name	Location	Site Area (m ²)	Building Area (m ²)	Number of Employees	Main Products Manufactured
Industrial Products Company*	4-410, Asahi, Kitamoto City, Saitama Prefecture, etc	143,438	91,942	551	General-purpose engines (Robin engines), engine generators, etc.

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

1. The Industrial Products Company's Environmental Policies

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

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

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

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

2. Major Environmental Conservation Achievements of FY2007

Curbing Global Warming

The CO₂ emission for FY2007 was lower than that for FY1990 by 24.8%. However, as compared to FY2006, it increased by 138 tons due to a large change in composition of sold products.

Reducing Waste Material

The amount of wastes for FY2007 was lower than that for FY2006 by 71 tons due to a reduction of waste oil. In FY2008, further reduction including metal scraps will be pursued by increasing the operation rate of a machine to briquette metal grinding sludge and other measures such as tighter controls.

Preventing Environmental Pollution

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

*For details of these breaches of standards, please refer to p.10 of this Supplementary Volume for Data.

3. Results of Environmental Audits

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

We conducted internal audits at eighteen sections from September 18 to October 5, 2007, and identified zero nonconformity, while eighteen items for improvement were recommended. We have completed all necessary corrective measures.

Results of the ISO 14001 External Assessment

We had our application for ISO 14001 renewal assessed from February 4 to 7 in 2008 and although the results recommended three minor nonconformities and thirty three items for improvement, our ISO 14001 certification was renewed by taking corective measures immediately for minor nonconformities.



External Assessment

4. Major Local Community Activities of FY2007

Communication

Cleanup in the neighborhoods around the plants

We participated in the Kitamoto Cleanup Program organized by Kitamoto City, and are conducting cleanup activities in the neighborhoods around our plants. In FY2007, overall 889 employees took part in nine cleanup activities.

Active Participation in Local Events

Approximately 300 employees and their family members participated in the Nebuta Hiki (or gigantic lantern parade) for the Kitamoto Evening Festival (on November 3, organized by Kitamoto City).

We also supported "Rengesou Matsuri" or Milk Vetch Festival

"Cross-industrial association" held at the Saitama Plant

The "cross-cultural association" is a social exchange event for member companies located in neighboring Okegawa, Kitamoto, and Ageo areas. In 2007, such event was staged at our Saitama Manufacturing Division on September 7 with 17 invitees from 7 companies.

FHI's involvements in environmental issues explained at "Supplier Liaison Meeting"

Our Environmental Conservation Program and Green Purchasing were explained to participants from 90 suppliers at a "Supplier Liaison Meeting" for their understanding.



Cleanup around the plant during environment month (103 participants)

Education

Activities during the Japanese Environmental Campaign Month --- Participation in the Eco Life Day 2007 Saitama ---

We asked our employees to check how they are contributing to an eco life at home by getting them to fill in the Eco Life Day Check Sheet. 1,223 employees and their family joined the activity and 75% or more participants answered yes to five statements out of the twenty listed, including "I do not leave the water running from the tap" and "I turn off the light when leaving a room."

Emergency Drills

We conduct emergency drills in accordance with proper procedures, to ensure that our employees can prevent environmental damage and do the right thing in the event of an accident or emergency at their workplaces. In FY2007, we conducted emergency drills at the 1st to 3rd Experiment Sections of the Engineering Department etc. seven times with 34 participants.

Education for Employees

We organized environmental education for employees ten times, focusing on education suitable to position and title and targeting internal auditors. We also provide lectures on traffic safety.

5. Topic of Saitama Manufacturing Division Environmental Activities

◆ Introduction of grinding sludge briquetting machine

At the Saitama Manufacturing Division had been discharged annually tens of tons of metal grinding sludge, which used to be recycled at extra expense.

In July, 2007, a machine to briquette such sludge was installed, enabling us to dispose it as sellable goods from October.



Grinding sludge

Past: Recycled at extra expense



Introduced "grinding sludge briquetting machine"



Processed briquette

Present: Recycled for value

Return of about 1.2 million yen/year expected as a result of the introduction

Tokyo Office



Outline for Tokyo Office

(As of the end of March, 2008)

Name	Location	Site Area (m ²)	Building Area (m ²)	Number of Employee	Main Products Manufactured
Tokyo Office	3-9-6, Osawa, Mitaka City, Tokyo	158,378	82,316	957	R&D and experiment of automotive engines and transmissions, R&D of Subaru products

1. The Tokyo Office's Environmental Policies

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

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

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

We have decided on the following operating criteria to consummate our environmental policies.

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

2. Major Environmental Conservation Achievements of FY2007

Curbing Global Warming

Despite our efforts to save energy such as installing lighting apparatus that consumes less energy, CO₂ emissions increased by about 700 tons compared with the previous fiscal year due to factors that include the high rate at which the Development Division's testing equipment operates. We will implement achievable energy-saving measures based on the precondition that our testing equipment operates at a high rate. CO₂ emissions was reduced by 19% compared with FY1990.

Reducing Waste Material

Like CO₂ emissions, the amount of waste also increased by 43 tons compared with the previous fiscal year due to a large increase in metal scrap caused by the Development Division's high rate of operation. This however is lower than FY2007's targeted value by 15 tons, owing to reductions in general waste material and office paper.

Preventing Environmental Pollution

In FY2007, there were 4 environmental accidents caused by spillage of grease on our sites and 1 breach of standard related to water quality. We took immediate corrective actions for all of them, and have brought them under proper control. We will implement activities like the Environmental Risk Assessment to completely eliminate breach of standards, environmental accidents and claims.

*For details of these environmental accidents, please refer to p.10 of this Supplementary Volume for Data.

3. 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 September 27 to October 22, 2007, which identified four nonconformities and fifty two cases that would require further observations. The required corrective actions were carried out and have since proved effective.

Results of the ISO 14001 External Assessment

We had our ISO 14001 renewal assessed from December 12 to 14, 2007. Although one minor nonconformity and twenty items recommended for improvement were identified, there were no major nonconformities and our ISO 14001 certification was renewed.

4. Major Local Community Activities of FY2007

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



Aug: Heid summer evening festival with 2,000 participants inviting local residents



Aug: Safe driving class inviting Traffic Section Manager of Mitaka Police Station as lecturer. (700 participants)



Oct to Nov: Office Tour inviting local elementary school children (740 participants in total) to support their social studies classes

Head Office*



Shinjuku Business Site



Omiya Business Site

Outline for Head Office

(as of the end of March 2008)

Name	Location	Site Area (m ²)	Building Area (m ²)	Number of Employee	Businesses
Shinjuku Business Site	7-2, Nishi Shinjuku 1-chome, Shinjuku-ku, Tokyo	1,600	7,241	538	Planning, marketing and sales of Subaru products, and corporate operations
Omiya Business Site	1-1-2, Miyahara-cho, Kita-ku, Saitama City, Saitama Prefecture	54,896	4,255	41	

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

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

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

The 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.



2. Major Environmental Conservation Achievements of FY2007

Curbing Global Warming

CO₂ emitted in FY2007 came to just 512 tons because of our continuous and unstinting energy-saving efforts that included implementation of the cool-biz and similar activities, achieving a reduction of 2.3% compared with the FY2006

Reducing Waste Material

In FY2007, amount of generated paper for PPC was 29 tons, achieving a reduction of 6% compared to the FY2006. All the waste is recycled. The amount of general combustibles and waste was 17.7 tons, marking a reduction of 9% compared with the previous fiscal year. We will continue to push to achieve a reduction of at least 1% every year.

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

There were no cases.

4. Results of Environmental Audits

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

We classified all the departments in the Head Office area into thirty two sections, and conducted an internal audit at every section from October 14 to 19, 2007.

Then, we received 3 nonconformities and 41 cases that would require further observations. The corrective actions were carried out for nonconformities and their effects are confirmed and spread within the site to improve our entire EMS level.

Results of the ISO 14001 External Assessment

Our application for ISO 14001 renewal was assessed from December 5 to 7, 2007. Although thirteen cases requiring further assessment were identified, there were no nonconformities and our ISO 14001 certification was renewed.

5. Major Local Community Activities of FY2007

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



Jun: FY2007 Kick-Off Ceremony for ISO14001 at the Shinjuku Business Site



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



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



Feb 2008: Environmental exchange circle with Subaru Kosan Co., Ltd., with one of our affiliates

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. (extraordinary meeting is held if needed)

Outline for Each Company

(As of the end of March, 2008)

Company Name	Location	Number of Employees	Main Products Manufactured
Yusoki Kogyo K.K.	102, Kamihama-cho, Handa City, Aichi Prefecture	94	Manufacture and sales of aerospace-related machinery components
Fuji Machinery Co., Ltd.	2-24-3, Iwagami-machi, Maebashi City, Gunma Prefecture	369	Manufacture and sales of automotive parts, industrial machinery and agricultural transmissions
Ichitan Co., Ltd.	74, Shindo-cho, Ota City, Gunma Prefecture	182	Manufacture and sales of forged parts for automobiles and industrial machinery
Kiryu Industrial Co., Ltd.	2-704, Aioi-cho, Kiryu City, Gunma Prefecture	82	Manufacture of specially equipped Subaru automobiles and logistics control of Subaru automotive parts
Subaru Logistics Co., Ltd.	558-1, Asahi-cho, Ota City, Gunma Prefecture	134	Packing, shipping, transportation, warehousing, maintenance and insurance brokerage of automobiles and parts

1. Major Achievements by the Subcommittee

The Subcommittee meeting was held on May 11 and November 15 in FY2007, 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 14th Subcommittee meeting in May

- Each company's environmental conservation achievements from FY2006 and plans for FY2007
- Ensuring wastes control including storage of equipments with low concentration of PCB.

Principle matters reported and discussed at the 15th Subcommittee meeting in November

- Each company's achievements in the first half of FY2007 and the achievements expected for the end of the fiscal year.
- Energy saving, CO₂ reduction, promotion of Team minus 6% national campaign efforts and others.

*The 16th Subcommittee was held on May 9, 2008, and it was confirmed that the FY2007 targets for waste material reduction, curbing global warming, and energy saving were achieved.

For actual data, please refer to p. 22 of this Supplementary Volume for Data.



2. 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.

(Yusoki Kogyo joined the integrated ISO 14001 certification of Utsunomiya Manufacturing Division in July, 2007 and has been pressing ahead the same EMS activities.)

Curbing Global Warming

CO₂ emissions from the five companies totaled 24,198 tons in FY2007, marking a reduction of 2.3% from the previous year.

Reducing Waste Materials

The five companies achieved a zero level of landfilled waste by changing their disposal methods and enforcing separation of waste. (The amount of landfilled waste in FY2007 achieved 14.5 tons, 9.5 tons of reduction compared with the previous year.)

*Data on each company's activities is provided on pp.22 and 23 of this Supplementary Volume for Data.

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

Breaches of Environment-Related Laws and Regulations or Voluntary Standards

◆Noise-related - Ichitan Co., Ltd.: Out of noise measurements at night from July, 2007 to January, 2008 the measurement at night on the western boundary of its plant site and the measurement on the boundary of its site by the side of Sports Plaza's parking lot exceeded the standard by 3.5 dB at most. As countermeasures for both cases, soundproof wall was set, which resulted in the reduction of about 5dB. There have been no further claims.

◆Water-related - Ichitan Co., Ltd and Subaru Logistics Co., Ltd.: Please see p.22 for breaches, values and remedies.

◆Air-related - Ichitan Co., Ltd.: Please see p.23 for breaches, values and remedies.

◆There were no breaches of environment-related laws and regulations or voluntary standards in the measurement of Yusoki Kogyo K.K., Fuji Machinery Co., Ltd. and Kiryu Industrial Co., Ltd.

Administrative Advice and Recommendations from Governmental Authorities

None of the five companies received any administrative advice in FY2007.

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.

4. Claims and Incidents Related to the Environment

◆Noise-related - Ichitan Co., Ltd.: A complaint of noise of parts dropping while a wastes collector was disposing scraps, was received in August. The disposing work procedure was reviewed, which resulted in elimination of noise-generating work.

◆Other four companies have not received any claims.

◆No incidents related to the environment happened at all the five companies.

5. Results of Environmental Audits

Results of the ISO 14001 External Assessment

Each company received the following minor nonconformities and items requiring further assessment (including recommended items) 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.	Jul 2-5, 2007	0	5	0
Fuji Machinery Co., Ltd	Aug 6-8, 2007	6	0	3
Ichitan Co., Ltd.	Mar 26-27, 2007	0	7	2
Kiryu Industrial Co., Ltd.	Aug 21-22, 2007	0	9	1
Sobaru Logistics Co., Ltd	Nov 12-13, 2007	0	6	0

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.

(For the ISO 14001 Environmental Management System registration dates for each company, and details of the external body used by each company, please refer to p.23 of this Supplementary Volume for Data.)

6. Major Local Community Activities of FY2007

Communication

◆Each company conducts various internal/external communication activities, regular beatification and cleanup activities around its properties. Some of their activities in FY2007 are introduced here.



Cleanup by Kiryu Industrial Co., Ltd.



"Ichitan Geppo" monthly bulletin issued by Ichitan Co., Ltd. for communication among employees



Summer evening festival at Fuji Machinery Co., Ltd. In Aug. attracting 800 visitors.

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

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

7. 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.

Company Name	Date	Description	Number of Participants	Date	Description	Number of Participants
Yusoki Kogyo K.K.		Implementing the same education and drills as FHI Utsunomiya Manufacturing Division based on its EMS.				
Fuji Machinery Co., Ltd	April 3	Basic education on the environment	8	October 12	Emergency drills to deal with gas leaks	23
Ichitan Co., Ltd	September 12	Education on environmental law and regulations	55	December 5	Emergency drills for preventing disasters	135
Kiryu Industrial Co., Ltd	July 30	Education on environmental consultation	11	December 19	Emergency drills for preventing disasters	110
Subaru Logistics Co., Ltd	April 19	Education to improve ISO skill	29	November 15	Emergency drills for preventing disasters	161
	Whenever necessary	Environmental education for new and mid-career employees	29			

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

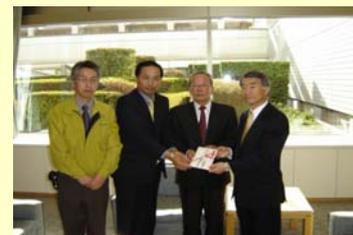


Kiryu Industrial Co., Ltd.'s Emergency drills for preventing disasters

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 27, 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 2007 was 476,258 yen.



From right: the president Okazaki of Subaru Logistics Co., Ltd, Mayor Shimizu of Ota City, the president Kuroiwa of Subaru Transportation Association and the manager Iwasaki of Ota Sales Office, Marunouchi Transport Company

Overseas Affiliated Companies

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.

Outline for Each Company

(As of the end of March, 2008)

Company Name	Location	Number of Employees	Main Products Manufactured
SIA * ¹	Lafayette, Indiana	2,813	Manufacture of Subaru automobiles and contracted manufacture of Toyota automobiles in the U.S.A
SOA * ²	Cherry Hill, New Jersey	816	Sales and maintenance of Subaru automobiles and parts in the U.S.A
SCI * ³	Mississauga, Ontario	96	Sales and maintenance of Subaru automobiles and parts in Canada
SRD * ⁴	Ann Arbor, Michigan	28	Research and development of Subaru automobiles on North American market
RMI * ⁵	Hudson, Wisconsin	62	Manufacture and sales of engines for general-purpose use, four-wheel buggies and golf karts engines in the U.S.A

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

1. Major Achievements by the Committee

In 2007, the NAEC met on March 6 and September 18. 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, 2008. They confirmed the performance of 2007 and targets for 2008 and discussed what the system should be for future activities.

The targets for 2007 were achieved for all the items related to wastes, energy, CO₂ and water supply.



Members participating the North American Environmental Committee

2. Major Environmental Conservation Achievements

Setting up the Environmental Management System

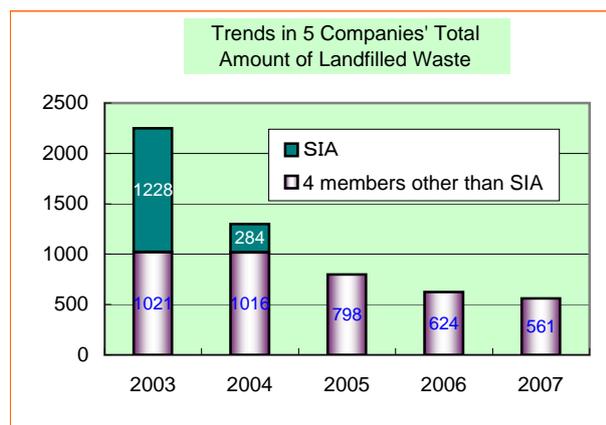
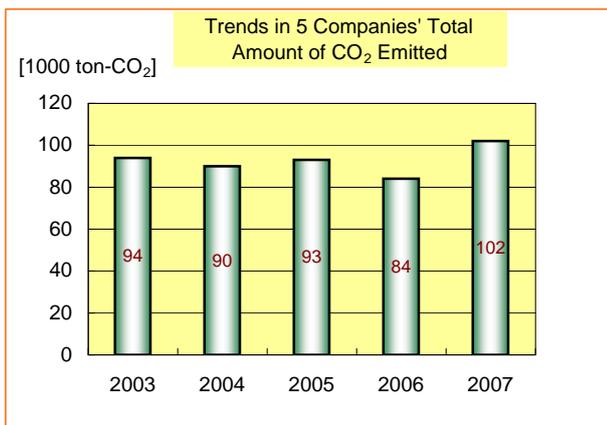
All the five NAEC member companies have acquired ISO 14001 EMS Certification and work on the activities such as education, drills, compliance with laws and regulations at certain facilities, internal audit to prevent pollution before it happens and reduce environmental impact.

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 CO₂ emitted and landfilled waste at the five companies)

The amount of CO₂ emitted in FY2007 was 102,000 tons, about 21% increase compared with FY2006. This was mainly due to the production increase including the start-up of contracted manufacture of Toyota automobiles. For prevention of global warming, we will make further efforts to promote measures to reduce environmental impact.

The amount of landfilled waste in FY2007 was 561 tons, marking a reduction of about 10% compared with FY2006. SIA achieved zero emission in 2005 and has maintained the status since then.



Curbing Global Warming

◆SCI and its affiliated company SOMI (Subaru Of Mississauga) have been working on the use of signs with less CO₂ emissions and high energy-efficiency.

Right photos show installation of LED signs, one of our activities. We will actively work toward reducing CO₂.



Reducing Waste Materials

◆SIA has achieved zero emission and continued to make efforts to reduce waste generation itself. SIA is now focusing on efforts to reduce waste in the paint sludge drying process and packing reuse. Also, SIA's environmental efforts were featured in a segment on CNBC's "On the Money" television show in July, 2007, and in an article in *USA Today*, the largest daily circulation publication in the United States, in January, 2008. SIA will continue to set aggressive future targets to work on.

◆SOA has steadily decreased the amount of waste generated. In FY2007, the waste generated and waste landfilled were reduced by about 100 tons and 80 tons respectively by making improvements such as changing disposal measures from landfilling to recycling aerosol cans.

3. FY2007 Social Contribution and others

◇ SIA

◆SIA's greatest achievement in this area occurred in 1997 with the formation of the SIA Foundation, established through a \$1 million donation from SIA. The foundation is committed to making gifts to institutions or entities within Indiana that will help meet the needs of the residents of the State of Indiana. Also, it supports the funding of capital projects in the areas of arts and culture.

◆As part of SIA's 20th Anniversary celebration, SIA donated Subaru Legacy vehicles to the City of Lafayette and the Tippecanoe County Commissioners.

◆SIA has held an on-site customer day and made its spacious parking area available for an event. SIA also has conducted plant tours for a wide range of community and customer group.



Ceremony to donate Legacy to the City of Lafayette

◇ SOA

◆SOA has established SOA Foundation. SOA's contribution activities through the foundation in FY2007 are as follows.

- Awarded a grant to the Perkins Center for the Arts to transform the historic structure into an environmentally sensitive "green" building.
- Supported the Woodford Cedar Run Wildlife Refuge which helps preserve the Pinelands of New Jersey.
- Sponsored a state-wide teen safe driving program in New Jersey and supported internships providing teenagers the opportunity to work with professional scientists to conduct labwork and research.
- Supported the programs in helping educators be more effective in teaching literacy to elementary school students in Pennsylvania.

◆Volunteers participated in the annual beach cleanup in Oregon.



The Perkins Center of the Arts



Literacy education for children



Employees at the beach cleanup

◇ SCI

◆SCI participated in the annual Earth Day event in collaboration with the City of Mississauga. Every year on Earth Day the mayor encourages all businesses in the city to pick up litter around their business property.



Employees participating in Earth Day 2007



Certificate awarded to SCI for participation in Earth Day 2007

◆SCI and its affiliate, SOMI, continued their partnership with the local City of Mississauga through their LitterNot Program. They committed to cleaning up a 2.5km stretch of street in their area for a two year period. In 2007 they completed their second year of clean-up and received a certificate of recognition from the city's mayor.



Employees participating in the cleanup program in their area



SCI President & CEO, Mr. Yokoyama (right) and SOMI dealership General Manager, Mr. Gathers (left) participating in the program



Certificate of Recognition awarded to SCI for completing the 2 year LitterNot Program