

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

Company Name	Yusoki Kogyo K.K.	Fuji Machinery Co., Ltd.	Kiryu Industrial Co., Ltd.
Location	102, Kamihama-cho, Handa City, Aichi Prefecture	2-24-3, Iwagami-machi, Maebashi City, Gunma Prefecture	2-704, Aioi-cho, Kiryu City, Gunma Prefecture
Number of Employees	99	367	82
Main Business	Manufacture and sales of aerospace-related machinery components	Manufacture and sales of automotive parts, industrial machinery and agricultural transmissions	Manufacture of specially equipped SUBARU automobiles and logistics control of SUBARU automotive parts

Relationship with Local Community

Communication with Local Society

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

FY2008 are introduced here. The 3 companies of Ichitan Co., Ltd., Kiryu Industrial Co., Ltd., and SUBARU Logistics Co., Ltd are enrolled in activities of SUBARU Community Exchange Association*1.



Environmental Approach in Kiryu Industrial Co., Ltd.: Cleanup around the plant and streets for students. (Cut the grass along a railroad)



"EMS Cleanup activity" participated voluntarily by the managers in Yusoki Kogyo K.K.



Fuji Machinery Co., Ltd invited their employee, the neighborhoods and suppliers to the Summer festival which was held at the same time of Firework Festival in Maebashi City. It became a large festival joined 600people in total.



Yusoki Kogyo K.K. donated the fund raising collected by "Green fund-raising campaign" to the Green project committee in Aichi Pref.

Right : Shibata, the chief of Green project committee in Aichi Pref.

Left : Takahashi business control department manager



Ichitan Co., Ltd. held Summer Festival in Aug, every year, inviting the employee, their family and the neighborhoods.

Implementation of Environmental Activities, Education and Emergency Drills

Every company is implementing various environmental education and drills for emergencies based on the EMS, laws and regulations.



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



Company Name	Date	Description	Number of Participants
Yusoki Kogyo K.K.	September 22	Emergency drills to deal with a Heat-treat washing equipment	8
	February 25	Emergency drills to deal with a Heat-treat washing equipment	8
Fuji Machinery Co., Ltd	April 2	Basic education on the environment	6
	March 16	Emergency drills for preventing fire	65
Ichitan Co., Ltd	June 27	Education for preventing noise	38
	December 24	Emergency drills for preventing fire at incinerator	75
Kiryu Industrial Co., Ltd	July 11	Guidance for ISO Environmental Consultant	7
	November 20	Emergency drills for preventing disasters	110
SUBARU Logistics Co., Ltd	whenever necessary	Sorting waste education for mid-career employee	28

*1 An association organized by FHI and its fifty-four suppliers and partner companies, which organizes a variety of local activities in order to interact with the residents of Ota City and neighboring communities, develop local communities and create good towns to live in.

The Association's activities are introduced on its Website [\[http://www.chiiki-kouryuukai.com/index.html\]](http://www.chiiki-kouryuukai.com/index.html) (Japanese only)

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

Company Name	Ichitan Co., Ltd.	SUBARU Logistics Co., Ltd.
Location	74, Shindo-cho, Ota City, Gunma Prefecture	558-1, Asahi-cho, Ota City, Gunma Prefecture
Number of Employees	200	142
Main Business	Manufacture and sales of forged parts for automobiles and industrial machinery	Packing, shipping, transportation, warehousing, maintenance and insurance brokerage of automobiles and parts

Major Achievements by the Domestic Affiliated Companies

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

Major Achievements by the Subcommittee

The Subcommittee meeting was held on May 9 and October 31 in FY2008, and it was confirmed that the targets for waste material reduction, for curbing global warming, and to save energy were being achieved.

■ **Principle matters reported and discussed at the 16th Subcommittee meeting in May**

- Each company's environmental conservation achievements from FY2007 and plans for FY2008
- Although the sales revenues showed an one-percent increase for the subcommittee, the wastes reduction target was still achieved.
- Sticking to the company-wide zero emission level ^{1*} and challenging to the zero emission level ^{2*} were confirmed.
- Energy saving, CO₂ reduction, promotion of Team minus 6% national campaign efforts and others.

■ **Principle matters reported and discussed at the 17th Subcommittee meeting in October**

- Each company's achievements in the first half of FY2008 and the achievements expected for the end of the fiscal year.
- Achieving the target to control the amount of CO₂ emission by promoting energy-saving activities will be pursued, etc.



Major Environmental Conservation Achievements

■ **Setting up the Environmental Management System**

The five companies participating in the Domestic Affiliated Company Subcommittee have already acquired the ISO 14001 Environmental Management System (EMS) certification, and have been making efforts to prevent pollution and reduce environmental burden through several measures including education, training, complying with laws and regulations at certain facilities, and internal audits.

SUBARU Logistics Co., Ltd. retained the ISO 14001 certification for FY2008, but the certification effective December, 14, 2008 was returned due to change of policy. It will promote its own voluntary EMS activities in future.

■ **Curbing Global Warming**

CO₂ emissions from the five companies totaled 21,057tons in FY2008, marking a reduction of 13% from the previous year.

SUBARU Logistics Co., Ltd. contributes to reducing environmental burden by setting optimal routes, promoting modal shift and raising loading rates for highly efficient operations in transportation of completed vehicles.

Joint transportation of completed vehicles with other firms in the same line of business was pushed forward and the number vehicles jointly handled in FY2008 totaled 36,578 units (the total of the vehicles commissioned to and by other firms for shipment). By collecting fuel economy data to grasp precisely the energy consumption and CO₂ emission, the fuel consumed was about 3 percent less than the preceding year. Efforts to reduce energy consumption 1 percent or more annually will continue.

Topics

Donation by SUBARU Logistics Co., Ltd., SUBARU Transportation Association and companies which do business with SUBARU Logistics to "Charity Fund-raising for Traffic Orphans"

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



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

*1 Level 1 :

The amount of direct or indirect land fills shall be one percent or less of the amount of generated wastes (with such wastes as metal scraps removed from the total amount of generation).

*2 Level 2 :

The amount of direct or indirect land fills shall be 0.1 percent or less of the amount of generated wastes (with such wastes as metal scraps removed from the total amount of generation).

■ Reducing Waste Materials

Due to the decline in sales by 20 percent in FY2008, the specific energy consumption was short of achieving the target, but still the “zero emission level 2” was almost achieved overall. In FY2009, the management of specific energy consumption will be reinforced to control the impact of change in sales to steadily achieve the “zero emission level 2”.

(The amount of landfilled waste in FY2008 achieved 7.8 tons, 6.7 tons of reduction compared with the previous year.)

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

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

● Noise-related

At Ichitan Co., Ltd., the night-time noise level exceeded its voluntarily set limit in October, 2008. To cope with such incident, they took actions of its own including setting sound-proof chamber for burr containers. As a result, the noise level was reduced from 48.2dB to 45.3dB successfully. There have been no further claims in official.



A sound-proof chamber for burr containers of Ichitan Co., Ltd.

● Water-related

There were no breaches of water-related laws and regulations or voluntary standards in the measurement of all 5 companies.

● Air-related

There were no breaches of Air-related laws and regulations or voluntary standards in the measurement of all 5 companies.

■ Administrative Advice and Recommendations from Governmental Authorities

None of the five companies received any administrative advice in FY2008.

■ **Concerning the Storage of Equipment Containing PCB**
Equipment containing PCB has been stored appropriately at Yusoki Kogyo K.K., Ichitan Co., Ltd. and Kiryu Industrial Co., Ltd, using a control log.

Claims and Incidents Related to the Environment

No official complains and incidents related to the environment happened at all the five companies.

Results of Environmental Audits

■ Results of the ISO 14001 External Assessment

Each company received the following minor nonconformities at the assessment independently. Their ISO 14001 certifications are maintained due to their immediate actions for minor nonconformities.

Company Name	Assessment Date	Minor Nonconformity	Item requiring further assessment	Good Point
Yusoki Kogyo K.K.	June 16 to 19, 2008	0	4	0
Fuji Machinery Co., Ltd	August 26 to 29, 2008	2	33	2
Ichitan Co., Ltd.	March 24 to 25, 2008	1	4	0
Kiryu Industrial Co., Ltd.	August 19 to 20, 2008	0	20	0
SUBARU Logistics Co., Ltd.	SUBARU Logistics Co.,Ltd. returned the ISO 14001 certification effective December 14, 2008 and is now proceeding with its own voluntary EMS activities.			

* Yusoki Kogyo K.K., was added to FHI Utsunomiya Manufacturing Division's scope of certification. Results here are the received items related to the company at the assessment.

Environmental Data

■ Energy consumption

	Yusoki Kogyo K.K.	Fuji Machinery Co., Ltd	Ichitan Co., Ltd.	Kiryu Industrial Co., Ltd.	SUBARU LOGISTICS Co.Ltd	The total of 5companies	FY2001 =100
Energy consumption (crude oil equipment KL)	568	4,485	6,239	224	568	12,084	79.6
CO ₂ emission (tons-CO ₂)	897	9,538	9,977	377	269	21,058	76.5

■ Amount of waste materials and landfilled

	Yusoki Kogyo K.K.	Fuji Machinery Co., Ltd	Ichitan Co., Ltd.	Kiryu Industrial Co., Ltd.	SUBARU LOGISTICS Co.Ltd	The total of 5companies	FY2001 =100
Amount of waste materials (tons)	85	1,571	4,735	281	273	6,945	62.5
Waste materials directly landfilled (tons)	0.02	5.1	0.48	0.14	2.1	7.8	4.8

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

Company Name	SIA ^{*1}	SOA ^{*2}	SCI ^{*3}
Location	Lafayette, Indiana	Cherry Hill, New Jersey	Mississauga, Ontario
Number of Employees	2,749	761	127
Main Business	Manufacture of SUBARU automobiles and contract manufacture of Toyota automobiles in the U.S.A	Sales and maintenance of SUBARU automobiles and parts in the U.S.A	Sales and maintenance of SUBARU automobiles and parts in Canada

Relationship with Local Community

Social Contribution by SIA

■ **Environment-friendly company, SIA**
SIA's environmental achievements were featured in a various media. For example, an article titled "It's waste not, want not at super green SUBARU plant" was appeared in the USA Today ,on Feb 19, 2008, which is the second most widely circulated newspaper in the world.



The article introduced SIA's environmental achievements in USA TODAY

■ **"DeTrash the Wabash" Program**
SIA participated in "DeTrash the Wabash". Cleaned-up Wabash River in Lafayette.



" DeTrash the Wabash" Program
The employee cleaning-up the Wabash River

Social Contribution by SOA

■ **"Cruisin' Not Boozin' "**
SOA enjoys long-term partnerships with two organizations to help teens develop safe driving habits. "Cruisin' Not Boozin' " is a community outreach program of Bryn Mawr Rehab Hospital (Malvern, PA, USA) developed to reduce the incidence of drinking and driving among young people. This unique and effective program brings crash victims who were injured in alcohol-and drug-related accidents to speak with teenagers and adults at schools and community organizations. The life altering brain, spinal cord and traumatic injuries suffered by the program speakers are clearly evident. Now in its 20th year, the program has been presented to over 360,000 students throughout southeastern Pennsylvania, southern New Jersey and Delaware.



The speakers group for the Hospital's safe teen driving program help teens to understand the dangers of impaired driving.

*1 SIA
SUBARU of Indiana Automotive,Inc.
*2 SOA
SUBARU of America,Inc.
*3 SCI
SUBARU Canada,Inc.

■ **SCARCE Book Rescue**
SOA supports the activities of SCARCE Book Rescue Program which is a non-profit agency rescuing books from landfills. Average 25,000 books are available and free of charge to give them to underprivileged children, schools, orphanages, hospitals, in countries worldwide.



Gently-used books rescued from landfills are organized while awaiting new homes through SCARCE Book Rescue.

■ **"Alive at 25"**
"Alive at 25," a program of the New Jersey State Safety Council (Cranford, NJ, USA), was developed to reduce the number of violations, injuries and fatalities incurred by young drivers between the ages of 16 and 24 throughout New Jersey. The interactive program helps teens to understand how inexperience, peer pressure, and distractions can be driving hazards and teaches defensive driving techniques to help young drivers take responsibility for their behaviors and adopt safer driving habits.

Social Contribution by SCI

■ **SUBARU Karting Championship**
SUBARU Canada had the opportunity to host the launch of the SUBARU Karting Championship Series at their head office in Mississauga on May 18th, 2008. While it was a cold and wet day people still took the time to drop by and see what the program was all about. The SUBARU Karting Championship was developed for youth looking for an affordable entry into the sport of karting. The program was designed to allow kids between 8 and 16 years of age to participate in the exciting world of kart racing while at the same time provide the enjoyment of family interaction and an environment of safe, fun and fair play for all kids.



A child testing out one of the karts on display at the SUBARU Canada Headquarters.

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

Company Name	SRD ^{*1}	RMI ^{*2}
Location	Ann Arbor, Michigan	Hudson, Wisconsin
Number of Employees	38	22
Main Business	Research and development of SUBARU automobiles on North American market	Manufacture and sales of engines for general-purpose use, four-wheel buggies and golf karts engines in the U.S.A

Approaches to Environmental Preservation

Major Achievements by the Committee

FHI organizes the North American Environmental Committee (NAEC) with 5 manufacturing and sales affiliates in North America which cause relatively high environmental burdens among overseas affiliates. This committee meets regularly twice a year (and extraordinarily as needed) to share and spread successful cases among member companies, promoting efficient and streamlined environmental activities.

In addition to this Committee, FHI has started to organize "North American CSR Committee (NACC)" to share the Global information of SUBARU group related to CSR.

In 2008, the NAEC met on February 19 and September 16. In these gatherings took part the chairman and secretariat of the CSR and Environmental Committee from Japan. At the meetings, they reported activities at the NAEC member companies as well as activities of the CSR and Environmental Committee in Japan to globally share SUBARU-related information.

The NAEC was also held on February 19, 2009. They confirmed the performance of 2008 and targets for 2009 and discussed what the system should be for future activities.

The targets for 2008 were achieved for all the items related to wastes, landfill, recycle rate, energy, CO₂. As for NACC, the first committee was held on February 24, 2009 and discussed each performance of CSR activities.

Major Achievements by the Committee

■ Setting up the Environmental Management System

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

Especially SIA acquired the certification in November 1998, which was four months before the Gunma Manufacturing Division, the production site of SUBARU in Japan, did. Also, SIA, SOA and RMI achieved the integrated certification in December 2006 as their further advanced activity.

■ Environmental Impact (Total amount of CO₂ emitted and landfilled waste at the five companies)

The CO₂ emission in specific energy consumption per unit declined to 0.54 ton in FY2008 from 0.64 tons in FY2007 due to the diligent energy conservation activities. However, the total emission recorded 111,000 tons-CO₂, being unable to absorb the one attributable to the increased production volume including those contracted Toyota vehicles, with an increase by about 9,000 tons-CO₂ or about 8 percent over FY2007. For prevention of global warming, we will make further efforts to promote measures to reduce environmental impact.

The amount of landfilled waste in FY2008 was 544 tons, marking a reduction of about 3% compared with FY2007. SIA achieved zero emission in 2005 and has maintained the status since then.

Topics

SUBARU was ranked in "Best Green Companies for America's Children 2008" (Top 20) in the Working Mother Magazine. The winning companies are progressive in their environmental stewardship attitudes and activities, and in the process strive to build a better and cleaner world for our children.

SUBARU was recognized as a "recycling colossus" and specifically noted were PZEV^{*3} super clean gases-engine vehicles, R&D of clean-diesel and electric cars, and the waste reduction and recycling program. Further more, SUBARU was awarded the Best Adoption Friendly Workplace prize as a second best.

Curbing Global Warming

SIA could reduce the amount of CO₂ emission by 25,435 tons through the active energy saving. In praise of these efforts, SIA has received the Waste Wise Award from EPA for 3 consecutive years since the year before last. (Waste wise Gold achievement award for Climate change in FY2008, New partner Gold achievement award in FY2006, Waste wise Gold achievement award for Recycling in FY2007)



A trophy at EPA Waste wise Gold achievement award for Climate change 2008

*1 SRD: SUBARU Research & Development, Inc.

*2 RMI: Robin Manufacturing U.S.A., Inc.

*3 PZEV: Partial-zero-emission vehicle
Clean emission vehicles which use superclean gas engines meet California's tough SULEV (super-ultra-low-emission vehicle) standards.

SUBARU Canada's DDS (Dedicated Delivery Service) Program began in 2006 with the Greater Toronto Area (GTA) dealers and then expanded to the Montreal and then to the dealers outside the GTA with additional dealers added in 2008. The DDS program now has trucks which provide overnight service to these dealers which mean the truck leaves the SCI warehouse and delivers parts shipments directly to the dealers then sent to the carrier's warehouse for separation and then shipped to the destination. The DDS trucks deliver overnight by-passing rush hour traffic and traffic congestion in general. Therefore it can reduce the amount of packaging used for parts shipments to dealers and reduce the amount of CO₂ emitted by having parts shipped directly to dealerships while enhancing customer service.



One of DDS parts trucks SUBARU Canada uses to transport parts directly to dealerships.

RMI pushes forward the approaches to reduce the heating cost and CO₂ emissions through covering dock doors with thermo insulators.



The dock door covering with thermo insulator

SOA's efforts in "continual improvement" reaped significant environmental & financial reward associated with its conservation activities in 2008, improving its bottom line while reducing operational impact on the environment. SOA's capital improvement projects and energy conservation measures in 2008 resulted in a 21.9% decrease in energy use over the previous year, resulting in major cost savings and reductions in CO₂ emissions.

We will actively work toward reducing CO₂.

Reducing Waste Materials

Each 5 companies are making efforts to use returnable pallets for shipping containers of KD parts and keeping on trying to reduce waste generation itself. For example, RMI is using 93% of returnable pallets now, and planning to push forward to be used 100% of returnable pallets in FY2009.



Returnable pallet of RMI

Furthermore, as an original measure, RMI has started "e-RECYCLING" to recycle all of RMI's old electronic equipments.

SOA uses returnable shipping crates by the parts distribution facilities. Nationally, the use of these crates will eliminate over 40,000 corrugated shipping cartons needed for transfers between warehouses each year.



Folding Returnable Crates of SOA

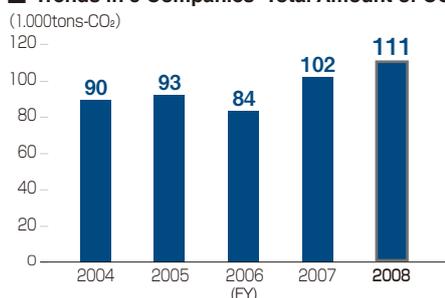
SRD keeps on reducing waste generation. The style to order was switched from by hard copy papers to on line. The mailings retain by electronic data to promote paper-less system.

SIA has already achieved the Zero Emission and continued to make efforts to reduce waste generation itself. For example, SIA reuses approximately 6,000 gallons of oil annually Oil Centrifuge Project, and 2,122 tons of packaging materials through the Engine Plant Return Project. They keep on pushing forward to reuse, recycle and reduce wastes materials.

3R (Reduce, Reuse, Recycle) in SCI was appeared in various media like National Post and Canada.com which are the wide-land newspapers. SCI will set the higher target and enforce the approaches from now on.

Environmental Data

■ Trends in 5 Companies' Total Amount of CO₂ Emitted



■ Trends in 5 Companies' Total Amount of Landfilled Waste

