

Fuji Heavy Industries Ltd.

2010 CSR Report

Site Report

Saitama Manufacturing Division

(Industrial Products Company)

Overview

[As of March 31, 2010]

Location	4-410 Asahi, Kitamoto City, Saitama Prefecture ZIP : 364-8511
Site Area	143,438m ²
Building Area	92,061m ²
Number of Employees	527
Main Products Manufactured	General-purpose engines (Robin Engines), Engine Generators, etc



Top Message



Corporate Vice President
Industrial Products Company President

Yasuo Ueno

We will pull together and strive for realization of rich future through promoting global environmental protection by energetically addressing prevention of global warming, energy saving, and reduction of wastes and environmental pollutants at all staged of business activities.

Relationship with Local Community

Saitama Manufacturing Division is the newest production site of SUBARU which started its operations in 1995. We care for diversified communications through participating in local events and cleaning campaigns, accepting visitors to the plant and other programs. We also provide education on traffic safety annually, recognizing it as our social responsibility to take initiatives to eradicate traffic accidents.

Communication with Local Community

In our division, we now offer not only plant tours mainly focused on production process, but also environment-oriented educational plant tours and real-world learning classes.



Work Experience Learning of junior high school students in Kitamoto City



Training for 5th year teachers in local industrial high schools

In Saitama Manufacturing Division, employees become school crossing guards in the morning. We also participated in the Kitamoto Cleanup Program, called “Flesh-clean Kitamoto, Leave it to Us Program” organized by Kitamoto City, and are conducting cleanup activities in the neighborhoods around our plants. In December, the school crossing guards were greatly appreciated by the elementary school in Kitamoto City, and FHI employees were invited to the “Thank you Meeting”



In December, FHI employee received Thank you Letter and fancy Lei from elementary school students



Monthly clean up program “Flesh-clean Kitamoto, Leave it to Us Program”

Approaches for Child-care support and Traffic Safety Activities in Saitama Manufacturing Division.



In October, 3rd “Papa Support Program” was held and fathers learned about child rearing



In December, a lecture meeting on traffic safety was held with the help of Traffic Enforcement Division of Konosu Police Station.

Approaches for Environmental Protection

Green Procurement Activities

Industrial Products Company always tries to practice “Earth-friendly Parts Procurement” to produce and provide world top-level environment-conscious multi-purpose engines. To say nothing of reduction of environmentally hazardous substances, we are working with suppliers for green procurement activities tracing up to the design stage. As a recent example of such cooperative ventures, we cut down both CO₂ and costs by discontinuing heat treatment of forged parts. We are also concerned with making effective use of limited resources by making things lighter, less processing steps and aggressive use of recycled materials.

At present, feisty global cooperative ventures are unfolding with China emerging as a big player in the multi-purpose engine industry. We will keep falling in line to differentiate our Robin-brand engines with their outstanding durability and environmental performance and win patronage of customers for the values.

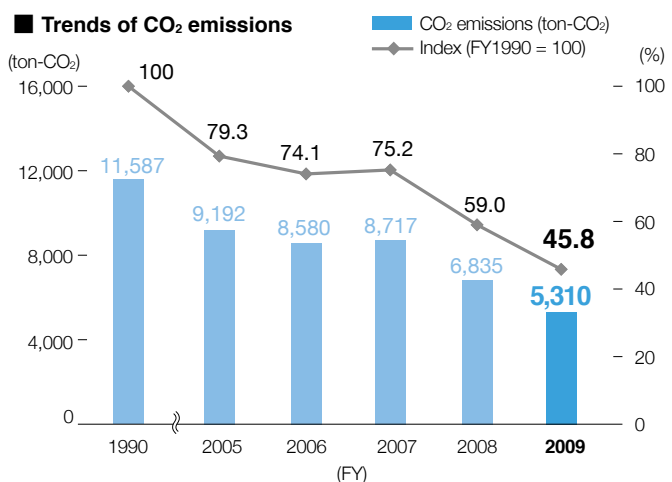
Curbing Global Warming and Energy Saving Activities

The CO₂ emission has been reducing over 50% compare with FY1990.

Electricity, gasoline and LPG are in use as energy sources at our site. We made a zero-base review in FY2009 and embarked on belated reduction of LPG. LPG is supplied to the gas carburizing furnaces at the quenching shop, the cafeteria kitchen and the steam boiler. The steam boiler is used for warming the trial run shop and central cleaning machines on the 2nd floor of the plant. Following a general rule for “saving by discontinuing, cutting down and/or changing,” we could verify that naturally gasified LPG was good enough through sufficient tests. This finding led to 20% reduction of LPG use in summer by banning use of the forced gasification equipment, optimizing boiler operation time and pasting heat insulating sheets onto the tank of the cleaning machines.

This improvement was presented at the FY2009 company-wide KAIZEN Presentation Contest for outstanding work improvements.

In FY2010, we will keep working to put into practice hybrid heat sourcing which involves use of LPG only under risen temperature and use of an electric heater for heat retention.



A scene of FY2009 company-wide KAIZEN Presentation Contest

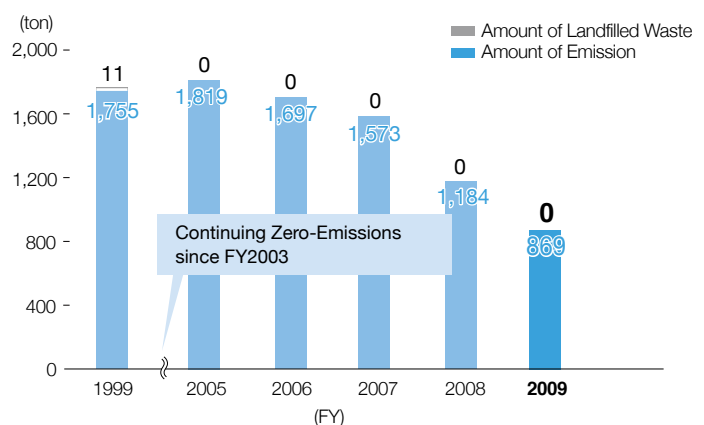
Approach to Zero-Emissions

Using Returnable Steel Pallet ~Ecological since long before~

Packaging materials for shipping products turn to be wastes when the products have been delivered to customers. As packaging materials need to be strong enough to protect the products inside from damages and shocks. As a result, cardboard packaging materials are widely used, which is the source of generating lots of wastes.

Half of our products are shipped using steel pallets. One such steel pallet can accommodate 4 to 9 products depending on their type for repeated use without being wasted like cardboards. Since these steel pallets are easy to pack and open, they are received favorably by customers. The steel pallets

Trends in Amount of Waste Emission and Landfilled Waste



have been in use for more than 30 years, cutting about 13,500 tons of wastes so far in a sense.

On the other hand, raising the turnover their use becomes an issue because of their shuttling between our plant and customers. Therefore, we now employ dual approaches: one approach is active use of steel pallets for customers who are relatively close and frequently receive shipments, and the other is higher use of concentrated cardboard packaging for customers relatively away from us, taking into account loading efficiency and workability.

In future, we will deal with steel pallets and cardboards for higher loading efficiency and less wastes generation.



Preventing Environmental Pollution

To live together with local communities and to maintain verdant natural environment, we are engaged with management of emission gases as well as discharged water to reduce environmental risks, promoting activities to prevent environmental accidents and public hazards.

In FY2009, however, we once exceeded our voluntary standard^{※1} for oil content (organic) measurement value (It was not exceeded regulated values of Kitamoto City Prefectural Ordinances). Please refer to page 45 of the 2010 CSR Report for some more detailed information and remedial actions taken.

We will strive not merely to prevent exceeding standard limits, but rather to achieve “zero” targets.

※1
FHI established the voluntary standards (for air, water, noise and vibration) which are 20% stricter than environmental low or regulation

Water Quality Data

Kitamoto City Public Sewerage Law

Substance	Regulated values (sewerage)	Voluntary Standard	Maximum values	Minimum Values	Average values
pH	5~9	5.4~8.6	8.2	6.6	7.7
BOD	600	480	400	94	186.6
SS	600	480	240	54	153.4
Oil Content (organic)	30	24	28	3.9	10.7

[Notations] ... pH: Hydrogen-ion concentration, BOD: Biochemical oxygen demand
SS: Concentration of suspended solids in water (diameter: 2mm or smaller)

[Units] Except pH: mg/L

Measurement Result of Noise and Vibration

[Unit : dB(A), Unit : dB(Z)]

	Measurement time	Regulated values	Voluntary Standard	Number of measurement	Actual values
Noise	Morning/Evening	50	49	1	41~49
	Day	55	54	2	47~54
	Night	45	44	1	41~44
Vibration	Day	60	59	1	32
	Night	55	54	1	<30

Amount of PRTR chemical materials and emission etc.

[Unit : kg/year]

Code	CAS No.	Chemical Substances	Amount Handled	Air Release	Water Emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethyl benzene	1,205	12			1,193		
43	107-21-1	Ethylene glycol	798	0			798		
63	1330-20-7	Xylene	6,457	42			6,415		
224	108-67-8	1,3,5-trimethylbenzene	855	3			852		
227	108-88-3	Toluene	9,575	166			9,409		
299	71-43-2	Benzene	430	19			411		
Total			19,320	242	0	0	19,078	0	0

Division history

March	1943	Omiya Manufacturing Plant of Nakajima Aircraft Co., Ltd. opened and started naval aircraft fuselage production
June	1946	Fuji Sangyo Co., Ltd. started manufacturing outboard engines at Omiya Plant
August	1950	Omiya Fuji Industries Co., Ltd. was established.
July	1953	Fuji Heavy Industries Ltd. established
February	1970	Accumulated production of Robin engines exceeded 1 million units
July	1985	Accumulated production of Robin engines exceeded 10 million units
April	1995	Saitama Manufacturing Division newly opened and operated
May	1999	Saitama Manufacturing Division acquired ISO14001 certification
March	2002	Saitama Manufacturing Division achieved zero emission.
March	2010	Fuji Heavy Industries Ltd., acquired ISO14001 Corporate Integrated Certification



Contact:

Saitama Manufacturing Division General Administration Dept.

TEL: 048-593-7755 [Domestic] +81-48-593-7755 [International]

FAX: 048-593-7790 [Domestic] +81-48-593-7790 [International]

Fuji Heavy Industries Ltd.

2010 CSR Report

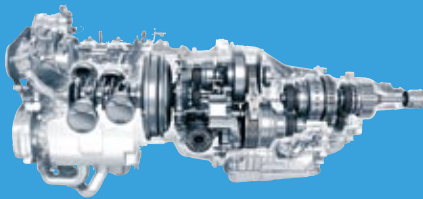
Site Report

Tokyo Office

Overview

[As of March 31, 2010]

Location	3-9-6 Osawa, Mitaka City, Tokyo
Site Area	158,147m ²
Building Area	69,173m ²
Number of Employees	1,084
Main Products Manufactured	Research, Development and Experiment of automotive and transmissions



Top Message



Corporate Senior Vice President
Chief General Manager

Motohisa Miyawaki

In the midst of rising concerns of Corporate Social Responsibilities (CSR), we view the corporate social responsibilities exactly equate with our business activities and have been positively involved in environmental protection, compliance and social contribution.

At Tokyo Office, as the site assigned to develop SUBARU's power units (engines and transmissions), we are making untiring efforts to have both running and environment/safety performances balanced at a high level.

While being thoroughly conscious of our important position which influences environmental burden of automobiles and our urban-type business unit adjacent to residential areas, we will focus on environment-conscious development and business activities and intensify our involvement in environmental preservation and pollution prevention.

As before, we are determined to make environment-friendly vehicles through improving fuel economy and emission performance as well as developing clean-energy vehicles, thus contributing to the society by offering clean power units.

Relationship with Local Society

We take it seriously to associate with people in the neighborhood as an “urban-type business unit” which operates near residential areas.

In order to create a rich society together, we have undertaken maintenance of safety and disaster prevention system and embraced activities for local events and cleaning. We also are supporting classes of social studies for elementary school pupils through offering them opportunities for plant tours as a way to develop human resources which will lead the next generation.

Communication with Local Community



In January, we invited local elementary school students (in total 456) for Social Study Plant Tour



In October, we held “SUBARU Delivery Class on Environment” as a part of social study support in Tama City elementary schools



In April, new 90 employees participated in Life-saving Lectures just in case



In January, we held baseball lesson class for neighboring elementary school students (about 200) supported by Fuji Heavy Industries Baseball Club members



In October, we introduced our Environment-related facilities to Mitaka City District Resident Conference members



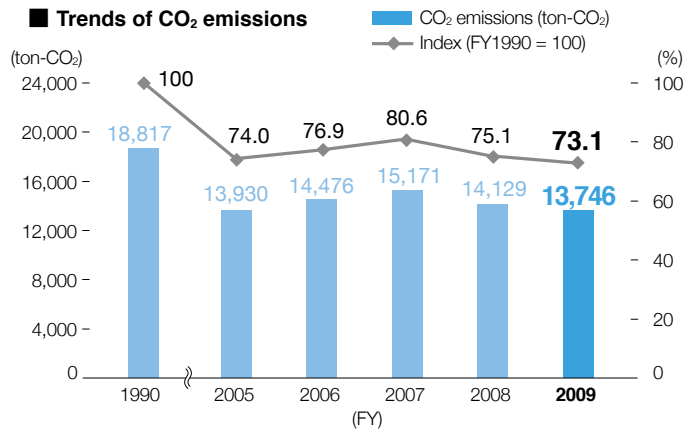
In May and November, we held the safety bike driving class supported by Mitaka Police Office

Approaches for Environmental Protection

As a comprehensive manufacturer of transportation devices with automobiles as core products, we embrace environmental protection recognizing “addressing global environmental problems is a critical issue in management.”

Curbing Global Warming Activities

We are making an effort to accomplish CO₂ emissions 22% reduction by the end of FY2010 compare to actual performance in FY1990. We are committed to engaging in energy saving activities to curb global warming.



Close Up

Environment-conscious Administration Building Completed

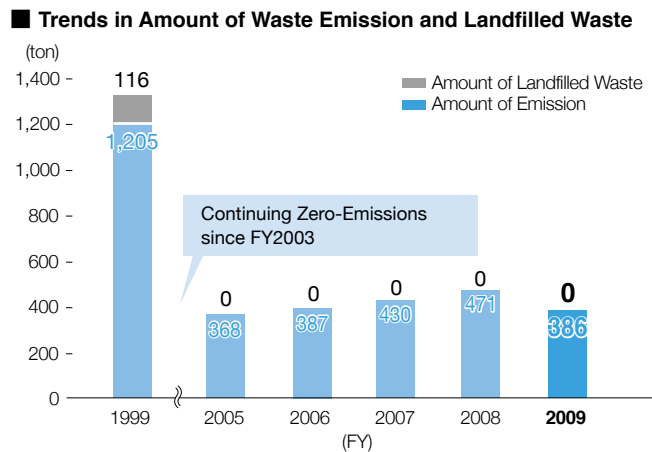
In November, a five-storied administration building was completed. This building is designed to incorporate considerations to the environment with solar-electric power generation and automatic window-side light adjustment. The rooftop is also structured to be suited for future gardening.



Approach to Zero-Emissions

Tokyo Office achieved Zero-Emissions in FY2003.

We will continue to improve recycling and reduce amount of wastes furthermore.



Preventing Environmental Pollution

To live together with local communities and to maintain verdant natural environment, we are engaged with management of emission gases as well as discharged water to reduce environmental risks, promoting activities to prevent environmental accidents and public hazards.

In FY2009, however, we had 3 internal environmental accidents of small amount of oil flow-out. Please refer to page 45 of the 2010 CSR Report for some more detailed information and remedial actions taken.

We will strive not merely to prevent exceeding standard limits, but rather to achieve “zero” targets.

FY2009 Environmental Data

The measured results all comply with the low or agreement and also meet our voluntary standards which are 20% stricter than the levels under the agreement and ordinances.

Water Quality Data (Mitaka City Public Sewerage Law)

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	8.0
BOD	300	240	240	2.2	86.0
SS	300	240	240	5	62.4
Oil Content (inorganic)	5	4	under 4	under 4	under 4
Oil Content (organic)	30	24	19	4	5.4
Total phosphorus	16(8)	12.8	12.7	0.4	2.9
Total nitrogen	120(60)	96	70.3	4.8	24.9
Soluble manganese	10	8	0.03	0.01	0.02
cyanogens	1	0.8	under 0.01	under 0.01	under 0.01

[Notations] ... pH: Hydrogen-ion concentration, BOD: Biochemical oxygen demand
 SS: Concentration of suspended solids in water (diameter: 2mm or smaller)
 [Units] all others except pH: mg/L

Air Pollution Data (the Air Pollution Control Act)

Facilities	Substances	Regulated values	Voluntary standard	Maximum values	Average Values
Boiler	NOx	65	52	45	45
	PM	0.3	0.24	0.001	0.001

NOx: Nitrogen Oxide
 [Units] NOx: ppm, PM: g/m³N

Amount of PRTR chemical materials and emission etc.

[Unit: kg/year]

Code	CAS No.	Chemical Substances	Amount Handled	Air Release	Water Emissions	Transfer	Consumption	Solvent wiping Removal	Recycle
40	100-41-4	Ethyl benzene	13,937	0.379			13,937		
43	107-21-1	Ethylene Glycol	2,912				2,912		
63	1330-20-7	Xylene	63,602	1.525			63,600		
224	108-67-8	1,3,5-trimethylbenzene	8,756	0.049			8,756		
227	108-88-3	Toluene	173,369	14.218			173,355		
299	71-43-2	Benzene	5,201	1.548			5,199		
Total			267,777	17.718	0	0	267,759	0	0

Division history

May	1941	Mitaka Research Institute of Nakajima Aircraft Co., Ltd. opened
April	1955	Changed to Fuji Heavy Industries Ltd. Mitaka Manufacturing Division
February	1958	Production of air-cooled engines for SABARU 360 started
August	1975	Production of engines (SEEC-T) for LEONE started
February	1982	All manufacturing division started moving to Gunma Area
February	1989	Name has changed to Tokyo Office
October	1996	SUBARU Development Division acquired ISO9001
March	1999	Production of engines and transmissions terminated at the site (Converted to concentrate on research and development)
January	2004	Tokyo Office acquired ISO14001 certification
March	2010	Fuji Heavy Industries Ltd. acquired ISO14001 Corporate Integrated Certification



Contact:

Tokyo Office
 General Administration Dept.
 TEL: 0422-33-7010 [Domestic] +81-422-33-7010 [International]
 FAX: 0422-33-7777 [Domestic] +81-422-33-7777 [International]

Fuji Heavy Industries Ltd.

2010 CSR Report

Site Report

Head Office ^{※1}

Shinjuku Business Site

Location	1-7-2, Nishi-shinjyuku, Shinjyuku-ku, Tokyo ZIP : 160-8316
Site Area	1,600m ²
Building Area	7,254m ²
Number of Employees	552
Main Business	Planning, marketing and sales of SUBARU products, and corporate operations



Omiya Business Site

Location	1-854-1, Miyahara-cho, Kita-ku, Saitama City, Saitama Prefecture ZIP : 331-0812
Site Area	3,644m ²
Building Area	4,267m ²
Number of Employees	49



SUBARU Academy

Location	1460 Hazama Town, Hachioji City, Tokyo ZIP : 193-0941
Site Area	10,397m ²
Building Area	13,378m ²
Number of Employees	42
Main Business	Multi-Training Center



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

We emphasize internal and external company communication and try to deal with the things at hand one by one.

※1 "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 3sites as follows; The Shinjuku Business Site responsible for the planning, marketing and sales of SUBARU products, and corporate operations, the Omiya Business Site responsible for the marketing and sales of SUBARU parts, and constructing SUBARU's IT system, and the SUBARU Academy Site which is a residential training center for employees and dealerships education.

Relationship with Local Society

Communication with Local Community

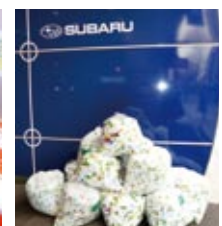
Plastic Bottle Cap Collection Campaign

SUBARU has been participating in a campaign since FY2009 to donate polio vaccine to developing countries through NPO by collecting caps of plastic bottles.

In February, 2010, as a result of the first collection, we could donate about 46,000 caps which are worthy of polio vaccine for about 58 patients in developing countries. This collection of caps is translated to have reduced carbon dioxide by 363 kg as compared with the case of incinerating the same.



Installed plastic bottle caps collection box for each floor.



Result of the first collection, about 46,000 caps

Social Contribution with Motor Sports Business

In March, 2010, our employees made lectures to junior high school students. This event, being the 5th, consists of two parts: the first was an explanation on the environment surrounding automobiles and SUBARU's engineering and motor sports, followed by giving them opportunity to touch parts of rally cars in person, and the second part was a presentation of first-hand experience in development of rally cars and rally competitions by employees of SUBARU Technica International and drivers who run All Japan Rally Championships.

This event was held not for the sole purpose of image enhancement of the participating companies and motor sports, but was rather intended to promote correct understanding of motor sports and to attract young people whose shying away from cars is turning out to be an issue, through their firsthand touch of real motor sports cars. We think we could get the importance of working hard toward one's dream by talking about our real experience across through their eyes and feels.

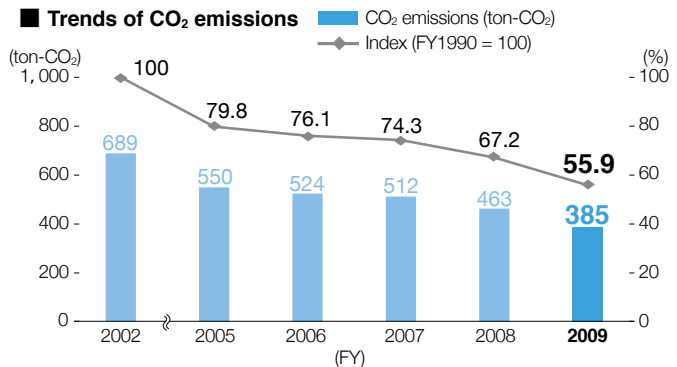


Approaches for Environmental Protection

Curbing Global Warming Activities

CO₂ emissions in FY2009 was about 385 tons, accomplished to reduce 17 % compared with the actual performance in FY2008. This is largely due to the pervasion of diligent energy-saving activities called “Eco Office Activities” by each employee and the reviewing of car demonstrations as part of cutting expenses.

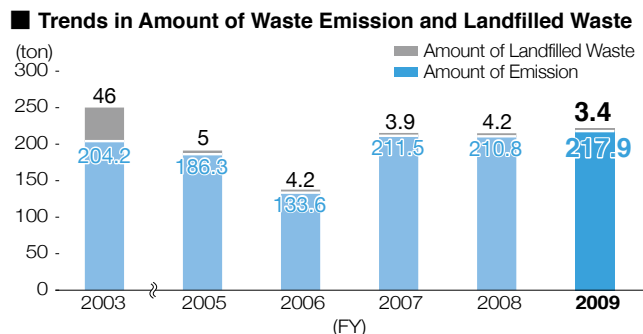
We are committed to engaging in energy saving activities to curb global warming.



Approach to Zero-Emissions

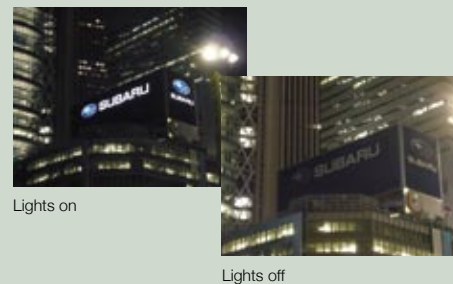
In FY2009, the wastes generated totaled 217.9 tons, an increase of about 3% over FY2008. This increase was due to the large amount of obsolete sales promotional papers (12-ton increase over FY2008). However, the overall recycling rate showed more than 90% for 5 years in a row. The amount of the land-filled was 3.4 tons, the lowest ever recorded.

We will continue to improve recycling and reduce amount of wastes furthermore.



Close Up Participated in Lights Down Campaign

We are taking part in the “CO₂ reduction/Lights Down Campaign” staged by the Ministry of the Environment. This campaign is intended to make people realize how much we are used to lives dependent on lights by encouraging them to turn off lights and think about the issue of global warming. This campaign has been held every year since FY2003 and we joined in FY2009. In FY2009, we turned off the roof lights for two hours from 8:00p.m. to 10:00p.m. on June 20 and July 7.

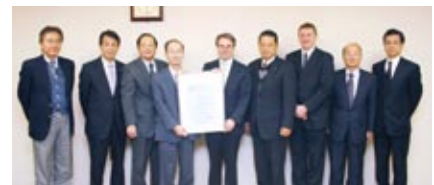


Environmental Management System

In FY2009, Head Office acquired ISO14001 corporate integrated certification as a promotion office. The SUBARU Academy was included to Environmental Management System application purview, and started activities 3 sites together.



In February, EMS KAIZEN case study presentation



In March, Integrated Certification award ceremony with the examining authority

Division history

July	1953	Fuji Heavy Industries Ltd. established Head Office: 2-73 Tsunohazu, Shinjyuku-ku Tokyo
May	1954	Moved to Naigai Building Head Office: 2-18 Marunouchi, Chiyoda-ku
January	1966	Moved to newly-built SUBARU Building Head Office: 1-7-2 Nishishinjyuku Shinjyuku-ku
March	2005	Head Office Site acquired ISO 14001 Certification
March	2010	Fuji Heavy Industries Ltd. acquired ISO14001 Corporate Integrated Certification

Contact:

Head Office
General Administration Dept.
TEL: 03-3347-2111 [Domestic]
+81-3-3347-2111 [International]
FAX: 03-3347-2015 [Domestic]
+81-3-3347-2015 [International]