

Fuji Heavy Industries Ltd.

2010 CSR Report

Site Report

Domestic Affiliated Companies

Yusoki Kogyo K.K.

Location	102, Kamihama-cho, Handa City, Aichi Prefecture ZIP : 475-8668
Number of Employees	117
Main Business	Production and sale of aerospace-related machinery components



Fuji Machinery Co., Ltd.

Location	2-24-3, Iwagami Town, Maebashi City, Gunma Prefecture ZIP : 371-0035
Number of Employees	356
Main Business	Production and sale of automotive parts, industrial machinery and agricultural transmissions



Ichitan Co., Ltd.

Location	74 Shindo Town, Ota City, Gunma Prefecture ZIP : 373-0037
Number of Employees	202
Main Business	Production and sale of forged parts for automobiles and industrial machinery



Kiryu Industrial Co., Ltd.

Location	2-704, Aioi Town, Kiryu City, Gunma Prefecture ZIP : 376-0011
Number of Employees	139
Main Business	Manufacture of specially equipped SUBARU automobiles and logistics control of SUBARU automotive parts, rebuilt of SUBARU engine and transmission



Subaru Logistics Co., Ltd.

Location	558-1, Asahi Town, Ota City, Gunma Prefecture ZIP : 373-0814
Number of Employees	159
Main Business	Packing, shipping, transportation, warehousing, maintenance and insurance brokerage of automobiles and parts



The Domestic Affiliated Company Subcommittee Activities

FHI set up a Domestic Affiliated Company Subcommittee for 5 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. In FY2009, the subcommittee met twice on May 13 and October 28 to report and discuss the performance during FY2008 as well as plans for FY2009 and their progress. We outlined "the Law Regarding the Rationalization of Energy Use" and reported mainly the ISO 14001 integrated certification process we went through.

Relationship 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

*1 SUBARU Community Exchange Association: an association organized by FHI and its 55 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. (Japanese only)



<http://www.chiiki-kouryuukai.com/index.html>



SUBARU Community Exchange Association Website

Communication with Local Community

Each company periodically takes part in Clean Up activity neighboring region of their companies. The picture following is a scene of Kiryu Industrial Co., Ltd.'s Clean Up activity around their community,



Every year Yusoki Kogyo K.K. is participated in "Green fund-raising campaign". In October, they donated the collected fund to the Green Project Committee in Aichi Prefecture.



Left: The chief of Green project committee in Aichi Pref., Mr. Shibata
Right: FHI Manager, Mr. Takei

Close Up

~Environmental Management System Activities in Ichitan Co., Ltd.~
Credited by Japan Forging Association with "the Environmental Protection Excellent Enterprise Award"

Ichitan Co., Ltd. was lauded with "the Environmental Protection Excellent Enterprise Award" by Japan Forging Association for its overall performance in environmental preservation including acquisition of ISO 14001 certification, strict observance of environment-related laws and regulations, energy saving and zero emission.



Left: President of Ichitan Co., Ltd. Mr. Tamura (at that time)



Approaches for Environmental Protection

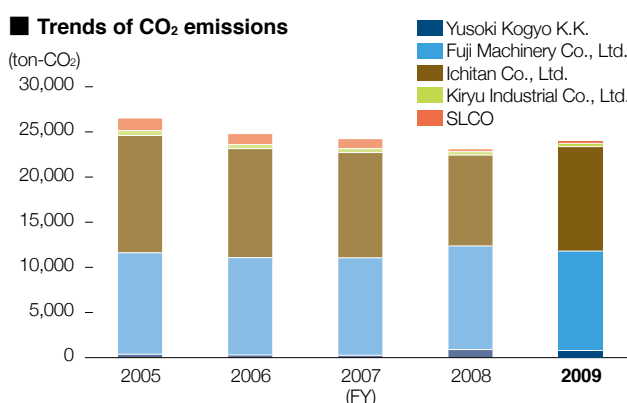
Environmental Management System

Each company's Environmental Management System status is as follows;

	Acquisition date of the first certification	FY2009 Assessment Date	Result
Fuji Machinery Co., Ltd.	June 2002	August 5 to 8, 2009	Minor Nonconformity: 3, Good Point: 2, Needs improvement: 53
Ichitan Co., Ltd.	March 2004	January 26 to 29, 2010	Nonconformity: 0, Good Point: 1, Needs improvement: 11
Kiryu Industrial Co., Ltd.	October 2004	August 19 to 20, 2009	Nonconformity: 0, Good Point: 2, Needs improvement: 21
Yusoki Kogyo K.K.	Yusoki Kogyo K.K. is included to FHI ISO14001 Corporate Integrated Certification application purview.		
Subaru Logistics Co., Ltd.	Subaru Logistics Co., Ltd. acquired external certification in February 2004. Now they are proceeding with its own voluntary EMS activities.		

Curbing Global Warming Activities

The total amount of CO₂ emission by the five companies in FY2009 reached 24,024 tons, showing an increase of 1,000 tons over the prior year. However, this was an 13% reduction of CO₂ by 1,500 tons against FY2001. We are committed to engaging in energy saving activities to curb global warming. Please find right graph for the trend of actual CO₂ emissions by FY2009.



Close Up

~CO₂ emissions reduction in Subaru Logistic Co., Ltd.~

Modal Shift Business Won the Director-General of "the Marine Bureau of Ministry of Land, Infrastructure, Transport and Tourism Award"

Subaru Logistic Co., Ltd. had been promoting the modal shift in cooperation with our Eco Technologies Company to change the transportation method of "Fuji-mighty" refuse collection vehicles from self-running on the land to sea transport.

As a result, CO₂ emission was reduced by about 32% overall as compared with the preceding land transportation. Such effort was acclaimed with the Director-General of the Marine Bureau of Ministry of Land, Infrastructure, Transport and Tourism Award.

Right: Subaru Logistic Co., Ltd. President, Mr. Okazaki (at that time)
Left: FHI Eco Technologies Company President Mr. Arai (at that time)

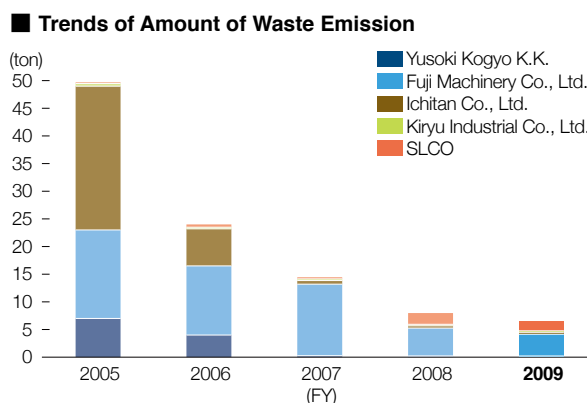


Approach to Zero-Emissions

The amount of wastage generated by the five companies in FY2009 reached 7,236 tons and 6.3 tons waste was land-filled. The ratio of the amount of the land-filled was less than 0.1% for the first time since the subcommittee began their activities in FY2001.

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

Please find right graph of the trends for actual amount of wastage generated by FY2009.



Preventing Environmental Pollution

Each company proceeded with prevention of environmental accidents and public hazards through environmental patrols, management of exhaust gasses and discharged water and reduction of environmental risks for harmonious living with the community and preservation of the green-rich natural environment.

Comply with Environment-Related Laws and Regulations, Administrative Advice from Governmental Authorities

None of the 5 companies exceeded regulated values of environment-related laws or regulations, caused an environmental accident and received any administrative advice and claim. We will keep achieving "Zero" targets.

Result of Environmental Data

The result of environmental data is as follows. All companies comply with regulated values.

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.

Amount of PRTR chemical materials

In FY2009, the amount of chemical substance subject to PRTR handled at 5 companies was less than 1 ton/year.



A scene of emergency response training

FY2009 Environmental Data

Water Quality Data

Yusoki Kogyo K.K.: Pollution Control Agreement with Handa City

Substance	Regulated values (Agreement)	Voluntary Standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6~8	8	7.3	7.6
BOD	25	20	3.7	1.1	2.1
SS	30	20	9	1	2.8
Oil Content (inorganic)	2	2	1.2	0.5	0.7
Total Nitrogen	120	60	16	0.4	2.2
Phosphorus	16	8	1.4	0.01	0.3

Fuji Machinery Co., Ltd. Main Plant: Sewerage Law

Substance	Regulated values (Sewerage Law)	Maximum values	Minimum Values	Average values
pH	5.7~8.7	7.7	7.3	7.5
BOD	300	1	1未滿	1未滿
SS	300	2未滿	2未滿	2未滿
Oil Content (inorganic)	5	1	1未滿	1未滿

Fuji Machinery Co., Ltd. Haga Plant: Sewerage Law

substance	Regulated values (Sewerage Law)	Maximum values	Minimum Values	Average values
pH	5.7~8.7	6.9	6.5	6.7
BOD	300	1	1未滿	1未滿
SS	300	5	2未滿	3
Oil Content (inorganic)	5	1未滿	1未滿	1未滿

Fuji Machinery Co., Ltd. Jyounan Plant:

Water Pollution Control Law, Gunma Prefectural Ordinances

Substance	Regulated values (prefectural)	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.9	6.7	6.8
BOD	20	2	1未滿	1.2
SS	20	2未滿	2未滿	2未滿
Oil Content (inorganic)	3	1未滿	1未滿	1未滿

Ichitan Co., Ltd.: Water Pollution Control Law, Gunma Prefectural Ordinances

Substance	Regulated values (prefectural)	Voluntary Standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6~8.4	7.7	6.7	7.2
BOD	25	20	4.4	0	2.6
SS	50	40	16	0	2.7
Oil Content (inorganic)	5	4	0	0	0.0
Bacillus Coli	3,000	2,000	32	0	5.3

Subaru Logistic Co., Ltd. Ota Delivery and Maintenance Center:
Ota City Ordinances of Pollution Prevention

Substance	Regulated values (prefectural)	Voluntary Standard	Maximum values	Minimum Values	Average values
pH	5.8~8.6	6.1~8.3	7.7	7.2	7.4
BOD	10	8	3	0.8	2.1
SS	10	8	1.4	0.4	0.9
Oil Content (inorganic)	3	2.4	1.3	0.1	0.4

[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.

Air Pollution Data

Yusoki Kogyo K.K.

Facilities	Substances	Regulated values	Voluntary standard	Maximum values	Average Values
Boiler for heating	PM	0.1	0.1	0.006	0.003

Fuji Machinery Co., Ltd. Haga Plant

Facilities	Substances	Regulated values	Maximum values	Average Values
Boiler	NOx	—	72	84
	SOx	0.28	0.01未滿	
	PM	—	0.003	0.003

Ichitan Co., Ltd.

Facilities	Substances	Regulated values	Voluntary standard	Maximum values	Average Values
Boiler	NOx	8	4	0.13	0.08
	SOx	180	126	36	35
	PM	0.25	0.15	0.006	0.004

[Unit] SOx : g/m³N/h, NOx: ppm, PM: g/m³N

Measurement Result of Noise and Vibration

The measured results of all companies in FY2009 comply with the Noise and Vibration Act.

Fuji Heavy Industries Ltd.

2010 CSR Report

Site Report

Overseas Affiliated Companies

SIA

Location	Lafayette, Indiana
Number of Employees	2,716 (As of March, 2010)
Main Business	Manufacture of SUBARU automobiles and contracted manufacture of Toyota automobiles in U.S.A



SOA

Location	Cherry Hill, New Jersey
Number of Employees	746 (As of March, 2010)
Main Business	Sales and maintenance of SUBARU automobiles and parts in U.S.A

SCI

Location	Mississauga, Ontario
Number of Employees	126 (As of March, 2010)
Main Business	Sales and maintenance of SUBARU automobiles and parts in Canada

SRD

Location	Ann Arbor, Michigan
Number of Employees	26 (As of March, 2010)
Main Business	Research and development of SUBARU automobiles on North American Market

RMI

Location	Hudson, Wisconsin
Number of Employees	22 (As of March, 2010)
Main Business	Manufacture and sale of engines for general-purpose use, four-wheel buggies and golf karts engines in U.S.A

Major Achievements by the Committee

Fuji Heavy Industries Ltd. organizes the North American Environmental Committee (NAEC) with 5 manufacture and sale affiliates companies 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, new organization since FY2009, "North American CSR Committee (NACC)" met at the same time with NAEC. This Committee is to share the global information of SUBARU group related to CSR.

In 2009, the NAEC and NACC held in February 19 and November 5. In these Committees took part the chairman and a promotion office of the CSR and Environmental Committee from Japan. At the meetings, NAEC and NACC members companies reported their CSR and environmental activities and also we reported our environmental activities in Japan.

We promote this Committee to share SUBARU-related information globally.



A scene of NAEC/NACC in FY2009 via TV conference system

Close Up

Affiliation of the Indiana Environmental Stewardship Program

SIA was formally announced SIA's induction into the Indiana Environmental Stewardship Program by the Indiana Department of Environmental Management. It is because SIA is considered as one of the active participation on Environmental Activities. SIA is one of a handful of companies in Indiana admitted into this prestigious program.



Mr. Thomas Easterly, Representative of the Indiana Department of Environmental Management Commissioner

Relationship with Local Society

Social Contribution

SUBARU believe that building relationships of trust by valuing our involvement in local communities will lead to their recognition and acceptance of SUBARU. It is our intention to deploy energetic activities for reinforcement of our trustful relationship one step further by getting our employees and people in communities involved.

Charities for Community Service Activities

SIA hosted two charity walks: the Making Strides Against Breast Cancer walk and the Diabetes walk. These two topics are increasing an interest in today's Japan.

SOA participated in an event which is out of their concerns with a variety of issues in the US staged, called "Walks, runs, bowl-a-thons" to raise funds.

SCI sponsored "Golf Fore the Cure" fundraising event to raise donation for breast cancer.

Food Supporting

In SOA, it was created FY2009 as a way for employees to help support environmental initiatives while at the same time helping our community, SUBARU employees and local garden partners are created an urban farm "The SUBARU Share the Love Garden". The harvest from the garden being donated through Food Bank in South Jersey and plays a part in eradication of hunger,

The season in FY2009, the garden donated about 270kg of produce.

Cleaning Champaign and Green Champaign

SOMI, an affiliate of SCI implemented a cleaning campaign called Mississauga Litternot Program in cooperation with a local dealer in October, 2009. In this campaign, their employees cleaned a street which stretched 2 kilometers around the dealer. They will clean the road 6 times for two consecutive years under this tri-annual campaign program.

RMI also became engaged in cleaning communities around its site on Earth Day.

They are pushing forward step by step what they can for coexistence with local communities.



A scene of Mississauga Litternot Program



Harvesting in SUBARU Share the Love Garden

Close Up

SIA Received CSR Award

In October, 2009, SIA receive the 2009 Greater Lafayette Commerce "Corporate Social Responsibility Award". SIA was given credit for their various future promise social contribution activities in Lafayette. SIA is the first recipient of the award.



Close Up

SRD introduced a Japanese culture "Mochitsuki" performance in local university

In January 2009, SRD participated in an annual event held by the University of Michigan Center for Japanese Studies. SRD introduced a Japanese culture "Mochitsuki" performance and employees prepared mochi, a sticky rice cake, by pounding it with wooden hammers and fresh mochi was provided. Some of the participants were from long distances, and more than 600 people participated in this event. Because of great success the event was picked up on the local news web site. This event was a really good opportunity to introduce Japanese traditional culture as well as Calligraphy, Origami, Kamishibai, to the local community.



SRD's Mochitsuki performance on the local website

Traffic Safety Fair

SUBARU is actively involved in traffic safety activities, among them, we are guiding young drivers to be more self-conscious of taking responsibilities for their actions for prevention of accidents. We take it our mission to eradicate traffic accidents. All the North American companies have their own traffic safety education and guidance programs. In this issue, we will introduce their involvements at SIA and SOA.

SIA held Auto Safety Fair for less-experienced young drivers in May, 2009. At the fair, young drivers listened traffic safety guidance, and learned about maintenance of a vehicle and how to use the child seat latch system. Additionally, they could also try the seatbelt convincer and participate in the drunk driving challenges wearing a drunk driving experience goggle. This experiential program told them an importance of using seatbelt and a fear of the drunk driving.

SOA continued support of New Jersey Safety Council "Alive at 25" program as has happened in the past. In this program, there were traffic safety guidance and workshops to reduce the number of violation, injuries and fatalities incurred by young drivers between the ages 16 to 24. In addition, SOA have held a traffic safety guidance program at long-term partnership, Bryn Mawr Rehab Hospital. This 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.



Learning the seatbelt effectiveness (SIA)



The drunk driving challenges wearing a drunk driving experience goggle (SIA)



A FORESTER which was used by the program president to deliver workshops at Alive at 25 (SOA)

Approaches for Environmental Protection

Environmental Management System

All the 5 NAEC member companies have acquired ISO14001 EMS certification and work on the activities such as education, training, compliance, with laws and regulations at certain facilities, internal audit to prevent pollution before it happens and reduce environmental impact.

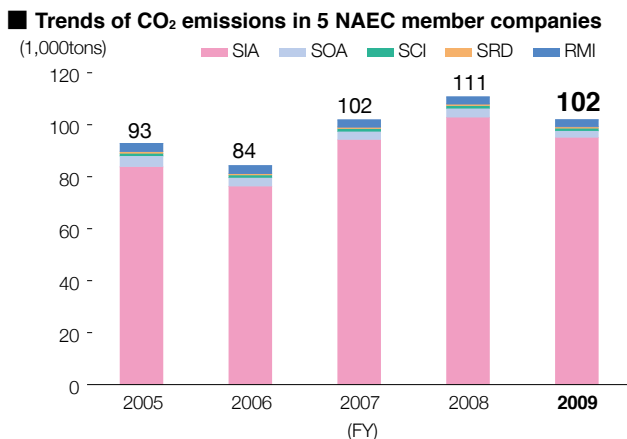
Especially SIA acquired the certification in November, 1998, which was 4 months before the Gunma Manufacturing Division, the Japan SUBARU production site did.

Also SIA, SOA and RMI achieved the integrated certification in December, 2006 as their further advanced activity.

Curbing Global Warming Activities

They are striving to reduce the total amount of CO₂ emission by various measures for prevention of serious global warming.

The total amount of CO₂ emission by the 5 North American companies in FY2009 was 101,926 tons, a decrease of about 8 % over 110,724 tons for FY2008. Particularly, despite of increased production, SIA succeeded in cutting CO₂ by about 8 % against FY2008 by implementing a number of attentive energy saving measures. The CO₂ emission rate per unit of 0.54 ton in FY2008 was reduced 0.49 ton in FY2009. See the change over the past 5 years in the chart below. Various measures will be promoted to reduce the total volume for prevention of global warming.



Close Up

SIA was awarded Waste Wise Award 4 consecutive years

SIA has awarded the Waste Wise Award from EPA (Environmental Protection Agency) for 4 consecutive years since FY2006. In FY2009, SIA received Waste Wise Gold Achievement Award for Community Involvement. (Waste Wise Gold Achievement Award for Climate change category in FY2008, Recycling category in FY2007, and New Partner category in FY2006)



■ **Recommended Carpooling**

To participate in a meeting which brings together In North America, sometimes use airplane because of a vast extent of land. SCI top management recommended carpooling instead of airplane to attend annual National Dealer Meeting in Quebec in June, 2009. In total 33 out of 47 participants chose carpooling to travel to the venue.



Participants of the meeting by car pooling

■ **STARS program**

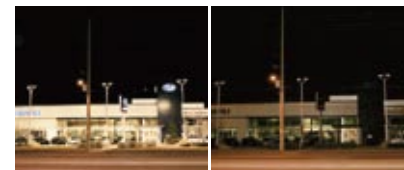
Under the STARS program sponsored by SIA, children from local schools and clubs are invited to SIA for education on environmental protection including the need to reduce CO₂. They are encouraged to practice at home what they learned and compete among schools. More than 5,000 pupils and students took part in the program. SIA not only provides funds, but also serves as a judge, thus putting “education” into “practice” by giving opportunity to children who bear the future to get themselves positively involved in environment protection activities.



Participants of the STARS program (SIA)

■ **Earth Day**

The group companies in North America are taking part in the “Earth Days/Earth Hours” to get their employees motivated for protection of the environment and energy resources. Among them, SCI has their own “Earth Weekends” to encourage its employees to save energy by turning off computers and lights in their offices after Friday’s work is over. Its affiliated SOMI stopped lighting at Earth Weekend nights.



Earth Days
Lightning on in a dealer
(SOMI)

Earth Days
Lightning off in a dealer
(SOMI)

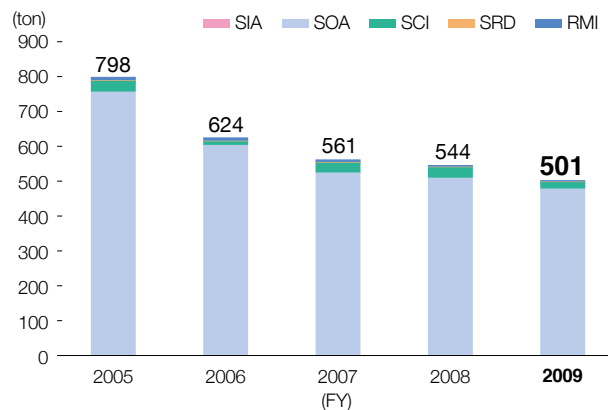
Approach to Waste Reduction

The landfill volume of the 5 North American companies for FY2009 was 501.4 tons, about 8 % less than 544 tons for FY2008. SIA which produces automobiles already achieved zero emission in FY2005 and stays that way up to today. See the chart below for the last 5-year change. Each company is promoting returnable packaging materials for shipments, reducing industrial wastes as well.

SCI began studying reusable containers for parts in cooperation with SOA and FHI.

SOA succeeded in reducing landfill wastes to 479 tons in FY2009 as a result of stepped up recycling inside its workshop, although wastes was generated somewhat more due to an increase of automobile sales. Folding-type returnable pallets are now in use for delivery shipments. These improvements combined contributed to an annual reduction of 40,000 cardboard boxes.

■ **Trends of Amount of Waste Emission**



Close Up

Speech Titled “SUBARU Identity/Practice at Japanese Company” at Local University

As a part of local contributions, Mr. Yano, Administrative Manager of SRD, made a speech at the University of Michigan. His speech titled “SUBARU Identity/Practice at Japanese Company” that was addressed to the Michigan Green Entrepreneur Group on SUBARU’s recent environmental and CSR activities, Japanese view of work and ingenuity in shop-floor production was well-received by the audience.



Mr. Yano, Administrative Manager of SRD is making a speech