

Activities to Contribute to Society as a Good Corporate Citizen

**2007
POINT**

1. We have been awarding employees who are involved in volunteer activities using their private time.
2. In FY2007, 103,260 visitors came to make tour of our SUBARU Visitor Center.

Social Contribution Activities

Subaru has established a Social Contribution Policy as one of the CSR activity areas and is actively promoting social contribution activities.

Social Contribution Policy

**We will contribute to the development of science and technology and automobile culture and to the diffusion of road safety.
We will contribute to the fostering of human resources who understand the pleasure, importance and preciousness of creative manufacturing.
We will contribute to the development of the communities we operate in.
We will support each other in contributing to society as good citizens.**

Assisting volunteers in many ways to raise employees' awareness of social contribution

■ Support of Volunteer Activities

Award System to Enhance Employees' Awareness

The 4th clause of our social contribution policy declares, "We will support each other in contributing to the society as good citizens." Donation and sending people to work for others is one thing, but behind this declaration is our idea that corporate contribution will have depth with a soul when each of us has taken the importance and preciousness of social contribution to heart.

To give shape to our idea, we have been awarding since FY2006 employees who are involved in volunteer activities using their private time. Mr. Harumi Yanbe received the accolades in the 2nd Volunteer Award ceremony in June, 2007. Yanbe's was awarded for his many years of service as a Boy Scout leader and blood donations totaling 63 times.



Mr. Harumi Yanbe and Takagi, Chairman of the CSR and Environmental Committee

■ In-house Activities

Activities that Anyone can Join Casually

As an easy volunteer activity by any interested employees, collection boxes for articles like used postage stamps and prepaid cards were set here and there, and the collected are donated to outside voluntary and other groups.

Also, the General Administration Dept. of Gunma Manufacturing Division is taking initiatives to collect pull tabs of beverages to swap them for wheel chairs. In December, 2007, they collected a heap of such tabs weighing 800 kg, which was exchanged for a wheel chair. The chair will be donated to a welfare institution.

We are proceeding with this program for a second and a third wheel chair.



The wheel chair swapped with pull tabs and the employees of Gunma Manufacturing Division



To Spread Traffic Safety

Approaches to Spread Traffic Safety

Ongoing Participation in Pilot Experiment Projects

We focus on developing safety technologies not only to reduce injuries to the driver, passengers and pedestrians in case of a collision, but also to prevent accidents. We are working on technologies of stereo cameras as sensing device and vehicle control for commercialization. ▶ See TOPICS on p. 27

In this context, we are now proactively involved in pilot experiments for accident prevention and mitigation of damages in cold areas in winter, taking part in projects in Akita and Sapporo in FY2006 and FY2007.*1

Each Company and affiliate of our group annually hold study meetings and driving classes on traffic safety, reminding their employees of their belonging to a company which develops and produces transport equipment including automobiles and their parts.



Please see p. 34 for holding meetings and classes on traffic safety and our Supplementary Volume for Data on our website.

Contribution to Local Communities

We have been associating with people in communities by actively joining in local events and continually staging self-made events for communication with local residents.

SUBARU Visitor Center of Gunma Manufacturing Division

Communication through Plant Tours

The SUBARU Visitor Center opened in the premise of the Yajima Plant of Gunma Manufacturing Division on July 15, 2003. It is the facilities which exhibits and introduces successive Subaru vehicles, cars which set world records and Subaru-unique approaches to technological development and the environment. In FY2007, 103,260 elementary school students came from local schools to see the exhibits and car manufacturing processes.



Free admission; please visit our website for the detail.
<http://www.subaru.jp/about/showroom/vc/index.html> [Japanese only]



A look of the Visitor Center



The exhibition room for Subaru vehicles in the Center

Utsunomiya Manufacturing Division

Road Crossing Unused Spur Tracks Built for Local People

As one of local contributions, we worked on the old spur tracks north of the main plant with the help of the Utsunomiya City and opened a road for pedestrians and bicycle riders. On April 4, 2008, with the attendance of the Utsunomiya mayor, the chief of the Utsunomiya Minami Police Station, heads of 11 community associations and other local people, an opening ceremony was held. A letter of thanks was presented by the head of the jurisdictional community who put up a signboard showing "SUBARU ROAD" on it.



The signboard for "SUBARU ROAD"



The opening ceremony

Kiryu Industrial Co., Ltd.

Contributions by Affiliates

Affiliated companies are also positively playing their part by unfolding activities including cleaning neighborhoods for local contributions. The Kiryu Industrial, for example, are involved in cleaning school roads for children and the sides of railroad around the plant.



Kiryu Industrial Co., Ltd.: Cleanups in June 2007, the national environment month.







*1 For more information about this societal experiment, please visit the website, the Akita Slippery Road Conditions Navigator, dedicated to this project.
<http://tsurunavi.ce.akita-U.AC.jp/> [Japanese only]

Social Involvement

■ The Introduction of Major Events and Cleanup Activities to Contribute to Local Communities in FY2007

In FY2007, Subaru held events and carried out cleanup activities to contribute to local communities as follows. We will continue to actively work on having more communication with local communities.

	Business Sites	Events to contribute to local communities	Cleanup activities
FHI	Gunma Manufacturing Division	<ul style="list-style-type: none"> Subaru Appreciation Festival at the Yajima Plant (About 35,000 visitors) [Oct. 1] Friendship and Appreciation Festival at the Oizumi Plant (About 2,000 visitors) [May 20] Plant Tour (88,069 elementary school children, 15,191 general visitors, 103,260 in total) Summer Vacation Vehicle Class (About 400 participants of elementary school children and their guardians) [Aug. 2, 8 & 9] Eco Class Delivery Service (Subaru Environmental Exchange Circle)*² (target: 30 local elementary schools, 2,676 people in total) Joined the summer festivals of Ota City, Isesaki City, Oizumi Town, and Ora Town (About 1,500 participants) Subaru Cup Ota City Rubber-Ball Tournament for Children (About 500 participants) [July–Aug.] Subaru Pennant Gunma Rubber-Ball Tournament for Children (About 400 participants) [Sep.–Oct.] Hosted Jyosyu Ota Subaru Marathon [Oct. 27] Accepted learning by work experience of junior high school students (8 students in total) [July–Nov.] Held baseball classes for boys and high school students [About 1,600 participants in total] Subaru Friendship Concert hosted by the Subaru Community Exchange Association (4 times a year, 2,200 participants in total) 	As the Subaru Community Exchange Activities* ¹ <ul style="list-style-type: none"> Cleanup of Kanayama (400 participants) [May 26] Environment beatification activities (About 200,000 participants in total a year) [twice a month] 
	Saitama Manufacturing Division	<ul style="list-style-type: none"> Joined in the Kitamoto Evening Festival (About 300 employees and their families) Supported Rengeso Matsuri, or Milk Vetch Festival 	<ul style="list-style-type: none"> Cleanup in Japanese Environment Month (103 participants) [June 20] Pikapika Kitamoto Omakase Program, or Kitamoto-city Voluntary Cleanup Program (819 participants in total)
	Utsunomiya Manufacturing Division	<ul style="list-style-type: none"> Friendship Festival (About 8,000 visitors) [Oct. 28] Eco Class Delivery Service*² (target: 20 local elementary schools, 1,519 people) Green Fundraising: 374,133 yen (8th time, cumulative total: 2,715,622 yen) An interaction meeting with board members from neighborhood community (22 participants visited Saitama Manufacturing Division) [Dec. 5] Opened the north side wall of the site as Friendship Atelier to the public [July–Aug.] Held summer evening festival (About 7,000 participants) [Aug. 4] Miyukikko Eco Festa (600 Miyuki elementary school children and their 200 guardians) [Feb.6] Opened road crossing unused spur tracks [since April 4, 2008] 	<ul style="list-style-type: none"> Cleanup campaign around the manufacturing site (368 participants) [June 16]
	Tokyo Office	<ul style="list-style-type: none"> Held summer evening festival (About 2,000 participants) [Aug. 3] Opened the gymnasium in the site to the public (weekdays, about 500 users a month) Office Tour for elementary school children (8 local elementary schools, 740 participants) 	<ul style="list-style-type: none"> Cleaned up the roads around the dormitory for single employees (once a month, 240 participants in total)
Domestic Affiliated Companies	Yusoki Kogyo	<ul style="list-style-type: none"> Supported Green Fundraising of Utsunomiya Manufacturing Division Traffic safety guidance in the street Accepted learning by work experience of junior high school students (2 students in total) [Aug. 10–13] 	
	Fuji Machinery	<ul style="list-style-type: none"> Summer evening festival at the head office (About 800 participants) [Aug. 11] 	<ul style="list-style-type: none"> Cleaned up sidewalks around the head office (once a week)
	Ichitan	<ul style="list-style-type: none"> Ichitan Summer Festival (200 neighboring families participated) [July 28] Lent Sports Plaza to neighboring schools, local mothers' clubs and others 	<ul style="list-style-type: none"> Cleaned up the Tonegawa River (25 participants)
	Kiryu Industrial		<ul style="list-style-type: none"> Cleaned up school roads and weeded the sides of railroad around the plant [June 1] Cleaned up roads around the plant [once a month, 48 participants in total]
	Subaru Logistics	<ul style="list-style-type: none"> Fundraising for children orphaned in road accidents 476,258 yen [Dec. 17 by Subaru logistics association] 	<ul style="list-style-type: none"> Cleanups around the company [lunchtime on Mondays]
Overseas Affiliated Companies	SIA (U.S.A.)	<ul style="list-style-type: none"> Fundraising: twice (June and Dec.) by the SIA Foundation (\$82,543) Donated Legacy to the City of Lafayette and the Tippecanoe County as part of SIA's 20th Anniversary celebration 	
	SOA (U.S.A.)	<ul style="list-style-type: none"> Provided a Subaru vehicle for use to the NJ Academy for Aquatic Sciences Supported intern program to students pursuing careers in environmental education and wildlife rehabilitation Employees and families painted, cleaned, & refurbished homeless mission as volunteerism 	<ul style="list-style-type: none"> Oregon Beach Cleanup [Sep. 15] 
	SCI (Canada)	Participated in the Earth Days event 2007 and cleaned up around their business property 	 <ul style="list-style-type: none"> Volunteer Clean-up Program in partnership with the City of Mississauga committing to cleaning up a 2.5km stretch of street

*1 The Subaru Community Exchange: An association consisting of Subaru and its fifty-four suppliers, organized with an aim to 1) enhance interactions with local residents in the city of Ota and its neighboring communities, 2) develop local areas, and thereby 3) contribute to creating comfortable, people-friendly communities.
3 companies (Ichitan, Kiryu Industrial, Subaru Logistics) also join the activities.

*2 Eco Class Delivery Service: The activity that our employees visit local elementary schools to provide environmental education.



Please visit the website of The Subaru Community Exchange as well for activities on this page.
<http://www.chiiki-kouryukai.com/> [Japanese only]



Creating Better Working Environment for Each Employee

2007
POINT

1. We introduced the "SUBARU Technical Expert Program" as one of our approaches to enhancing and handing down expertise.
2. We worked out voluntarily the secondary action plan under the Next Generation Education and Support Promotion Act and will keep working on to strike "Work/Life Balance".
3. We have achieved 2.0% of employment of people with disabilities, exceeding the legally mandated rate of 1.8% and will promote their employment.

Human Resource Development, Benefits Packages, Employment and Human Rights

Approaches to Enhancing and Handing Down Expertise SUBARU Technical Expert Program

We introduced the "SUBARU Technical Expert Program" to improve technical expertise in FY2006. This program has two main purposes: Comprehensive Enhancement and Hand-down of Expertise.

Comprehensive Enhancement

Based on the in-house Skill Qualification Standards which spell out the required knowledge and skill for types and levels of work, employees receive knowledge education and technical trainings which emphasize the basics and principles at the SUBARU Technical School (STS) to acquire practical skills.

The students can realize the improvement of their skills through an evaluation system.

Hand-down of Expertise

There are two hand-down courses, Special Skill and Know-how, which are designed to pass on outstanding expertise and special skills including intuition and knacks that highly-skilled technicians possess.

Supporting the Acquisition of Official Certifications Enhancing Support for Self-Development

Starting in 2007 we are subsidizing expenses such as exam fees and tuition for seminars incurred while acquiring certain official certifications designated by the company as part of our cafeteria-style welfare benefits program, called "My Vision". We will continue to expand our support efforts by providing a constructive welfare benefits program that meets the needs of our employees so that all our employees can achieve their dreams.

Items in My Vision, the cafeteria-style welfare benefits program

Category	The Company Provides
Self-Development	Selectable in-house group training and correspondence courses, lectures on the official certifications designated by the company and assistance to acquire such certifications, various types of "schools" and so forth
Livelihood Support	Access to nursing care and parenting (nursery schools, baby sitters) facilities, children's education, etc.
Life Planning	Seminars and consulting services on life planning
Refreshing Activities	Access to gyms, lodging facilities, package tours, cultural appreciation, sport-game watching, leisure facilities, etc.
Subaru Support	The support to purchase Subaru products (excluding cars), and access to vehicle inspections and repairs at affiliated dealers

Approaches to "Work/Life Balance"

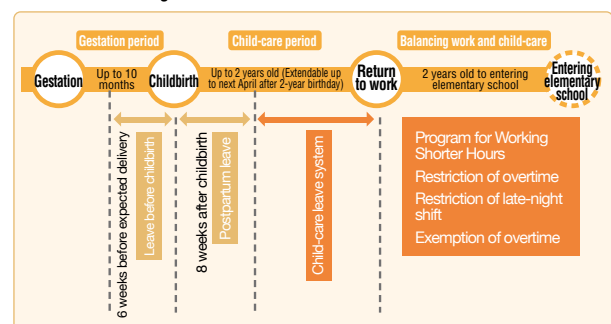
Supporting Life Balanced between Work and Home

We believe that developing fully each employee's potential requires supporting them to have both work and home properly balanced, and for that matter it is important to improve their working environment. Specifically, a child-care leave system which allows extension of leave until the third birthday of a child, and another system for short working hours until the child reaches its school age were introduced to improve the environment for employees with young children. As a result, in 2007, we were certified by Director of the Tokyo Labor Bureau as a private sector employer which meets the standards under the Next Generation Education and Support Promotion Act ("Act").

Since then, we worked out voluntarily the secondary action plan for FY2007 to FY2009 under the Act, and are currently modifying various systems for easier use by employees, including incorporation of safe motherhood to support mothers to deliver and raise their babies in the Working Regulations and review of eligibility for short working hours for child rearing.

We will keep working on to create better working environment to strike a balance between work and child/family nursing care.

Flow of Balancing Work and Child-care



Mark of Certification for the Next Generation Education and Support Promotion Act



"Work/Life Balance Pamphlet" distributed to all employees

With Employee

■ Promotion of Reemploying after the 60-year-old Retirement

Senior Partner Program

Subaru introduced the "Senior Partner Program" in 2003 to re-hire employees after the 60-year-old retirement age for reemployment of the aged and better draw on human resources. We revised part of this program to tune with the after-retirement age employment to 65 years old, which became mandate by the Revised Law Concerning Stabilization of Employment of Older Persons. In FY2006, we reviewed this program again for more active use of resources by re-employment. We will promote re-hiring senior people after the retirement at 60 to use their experience and abilities for fostering juniors through handing down their expertise in this program.

■ Promoting the Employment of People with Disabilities

We Have Achieved the Legally Mandated 1.8% Rate of Employment of People with Disabilities and Are Continuing to Promote Their Employment

The percentage of Subaru employees with disabilities was approximately 2.0% as of March 2008, exceeding the legally mandated rate of 1.8%. We are making an active effort to employ people with disabilities in order to create an affluent society that allows everyone to lead a satisfactory life. Approximately 156 people with disabilities work at Subaru at present. In the future, we will continue our efforts to hire and employ people with disabilities.

Voice



Toshiharu Maeda
A recruiter of
Human Resource Dept.

Employment of talented people

We look for people with diversified backgrounds without limiting to some particular universities, departments and majors. People we want are of independent type who excels in finding problems, solving them and coming with required outcome all by themselves. We are employing such people with various careers at any time as required in addition to new graduates.

■ Respect for Human Rights

For Better Partnership Prevention of Sexual Harassment

Our corporate code of conduct declares that we will respect the rights and characteristics of individuals, advocating respect for human rights. Our Working Regulations also clearly states that no one shall disturb working environments by committing sexual harassment.

Sexual harassment is nothing other than intolerable human rights violations.

The Revised Equal Employment Opportunity Act which went into force from April 1, 2007, prohibits sexual harassment against men as well.

Sexual harassment is clearly prohibited in our Labor Agreement and Working Regulations. In addition, a booklet "Sexual Harassment Prevention Guidelines" has been distributed to all employees and each business unit offers consultation service.



The booklet "Sexual Harassment Prevention Guidelines" distributed to all employees

Creating Health and Safety

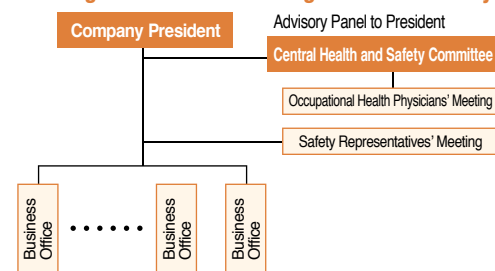
Basic Philosophy of Health and Safety

Health and Safety take priority in any business

Basic Policy of Health and Safety

Aiming for no disasters regarding occupational accidents, traffic accidents, diseases, and fire disasters; all employees recognize the importance of health and safety; improve the equipment, environment, and working methods; and improve management and awareness in order to create safe and comfortable workplaces.

The Organization Promoting Health & Safety



■ Occupational Safety

To Raise Safety Awareness of Each and Every Person and Improve Management

Subaru has been conducting activities to help individuals raise their safety awareness, improve management of workplace, and eliminate risks. To raise awareness, KYT¹ and the Hiyari Hatto² Activity were implemented. To improve management of the workplace, a self-management activity called TSZ³ was introduced at an early stage in each workplace. In addition, in 2000, Subaru introduced our original small-group risk assessment system to improve safety of each and every person and to eliminate risks. Subaru also makes efforts to further improve occupational health and safety levels and prevent on-the-job injuries. Towards these ends, we introduced a new risk assessment system to the Gunma Manufacturing Division where the Occupational Health and Safety Management System⁴ had already been implemented, and are constantly working on improving the Management System by internal auditing.



In order to improve the activity level, Subaru checks the risk assessment activity status at each section and offers guidance to them under the leadership of general managers (health & safety general managers of Production Dept).

◆ Trends in Occupational Accident Occurrence

(FY)	2003	2004	2005	2006	2007
Number of occupational accidents occurred	48	45	34	37	34
Frequency Rate (Average in the Manufacturing Industry)	0.98%	0.99%	1.01%	1.02%	1.09%
Frequency Rate (Subaru Automotive Business Unit)	0.59%	0.37%	0.55%	0.32%	0.51%

■ Creation of a Comfortable Working Environment

Conducting Improvement Activities to Create a Comfortable Workplace

In order to implement the government guidelines for a comfortable workplace, Subaru has been systematically working to improve every item addressed by the guidelines, including working environment, working methods, and environmental equipment. Also, in order to create a more comfortable workplace for employees, we have been working on improving lounges, restrooms, smoking areas and dining halls and adopting universal-access designs in our facilities.

■ Health Care

Added Extra Items to the List of Legally Mandatory Diagnostic Items

To revitalize our business activities, it is important that employees are always in good physical and mental condition and can use their skills and abilities to the full. To help reduce the amount of employee sick leave, we have been working on the early detection and treatment of disease by adding extra items to the list of legally mandatory diagnostic items. In addition, we take measures to care for employees' mental health according to the four items advised by the government. For example, the Mental Health Counseling Consultation Services have been established at all our business sites, where employees can consult clinical psychotherapists in person.

*1 KYT: Training for predicting dangers; K: Kiken (Danger); Y: Yochi (Prediction); T: Training

*2 Hiyari Hatto: Activity to collect cases of near-miss incidents.

*3 TSZ: Total Section Zero (related departments and sections make combined efforts to attain zero disasters).

*4 A system to promote the organized, stable management of health and safety, aiming at creating a workplace with zero disasters and zero danger through a clear set of processes: "planning, implementation, evaluation and improvement."

■ Traffic Safety

Education and Training to Prevent Traffic Accident

Subaru is making various efforts to prevent traffic accidents that might occur in the course of business activities, commuting, or private time. The Gunma Manufacturing Division and the Tokyo Office, have held classes on Safe Motorcycle Driving in cooperation with the Metropolitan Police Department's team of motorcycle policemen (67 participants) in order to provide our employees with basic lectures and driving lessons. In addition, in order to further enhance safe driving we are implementing education and training that utilize a safe driving simulator and show the drivers how they drive.

The Gunma Manufacturing Division has implemented education that includes real-life experiences of safe driving as part of their voluntary traffic safety promotion activities. This education is designed, in addition to providing instruction in driving techniques,

to teach drivers about different perspectives on driving, for example the way drivers' actions can be dangerous to pedestrians and how to make a right turn in a safe, timely manner.



Class on Safe Motorcycle Driving



Driving Simulator

TOPICS

Lecture Meeting and Panel Discussion

"How to Handle Mentally Troubled as Manager"

At the 32nd Company-wide Health and Safety Convention, we held a lecture meeting and a panel discussion with the attendance of specialists on an important health issue: how managers should handle mentally troubled people. Then, we learnt that day-to-day communication with subordinates would prevent or mitigate such mental disorder and all the participants vowed each other to work together to cope with the issue.

