



Presentation of Interim Business Results for the Term ending March 2006



Fuji Heavy Industries Ltd.

November 8, 2005



A Summary of Business Results



1st Half : Automobile Sales (consolidated)

(Thousand Units)

	<u>Actual Results</u> 1 st Half FYE March 2005	<u>Actual Results</u> 1 st Half FYE March 2006	Changes
Domestic (Passenger Car)	50.4	48.3	- 2.1
Domestic (Minicar)	73.2	65.6	- 7.6
Domestic Total	123.6	113.9	- 9.7
U.S.	86.8	81.1	- 5.7
Canada	7.2	7.2	- 0.0
Europe	30.6	30.7	+0.0
Australia	17.0	18.0	+1.1
Others	10.2	13.4	+3.2
Overseas Total	151.8	150.4	- 1.4
SIA (Isuzu SUV)	12.2	0	- 12.2
Grand Total	287.6	264.3	- 23.3

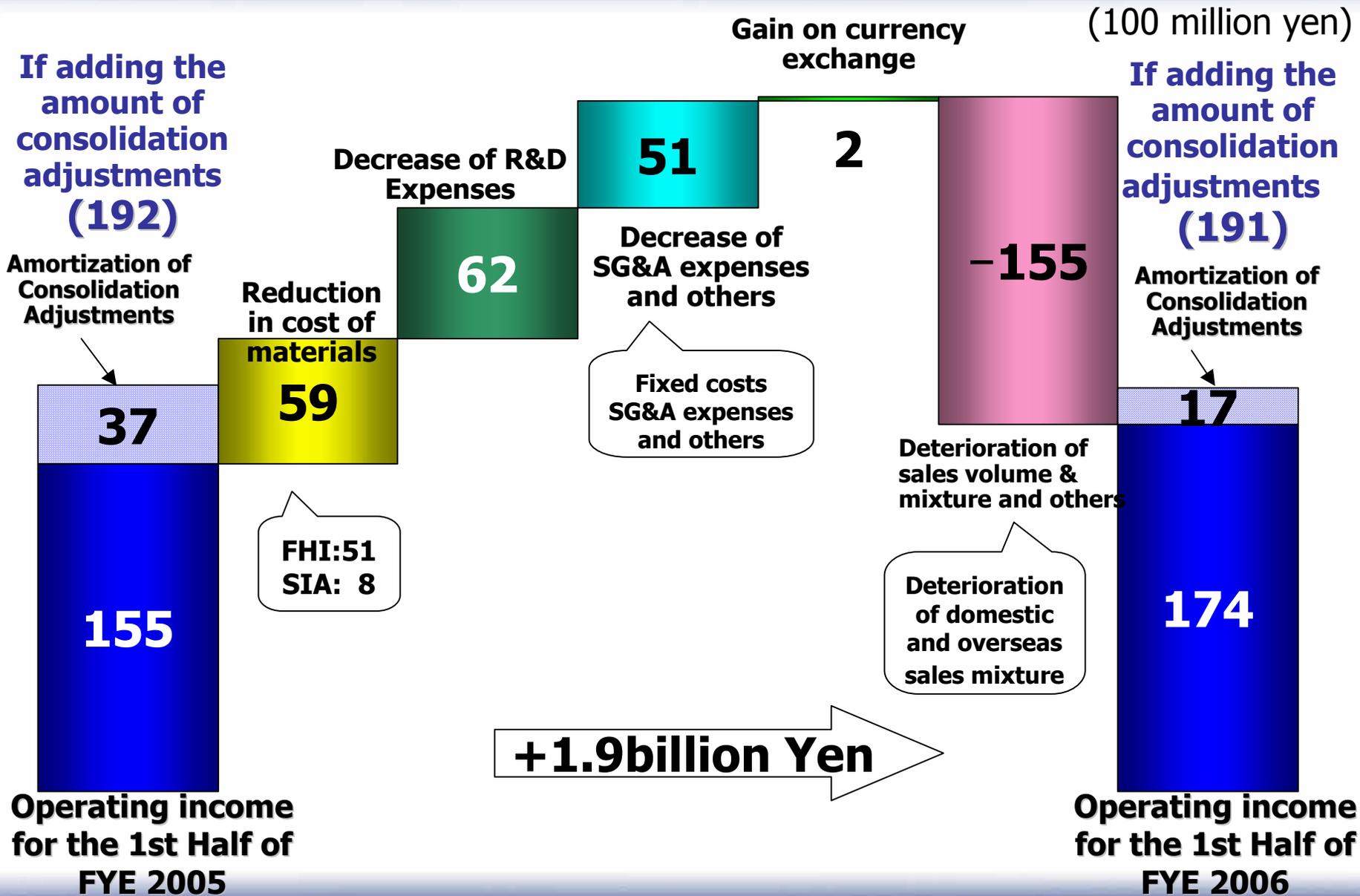
(U.S, Canada and SIA(Isuzu SUV) figures are on the calendar year basis from Jan. to Jun)

1st Half: Consolidated Statements of Income

(100 million yen)

	<u>Actual Results</u> 1 st Half FYE March 2005	<u>Actual Results</u> 1 st Half FYE March 2006	Changes
Net Sales	6,908	6,671	- 237
Domestic	3,050	2,955	- 95
Overseas	3,858	3,716	- 142
Operating Income	155	174	+19
Ordinary Income	151	135	- 15
Net Income	83	80	- 3
FHI Exchange Rate	¥ 110/\$	¥ 109/\$	- ¥ 1/\$

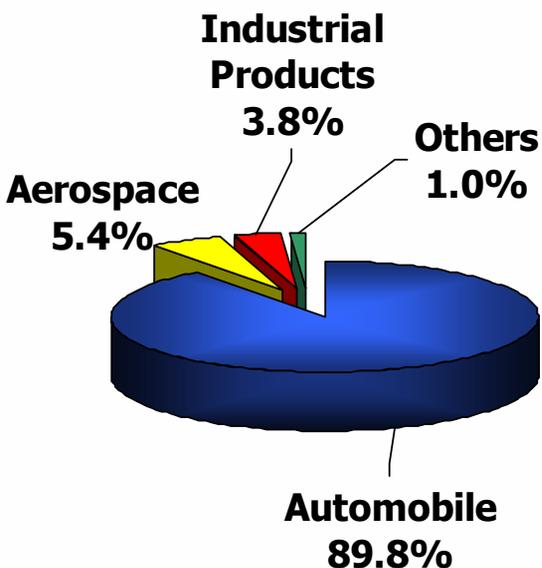
1st Half: Analysis of Increase and Decrease in Operating Income Changes (Consolidated)



Net Sales by Business Segment (consolidated)

(100 million yen)

Percentage of
Total Sales

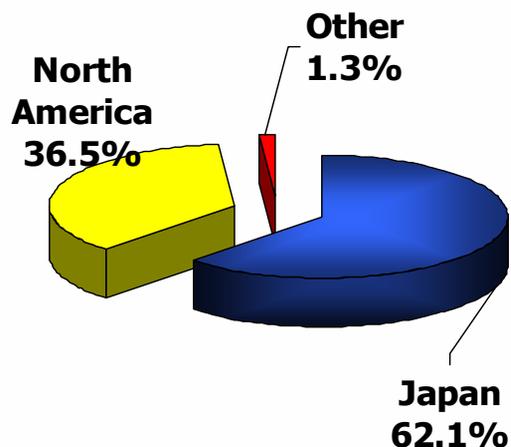


	Actual results 1st half FYE March 2005	Actual results 1st half FYE March 2006	Changes
Automobile	6,287	5,987	- 4.8%
Aerospace	274	359	+31.2%
Industrial Products	236	256	+8.6%
Other	111	68	- 38.5%
Total	6,908	6,671	- 3.4%

Net Sales by Geographic Area (consolidated)

(100 million yen)

**Percentage of
Total Sales**



	<u>Actual results</u> 1st half FYE March 2005	<u>Actual results</u> 1st half FYE March 2006	Changes
Japan	4,398	4,284	- 2.6%
North America	2,433	2,305	- 5.3%
Other	77	82	+6.7%
Total	6,908	6,671	- 3.4%



Operating Results of Subsidiaries in U.S.

(million US\$)

SOA (Jan. to Jun)	Actual results for the 1 st half of CY 2004	Actual results for the 1 st half of CY 2005	Changes
Net Sales	\$1,845	\$1,948	+103
Operating Loss	- 43	- 46	- 3
Net Loss	- 24	- 25	- 1
Retail Sales (Thousand units)	87.7	92.6	+4.9
SIA (Jan. to Jun)	Actual results for the 1 st half of CY 2004	Actual results for the 1 st half of CY 2005	Changes
Net Sales	\$1,077	\$1,076	- 0
Operating Loss	- 64	- 41	+24
Net Loss	- 40	- 166	- 126
Production (Thousand Units) (Isuzu SUV)	57.0 (12.2)	56.6 (0)	- 0.4 (- 12.2)

(U.S. Subsidiaries were consolidated on calendar year basis)

*The extraordinary loss has been written of in the consolidated adjustment account.

Analysis of Non-Operating Income and Expense

	<u>Actual results</u> 1st half FYE 2005	<u>Actual results</u> 1st half FYE 2006	Changes	(100 million yen)
Non-operating income	68	62	- 6	
Amortization of Consolidation Adjustments	37	17	- 20	Offset SIA operating loss, etc.
Equity method investment gain	-	10	+10	Gain on 11 equity method affiliates
Other	21	18	- 2	Gain on valuation of derivatives (currency forward option+3), etc
Non-operating expense	72	101	+28	
Loss on Valuation of Derivatives	18	32	+15	FX forward 23 Currency forward option - 8
Equity method investment loss	3	-	- 3	Loss on 11 equity method affiliates
Other	39	54	+15	Difference between transaction rates and market rates 26, etc.
Net	- 4	- 39	- 34	

Analysis of extraordinary gains and losses

(100 million yen)

	<u>Actual results</u> 1st half FYE 2005	<u>Actual results</u> 1st half FYE 2006	Changes	
Extraordinary gains	4	55	+51	
Gain on sales of investment securities	2	53	+50	
Extraordinary losses	14	84	+70	
Extraordinary loss from discontinuation of the joint development	-	56	+56	Discontinuation of the joint development with Saab Automobile AB
Asset impairment	-	18	+18	Land and properties of domestic Subaru dealerships, etc.

Consolidated Balance Sheets

(100 million yen)

	As of March 31, 2005	As of Sept. 30, 2005	Changes
Total Assets	13,575	13,912	+338
Current Assets	6,491	6,564	+73
Fixed Assets	7,084	7,348	+264
Interest Bearing Debt	4,122	3,981	- 141
Shareholders' Equity	4,711	4,850	+139
Shareholders' Equity to Total Assets	34.7%	34.9%	+0.2%
Debt to Equity Ratio	0.87	0.82	- 0.05



Consolidated Statement of Cash Flows

(100 million yen)

	Actual Results 1 st Half FYE March 2005	Actual Results 1 st Half FYE March 2006	Changes	Actual Results for the FYE March 2005
Cash Flows from Operating Activities	373	673	+300	573
Cash Flows from Investing Activities	- 624	- 516	+108	- 898
Free Cash Flows	- 251	157	+408	- 324
Cash Flows from Financing Activities	223	- 198	- 422	262
Net Increase (Decrease) in Cash and Cash Equivalents	- 22	- 17	+5	- 77
Cash and Cash Equivalents at end of the term	1,372	1,300	- 72	1,317



<Appendix> 2nd Quarter: Automobile Sales (consolidated)

(Thousand Units)

	Actual results 2 nd quarter FYE March 2005	Actual results 2 nd quarter FYE March 2006	Changes
Domestic (Passenger Car)	30.3	29.8	- 0.6
Domestic (Minicar)	39.0	34.6	- 4.4
Domestic Total	69.3	64.3	- 5.0
U.S.	45.9	41.4	- 4.5
Canada	3.8	3.6	- 0.2
Europe	20.1	18.9	- 1.2
Australia	9.0	8.0	- 1.0
Others	5.7	7.9	+2.2
Overseas Total	84.5	79.8	- 4.6
SIA (Isuzu SUV)	5.8	-	- 5.8
Grand Total	159.5	144.1	- 15.4

(U.S., Canada and SIA(Isuzu SUV) figures are on the calendar year basis from Apr. to Jun)

<Appendix> 2nd Quarter: Consolidated Statements of Income

(100 million yen)

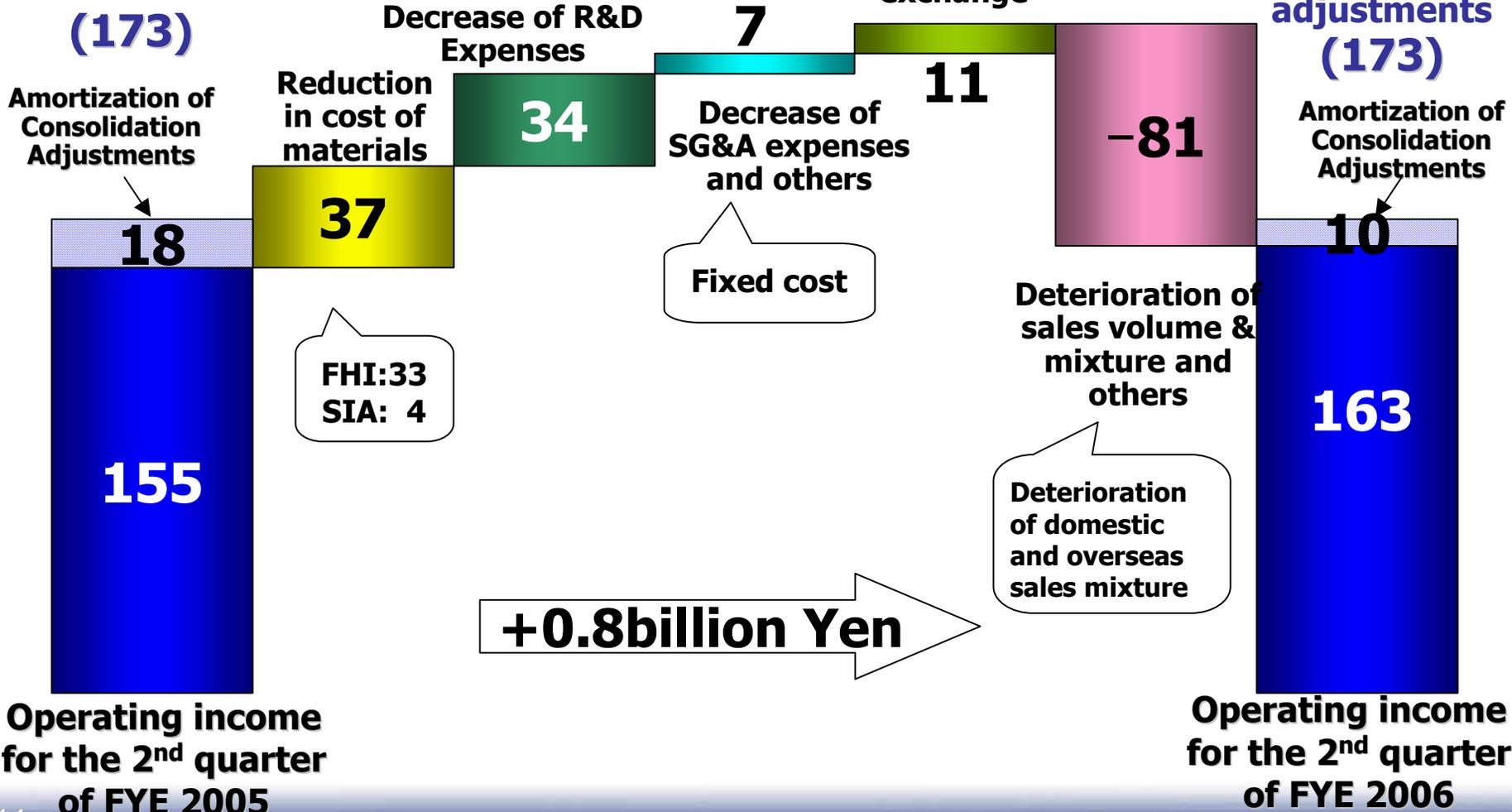
	Actual results 2 nd quarter FYE March 2005	Actual results 2 nd quarter FYE March 2006	Changes
Net Sales	3,832	3,672	- 161
Domestic	1,685	1,663	- 22
Overseas	2,148	2,008	- 139
Operating Income	155	163	+8
Ordinary Income	126	131	+5
Net Income	77	91	+15
FHI Exchange Rate	¥110/\$	¥110/\$	¥0/\$

<Appendix> 2nd Quarter: Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

(100 million yen)

If adding the amount of consolidation adjustments (173)

If adding the amount of consolidation adjustments (173)



<Appendix> 1st Half:

Automobile Sales (Non-consolidated)

(Thousand Units)

	<u>Actual Results</u> 1 st Half FYE March 2005	<u>Actual Results</u> 1 st Half FYE March 2006	Changes
Domestic Production	252.6	230.2	- 22.4
for SAAB	7.6	0	- 7.6
Domestic Sales	133.5	123.0	- 10.5
Passenger Car	51.6	53.6	+2.0
Minicar	81.9	69.4	- 12.5
Number of Vehicles Exported	113.9	105.6	- 8.4
Components for Overseas Production	58.4	63.1	+4.8
Total	305.8	291.7	- 14.1

Outlook for the Term Ending March 2006



Full Year: Automobile Sales (consolidated)

(Thousand Units)

	Actual Results of FYE March 2005	Plan for FYE March 2006	Changes
Domestic (Passenger Car)	104.0	103.2	- 0.8
Domestic (Minicar)	150.0	133.8	- 16.2
Domestic Total	254.0	237.1	- 17.0
U.S.	193.9	196.3	+2.4
Canada	16.5	16.5	- 0.0
Europe	60.5	62.0	+1.5
Australia	35.4	35.8	+0.4
Others	21.2	25.6	+4.4
Overseas Total	327.6	336.2	+8.6
SIA (Isuzu SUV)	13.2	-	- 13.2
Grand Total	594.8	573.3	- 21.5

(U.S, Canada and SIA(Isuzu SUV) figures are on the calendar year basis from Jan. to Dec.)

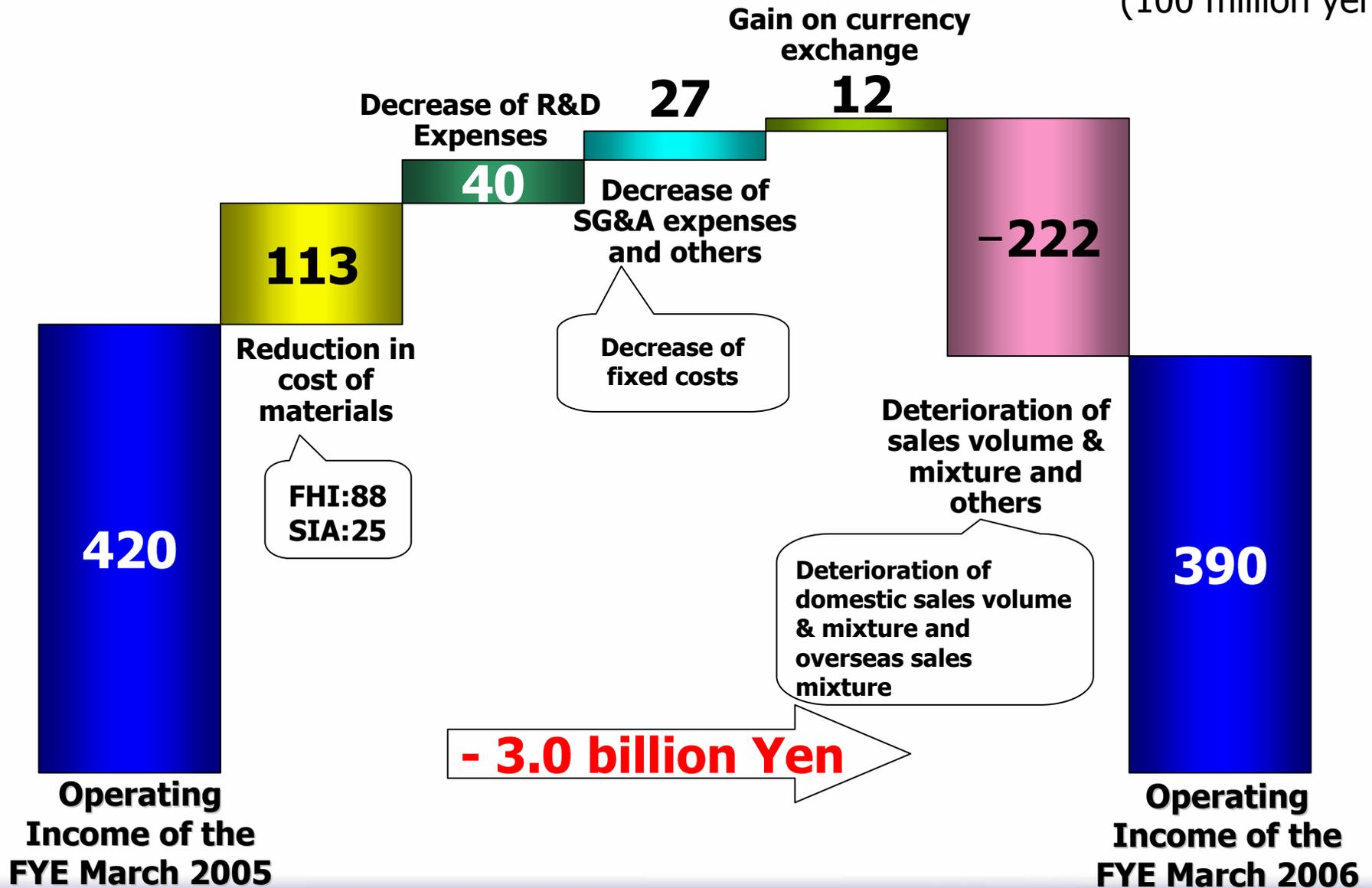
Full Year: Operating Plan (consolidated basis)

(100 million yen)

	Actual results of FYE March 2005	Plan for FYE March 2006	Change
Net Sales	14,465	14,800	+335
Domestic	6,271	6,230	- 41
Overseas	8,194	8,570	+376
Operating Income	420	390	- 30
Ordinary Income	436	290	- 146
Net Income	182	120	- 62
FHI Exchange Rate	¥108/\$	¥108/\$	¥0/\$

Full Year: Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 million yen)



Operating Plan of Subsidiaries in U.S.

(million US\$)

SOA (Jan. to Dec.)	Actual results for the CY 2004	Plan for the CY 2005	Changes
Net Sales	\$4,357	\$4,777	+420
Operating Income & Loss	- 10	11	+21
Net Income	2	12	+10
Retail Sales (Thousand units)	186.3	200.0	+13.7
SIA (Jan. to Dec.)	Actual results for the CY 2004	Plan for the CY 2005	Changes
Net Sales	\$2,427	\$2,564	+137
Operating Loss	- 57	- 74	- 17
Net Loss	- 74	- 195	- 121
Production (Thousand Units) (Isuzu SUV)	118.7 (13.2)	120.4 (-)	+1.7 (- 13.2)

<Appendix> 2nd Half:

Automobile Sales (consolidated)

(Thousand Units)

	Actual results for the 2 nd Half of FYE2005	Plan for the 2 nd Half of FYE 2006	Changes
Domestic (Passenger Car)	53.6	55.0	1.4
Domestic (Minicar)	76.9	68.3	- 8.6
Domestic Total	130.5	123.2	- 7.2
U.S.	107.2	115.2	+8.1
Canada	9.3	9.3	+0.0
Europe	29.9	31.3	+1.4
Australia	18.4	17.8	- 0.7
Others	11.0	12.2	+1.2
Overseas Total	175.8	185.8	+10.0
SIA (Isuzu SUV)	1.0	-	- 1.0
Grand Total	307.2	309.0	+1.8

(U.S., Canada and SIA(Isuzu SUV) figures are on the calendar year basis from Jul. to Dec.)

<Appendix> 2nd Half:

Operating Plan (consolidated basis)

(100 million yen)

	Actual Results for the 2 nd Half of FYE March 2005	Plan for the 2 nd Half of FYE March 2006	Changes
Net Sales	7,557	8,129	+572
Domestic	3,220	3,275	+55
Overseas	4,337	4,854	+517
Operating Income	265	216	- 49
Ordinary Income	285	155	- 130
Net Income	100	40	- 59
FHI Exchange Rate	¥106/\$	¥108/\$	+¥2/\$

<Appendix> 2nd Half: Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

If adding the amount of consolidation adjustments (297)

Amortization of Consolidation Adjustments



Operating income for the 2nd half of FYE 2005



Gain on currency exchange

10

Increase of R&D Expenses

-22

Increase of SG&A expenses and others

-24

Fixed costs SG&A expenses and others

Deterioration of sales volume & mixture and others

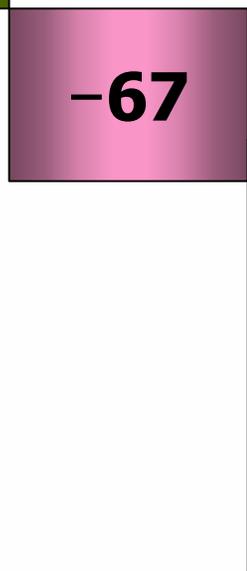
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Deterioration of domestic sales volume & mixture and overseas sales mixture

(100 million yen)

If adding the amount of consolidation adjustments (232)

Amortization of Consolidation Adjustments



Operating income for the 2nd half of FYE 2006

- 4.9 billion Yen



<Appendix> Full Year: Automobile Sales (Non-consolidated)

(Thousand Units)

	Actual results for FYE2005	Plan for FYE 2006	Changes
Domestic Production	480.9	459.2	- 21.8
for SAAB	8.0	1.5	- 6.5
Domestic Sales	272.8	244.8	- 28.0
Passenger Car	108.1	107.4	- 0.7
Minicar	164.6	137.3	- 27.3
Number of Vehicles Exported	212.5	213.7	+1.2
Components for Overseas Production	115.3	125.3	+10.0
Total	600.6	583.8	- 16.8

