



SUBARU

Presentation of Business Results for the term ended March 2007



**Fuji Heavy Industries Ltd.
April 27, 2007**

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SUBARU

A Summary of Business Results

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Full Year: Automobile Sales (consolidated)

(Thousand Units)

	Actual Results FYE March 2006	Actual Results FYE March 2007	Changes
Passenger Car	97.7	81.2	-16.5
Minicar	132.5	145.6	+13.1
Domestic Total	230.2	226.8	-3.4
U.S.	193.6	190.3	-3.3
Canada	16.4	16.2	-0.1
Europe	64.7	71.4	+6.7
Australia	36.5	38.1	+1.6
Others	30.0	35.1	+5.0
Overseas Total	341.2	351.1	+9.9
Grand Total	571.4	577.9	+6.6

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

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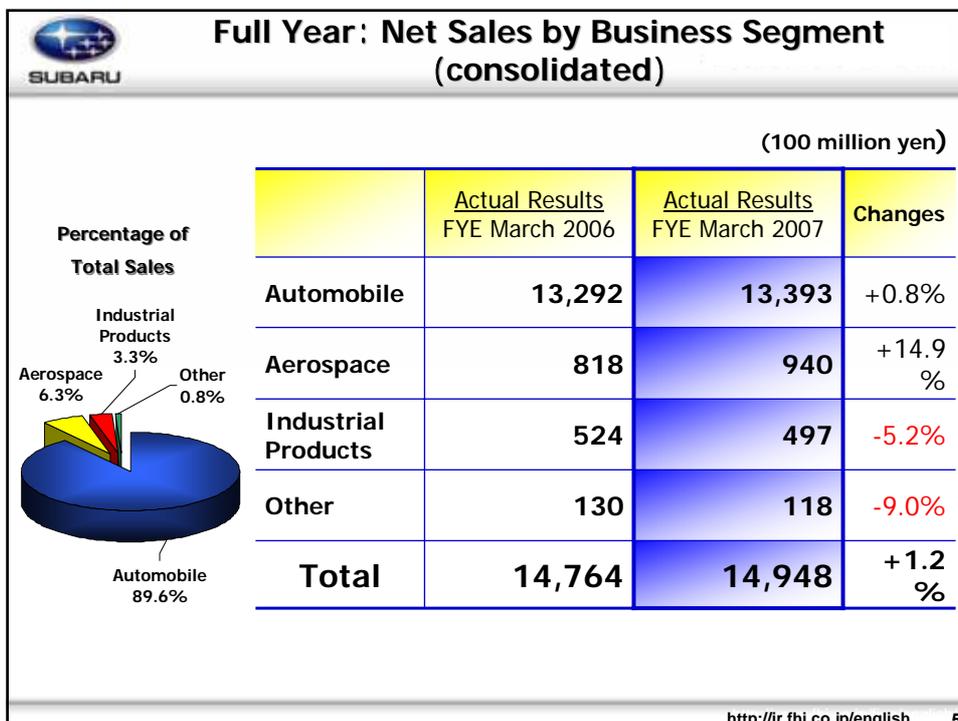
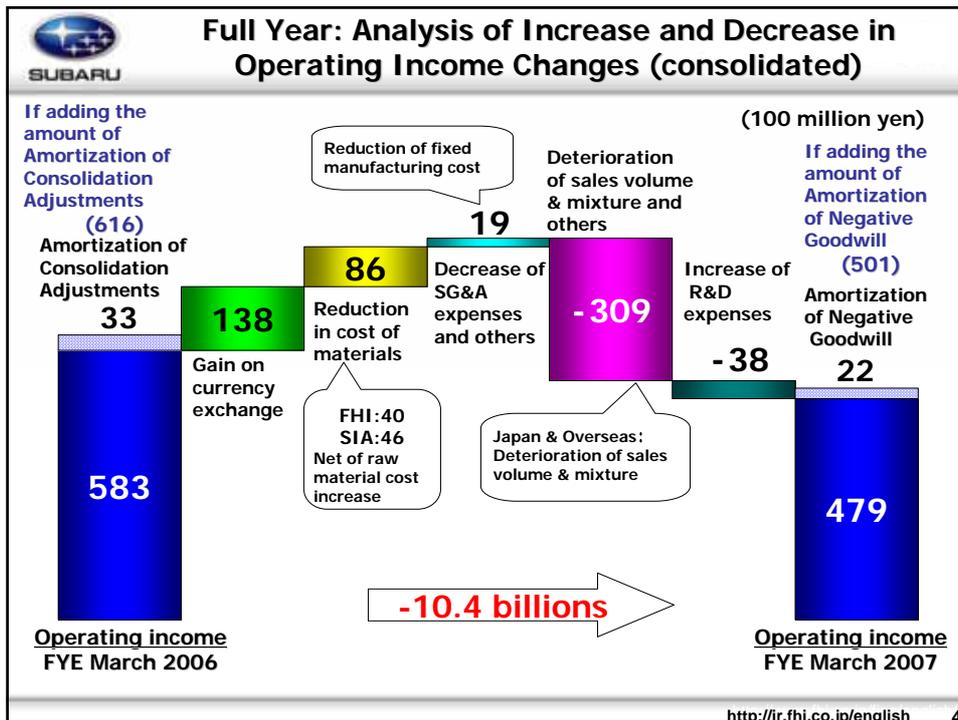


Full Year: Consolidated Statements of Income

(100 million yen)

	Actual Results FYE March 2006	Actual Results FYE March 2007	Changes
Net Sales	14,764	14,948	+184
Domestic	6,041	5,762	-279
Overseas	8,722	9,186	+464
Operating Income	583	479	-104
Ordinary Income	468	422	-46
Net Income	156	319	+163
FHI Exchange Rate	¥112/\$	¥117/\$	+¥5/\$

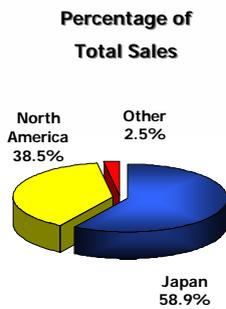
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Full Year: Net Sales by Geographic Area (consolidated)

(100 million yen)



	Actual Results FYE March 2006	Actual Results FYE March 2007	Changes
Japan	8,881	8,811	-0.8%
North America	5,724	5,761	+0.6%
Other	158	377	+137.8%
Total	14,764	14,948	+1.2%

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Operating Results of Subsidiaries in U.S.

(million US\$)

SOA (Jan. to Dec.)	Actual Results CY 2005	Actual Results CY 2006	Changes
Net Sales	\$4,687	\$4,408	-279
Operating Income / Loss	-19	-8	+11
Net Income / Loss	-4	-5	-1
Retail Sales (Thousand units)	194.0	200.0	+6.0
SIA (Jan. to Dec.)	Actual Results CY 2005	Actual Results CY 2006	Changes
Net Sales	\$2,602	\$2,258	-344
Operating Income / Loss	-22	31	+53
Net Income / Loss	-169*	13	+182
Production (Thousand units)	119.0	110.4	-8.6

*The extraordinary loss was offset by the consolidated adjustment account in the FYE2005.
(U.S. subsidiaries were consolidated on calendar year basis.)

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 Analysis of Non-Operating Income and Expense				
(100 million yen)				
	Actual Results FYE March 2006	Actual Results FYE March 2007	Changes	
Non-operating Income	124	178	+ 54	
Amortization of Negative Goodwill (Consolidation Adjustments)	33	22	-11	Offset by SIA operating loss, etc. (Account name change)
Gain on revaluation of derivatives	-	43	+ 43	
Other	42	59	18	FYE2006: Gain on revaluation of derivatives +5
Non-operating Expense	239	235	-4	
Exchange loss	-	119	+119	
Loss on revaluation of derivatives	30	1	-29	
Other	178	75	-103	FYE2006: Exchange loss 106
Net	-116	-57	59	
FOREX effects	Actual Results FYE March 2006	Actual Results FYE March 2007	Changes	
Net of gain and loss on revaluation of Derivatives	-25	42	+67	
Net of FOREX gain and loss	-106	-119	-13	
Total	-131	-77	54	

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 Analysis of Extraordinary Gains and Losses				
(100 million yen)				
	Actual Results FYE March 2006	Actual Results FYE March 2007	Changes	
Extraordinary Gains	93	107	+ 15	
Gain on sale of property, plant and equipment	39	67	+28	Sales of land of affiliate company, etc
Gain on sale of investment securities	53	1	-52	
Prior period adjustment	-	15	+15	Reversal of loss on termination of the joint development project
Gain on transfer of the substitutional portion of the employee's pension fund	-	24	+24	Consolidated subsidiaries
Extraordinary Losses	273	73	-200	
Loss on sale and disposal of property, plant and equipment	43	48	+5	Loss on sales of land of affiliate company, etc
Impairment loss on property, plant and equipment	41	6	-35	Land and properties of domestic Subaru dealerships, etc
Loss on liquidation of affiliate companies	-	9	+9	Dissolution of JV
Additional retirement payments	80	-	-80	Voluntary retirement program
Loss on termination of joint development projects	71	-	-71	Termination of the joint development with Saab

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Consolidated Balance Sheets

(100 million yen)

	As of March 31, 2006	As of March 31, 2007	changes
Total Assets	13,484	13,160	-324
Current Assets	6,192	5,947	-245
Fixed Assets	7,292	7,214	-79
Leased Assets	643*	599	-44
Interest Bearing Debt	3,741	3,439	-302
Shareholders' Equity	4,655	-	-
Less-treasury stock, at cost	-415	-	-
Shareholders' Equity to Total Assets	34.5%	-	-
Net Assets**	-	4,957	-
Less-treasury stock, at cost	-	-405	-
Shareholders' Equity to Total Assets	-	37.5%	-
D/E ratio	0.80	0.70	-0.11

*"Leased Assets" in Fixed Assets has been described separately from FY2007, whereas "Leased Assets" in FY2006 was for reference.

**In accordance with the enforcement of Corporate Law since May 2006. "Shareholders' Equity" was changed to "Net Assets".

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Consolidated Statement of Cash Flows

(100 million yen)

	<u>Actual Results</u> FYE March 2006	<u>Actual Results</u> FYE March 2007	Changes
Cash Flows from Operating Activities	1,375	656	-719
Cash Flows from Investing Activities	-758	-434	+323
Free Cash Flows	617	222	-395
Cash Flows from Financing Activities	-889	-362	+527
Effect of exchange rate changes on Cash and Cash Equivalents	79	8	-71
Net Increase (Decrease) in Cash and Cash Equivalents	-193	-133	+61
Cash and Cash Equivalents at the end of the period	1,124	991	-133

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4th Quarter: Automobile Sales (consolidated)

(Thousand Units)

	<u>Actual Results</u> 4Q FYE March 2006	<u>Actual Results</u> 4Q FYE March 2007	Changes
Passenger Car	28.6	25.4	-3.2
Minicar	37.4	41.1	+3.7
Domestic Total	66.0	66.5	+0.5
U.S.	59.1	60.3	+1.1
Canada	4.7	5.5	+0.8
Europe	17.3	19.3	+2.0
Australia	8.6	9.3	+0.6
Others	7.1	10.9	+3.8
Overseas Total	96.8	105.2	+8.4
Grand Total	162.9	171.8	+8.9

(U.S. and Canada figures are on the calendar year basis from Oct. to Dec.)

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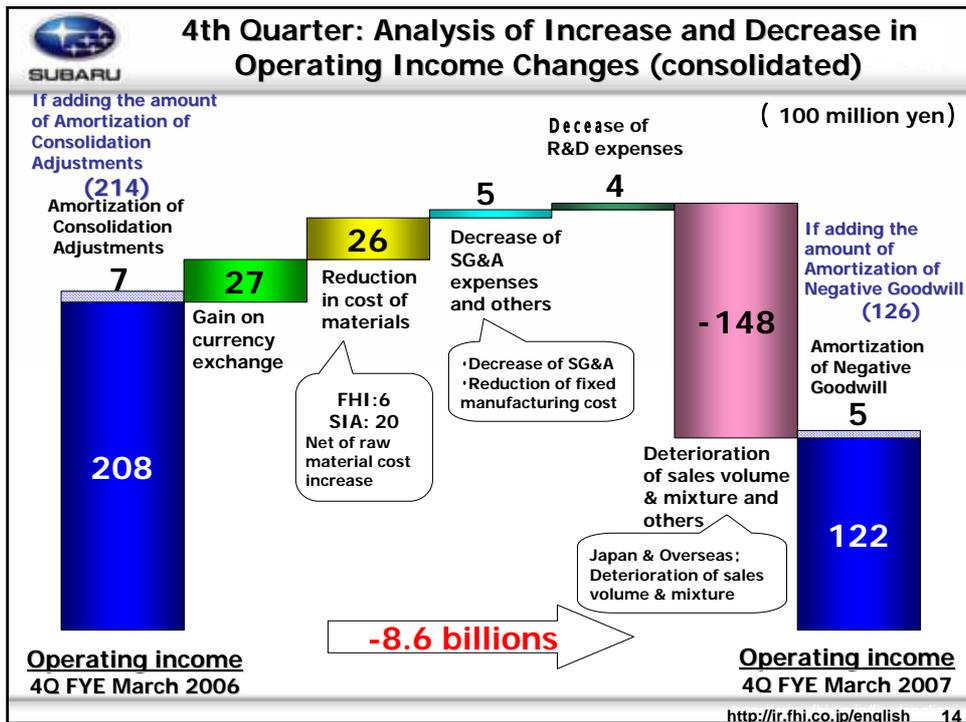


4th Quarter: Consolidated Statements of Income

(100 million yen)

	<u>Actual Results</u> 4Q FYE March 2006	<u>Actual Results</u> 4Q FYE March 2007	Changes
Net Sales	4,369	4,361	-8
Domestic	1,761	1,585	-175
Overseas	2,608	2,775	+167
Operating Income	208	122	-86
Ordinary Income	156	120	-36
Net Income	28	72	+44
FHI Exchange Rate	¥117/\$	¥119/\$	+¥2/\$

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< Appendix > Full Year: Automobile Sales (non-consolidated)
(Thousand Units)

	<u>Actual Results</u> FYE March 2006	<u>Actual Results</u> FYE March 2007	Changes
Domestic Production	466.7	484.3	+17.5
For Saab	1.7	0.1	-1.5
Domestic Sales	244.7	243.7	-1.0
Passenger Car	106.3	86.3	-20.1
Minicar	138.4	157.5	+19.1
Number of Vehicles Exported	224.7	239.7	+15.0
Components for Overseas Production	119.8	101.0	-18.8
Total	589.2	584.4	-4.8

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Outlook for the Term Ending March 2008

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1st Half: Automobile Sales Plan (consolidated)

(Thousand Units)

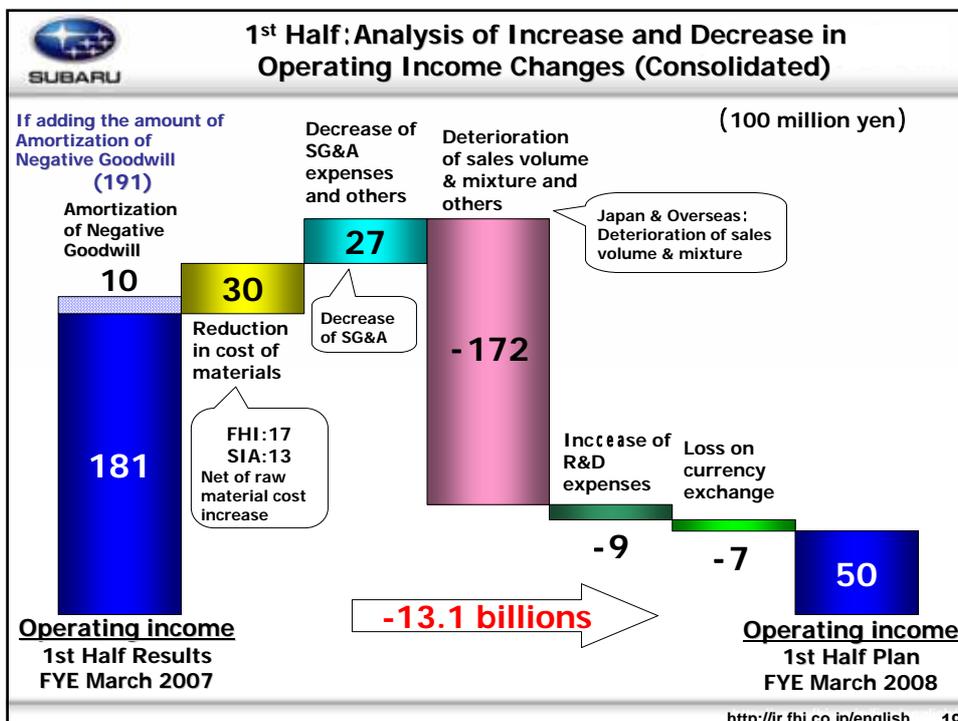
	<u>Actual Results</u> 1 st Half FYE March 2007	<u>Plan</u> 1 st Half FYE March 2008	Changes
Passenger Car	39.5	40.7	+1.2
Minicar	72.4	65.7	-6.7
Domestic Total	111.9	106.4	-5.5
U.S.	81.2	82.7	+1.5
Canada	8.0	8.3	+0.2
Europe	32.3	37.4	+5.1
Australia	19.6	18.5	-1.1
Others	15.6	19.3	+3.7
Overseas Total	156.8	166.1	+9.4
Grand Total	268.7	272.5	+3.8

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

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 1st Half : Operating Plan (consolidated)			
(100 million yen)			
	Actual Results 1st Half FYE March 2007	Plan 1st Half FYE March 2008	Changes
Net Sales	6,987	6,900	-87
Operating Income	181	50	-131
Ordinary Income	139	10	-129
Net Income	116	0	-116
FHI Exchange Rate	¥115/\$	¥115/\$	± 0

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Full Year: Automobile Sales Plan (consolidated)

(Thousand Unit)

	<u>Actual Results</u> FYE March 2007	<u>Plan</u> FYE March 2008	Changes
Passenger Car	81.2	89.4	+8.2
Minicar	145.6	128.6	-17.0
Domestic Total	226.8	218.0	-8.9
U.S.	190.3	196.5	+6.2
Canada	16.2	18.5	+2.3
Europe	71.4	79.6	+8.2
Australia	38.1	38.0	-0.1
Others	35.1	33.1	-1.9
Overseas Total	351.1	365.8	+14.7
Grand Total	577.9	583.7	+5.8

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

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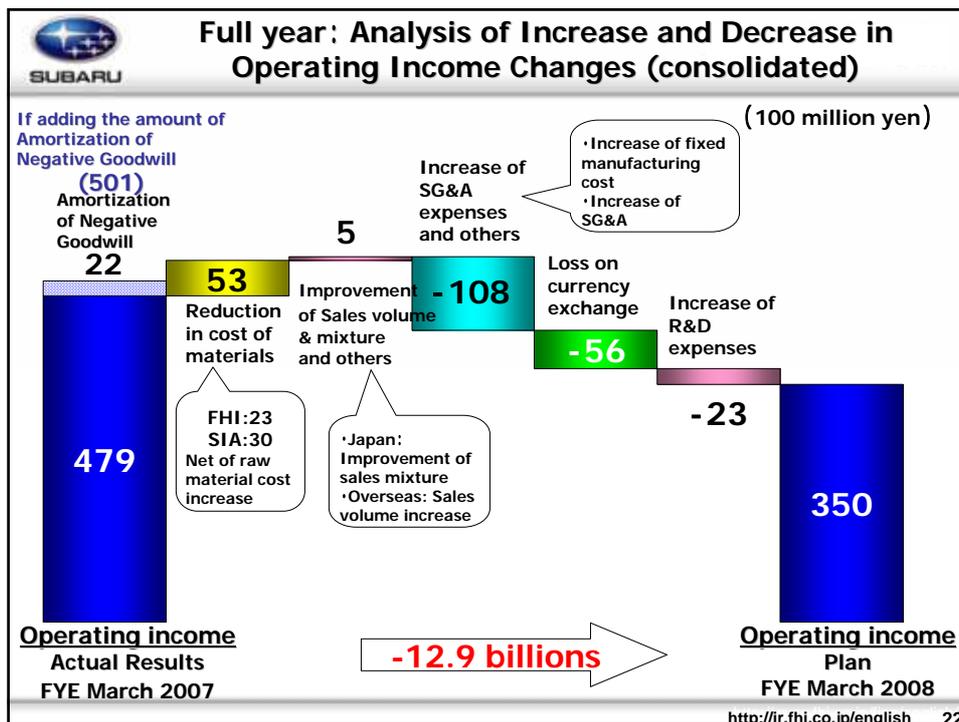


Full Year: Operating Plan (consolidated)

(100 million yen)

	<u>Actual Results</u> FYE March 2007	<u>Plan</u> FYE March 2008	Changes
Net Sales	14,948	15,500	+552
Domestic	5,762	5,600	-162
Overseas	9,186	9,900	714
Operating Income	479	350	-129
Ordinary Income	422	300	-122
Net Income	319	160	-159
FHI Exchange Rate	¥117/\$	¥115/\$	-¥2/\$

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Operating Plan of Subsidiaries in U.S.

(million US\$)

SOA (Jan. to Dec.)	Actual Results CY 2006	Plan CY 2007	Changes
Net Sales	\$4,408	\$4,573	+165
Operating Income / Loss	-8	24	+32
Net Income / Loss	-5	14	+19
Retail Sales (Thousand units)	200.0	195.0	-5.0

SIA (Jan. to Dec.)	Actual Results CY 2006	Plan CY 2007	Changes
Net Sales	\$2,258	\$2,643	+385
Operating Income / Loss	31	26	-5
Net Income / Loss	13	16	+3
Production (Thousand units)	110.4	149.6	+39.2

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

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

(Thousand Unit)

	<u>Actual Results</u> FYE March 2007	<u>Plan</u> FYE March 2008	Changes
Domestic Production	484.3	472.7	-11.5
For Saab	0.1	0	-0.1
Domestic Sales	243.7	222.6	-21.2
Passenger Car	86.3	93.6	7.3
Minicar	157.5	129.0	-28.4
Number of Vehicles Exported	239.7	249.5	+9.8
Components for Overseas Production	101.0	113.7	+12.7
Total	584.4	585.8	+1.3

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