



**Presentation of Business Results
for the 3rd Quarter of FYE 2008**



Fuji Heavy Industries Ltd. February 4, 2008

<http://www.fhi.co.jp/english/ir/>



***A Summary of
Business Results***

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9 months : Consolidated Automobile Sales

(Thousand Units)

	Actual Results 9 months FYE March 2007	Actual Results 9 months FYE March 2008	Changes
Passenger Car	55.8	50.9	- 4.9
Minicar	104.5	93.2	- 11.3
Domestic Total	160.3	144.1	- 16.2
U.S.	130.0	136.2	+6.2
Canada	10.8	13.2	+2.4
Europe	52.1	57.8	+5.7
Australia	28.9	30.0	+1.1
Others	24.1	35.3	+11.2
Overseas Total	245.9	272.6	+26.7
Grand Total	406.2	416.7	+10.6

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

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9 months : Consolidated Statements of Income

(100 million yen)

	Actual Results 9 months FYE March 2007	Actual Results 9 months FYE March 2008	Changes
Net Sales	10,587	11,053	+466
Domestic	4,177	3,694	- 483
Overseas	6,411	7,359	+948
Operating Income	358	366	+9
Ordinary Income	302	327	+25
Net Income	247	179	- 68
FHI Exchange Rate	¥116/\$	¥118/\$	+¥2/\$

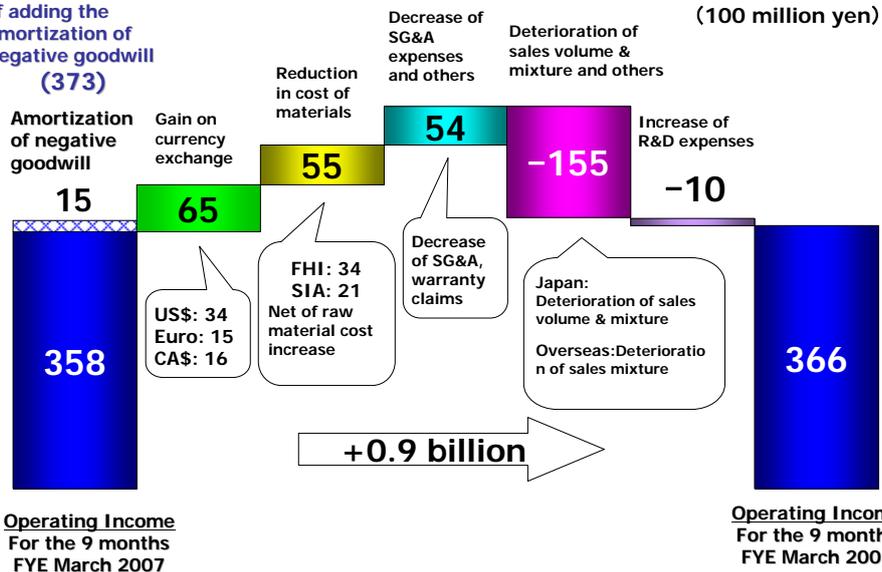
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9 months : Analysis of Increase and Decrease in Operating Income Changes

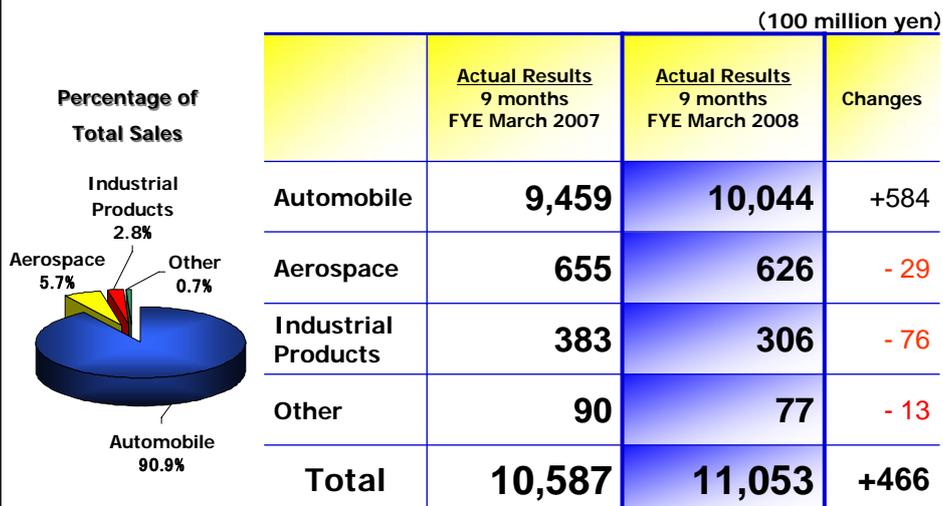
If adding the amortization of negative goodwill (373)



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9 months : Net Sales by Business Segment (consolidated)



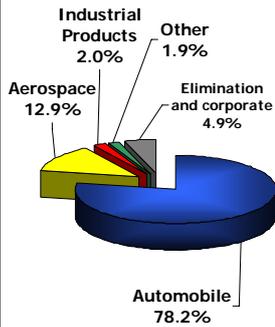
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9 months : Operating Income by Business Segment (consolidated)

(100 million yen)

Percentage of Operating Income



	Actual Results 9 months FYE March 2007	Actual Results 9 months FYE March 2008	Changes
Automobile	278	286	+8
Aerospace	41	47	+6
Industrial Products	16	7	-9
Other	18	7	-11
Elimination and corporate	4	18	+14
Total	358	366	+9

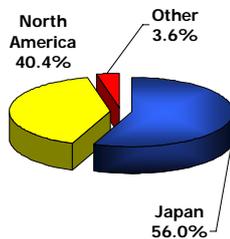
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9 months : Net Sales by Geographic Area (consolidated)

(100 million yen)

Percentage of Total Sales



	Actual Results 9 months FYE March 2007	Actual Results 9 months FYE March 2008	Changes
Japan	6,387	6,189	-198
North America	3,975	4,471	+496
Other	226	394	+168
Total	10,587	11,053	+466

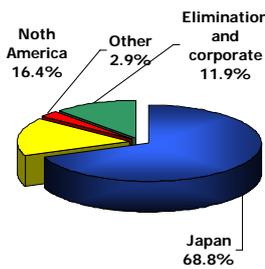
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9 months : Operating Income by Geographic Area (consolidated)

(100 million yen)

Percentage of
Operating Income



	Actual Results 9 months FYE March 2007	Actual Results 9 months FYE March 2008	Changes
Japan	271	252	-19
North America	39	60	+21
Other	7	11	+4
Elimination and corporate	40	43	+3
Total	358	366	+9

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Operating Results of Subsidiaries in U.S.

(million US\$)

SOA (Jan to Sept)	Actual Results 9 months of CY2006	Actual Results 9 months of CY2007	Changes
Net Sales	\$3,080	\$3,207	+127
Operating Income/Loss	-65	3	+68
Net Income/Loss	-42	7	+49
Retail Sales (Thousand units)	148.3	137.7	-10.5

SIA (Jan to Sept)	Actual Results 9 months of CY2006	Actual Results 9 months of CY2007	Changes
Net Sales	\$1,572	\$1,942	+370
Operating Income	15	44	+29
Net Income	4	28	+24
Subaru Production (Thousand units)	81.7	79.8	-1.9

(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 9 months FYE March 2007	Actual Results 9 months FYE March 2008	Changes	
Non-Operating Income	96	74	- 22	
Amortization of negative goodwill	16	-	- 16	Operating expenses of SIA etc.
Gain on revaluation of derivatives	-	1	+1	
Other	40	28	- 12	9 months FYE2007: Gain on revaluation of derivatives +9
Non-Operating Expense	152	113	- 39	
Exchange loss	-	41	+41	
Loss on revaluation of derivatives	1	4	+3	
Other	121	37	- 84	9 months FYE2007: Exchange loss 77
Net	- 56	- 39	+17	
FOREX effects				
Net of gain and loss on revaluation of Derivatives	8	- 3	- 12	
Net of FOREX gain and loss	- 77	- 41	+35	
Total	- 68	- 45	+24	

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Analysis of Extraordinary Gains and Losses

(100 million yen)

	Actual Results 9 months FYE March 2007	Actual Results 9 months FYE March 2008	Changes	
Extraordinary Gains	105	45	- 60	
Gain on sale of property, plant and equipment	65	11	- 54	Increase of lands sales of affiliate company
Gain on sale of investment securities	0	14	+ 14	The stock of the Fuji Robin
Prior period adjustment	15	16	+ 1	
Gain on transfer of the substitutional portion of the employees' pension fund	24	-	- 24	Consolidated subsidiaries
Extraordinary Losses	46	47	+ 0	
Loss on sale and disposal of property, plant and equipment	33	31	- 2	Expansion of the Yajima plant
Impairment loss on property, plant and equipment	1	16	+ 15	Lands and buildings of domestic dealerships
Loss on liquidation of affiliated companies	9	-	- 9	Termination of JV
Total	59	- 1	-60	

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Consolidated Balance Sheets

(100 million yen)

	As of March 31, 2007	As of December 31, 2007	Changes
Total Assets	13,160	12,772	- 388
Current Assets	5,947	5,786	- 161
Fixed Assets	7,214	6,986	- 228
Leased Assets	599	532	- 67
Interest Bearing Debt	3,439	3,316	- 122
Net Assets	4,957	5,011	+ 54
Less treasury stock, at cost	- 405	- 405	- 0
Shareholders' Equity to Total Assets	37.5%	39.2%	+1.7%
D/E ratio	0.70	0.66	- 0.03

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<Appendix> 9 months : Capex, Depreciation and R&D

(100 million yen)

	<u>Actual Results</u> 9 months FYE March 2007	<u>Actual Results</u> 9 months FYE March 2008	Changes
Capital Expenditure	374	405	+31
Depreciation	437	478	+41
R & D expenses	373	384	+10
Interest bearing debt	3,721	3,316	- 405

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<Appendix>
3rd Quarter : Consolidated Automobile Sales

(Thousand Units)

	Actual Results 3Q FYE March 2007	Actual Results 3Q FYE March 2008	Changes
Passenger Car	16.3	15.9	- 0.4
Minicar	32.1	29.0	- 3.1
Domestic Total	48.4	44.9	- 3.5
U.S.	48.8	54.4	+5.6
Canada	2.7	5.1	+2.4
Europe	19.8	19.5	- 0.3
Australia	9.3	10.3	+1.0
Others	8.5	11.1	+2.6
Overseas Total	89.1	100.4	+11.3
Grand Total	137.5	145.3	+7.8

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

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<Appendix>
3rd Quarter : Consolidated Statements of Income

(100 million yen)

	Actual Results 3Q FYE March 2007	Actual Results 3Q FYE March 2008	Changes
Net Sales	3,601	3,965	+364
Domestic	1,313	1,237	- 76
Overseas	2,288	2,728	+441
Operating Income	176	177	+1
Ordinary Income	163	186	+22
Net Income	131	100	- 30
FHI Exchange Rate	¥118/\$	¥114/\$	- ¥4/\$

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<Appendix> 3rd Quarter : Analysis of Increase and Decrease in Operating Income Changes

(100 million yen)

If adding the amortization of negative goodwill

(181)

Amortization of negative goodwill

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Operating Income
3Q
FYE March 2007

Improvement of sales volume & mixture and others

Japan:
Improvement of sales mixture
Overseas:
Increase of sales volume

36

Reduction in cost of materials

17

FHI: 9
SIA: 8
Net of raw material cost increase

Decrease of R&D expenses

5

Increase of fixed cost
Increase of SG&A

Increase of SG&A expenses and others

-57

177

Operating Income
3Q
FYE March 2008

+0.1 billion

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Outlook for the Term Ending March 2008

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Full Year : Consolidated Operating Plan

(100 million yen)

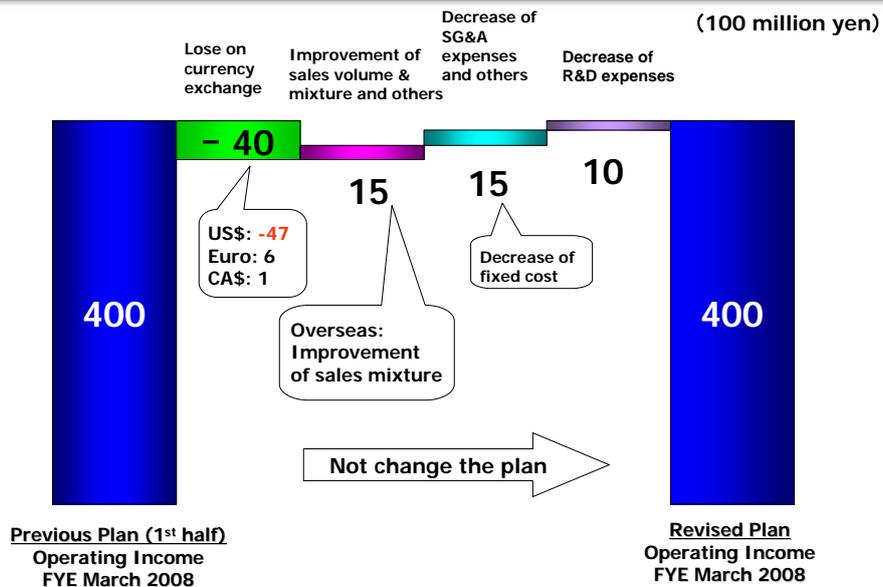
	Actual Results FYE March 2007	Plan FYE March 2008	Changes
Net Sales	14,948	15,600	+652
Domestic	5,762	5,300	- 462
Overseas	9,186	10,300	+1,114
Operating Income	479	400	- 79
Ordinary Income	422	350	- 72
Net Income	319	170	- 149
FHI Exchange Rate	¥117/\$	¥115/\$	- ¥2/\$

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Changes from Previous Plan (1st half) : Analysis of Increase and Decrease in Operating Income changes

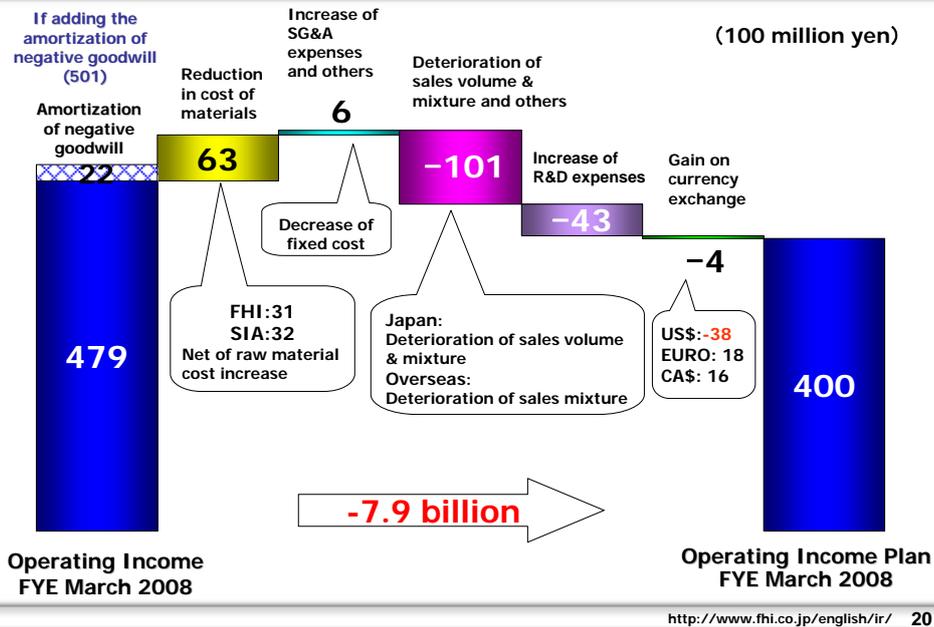
(100 million yen)



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<Appendix> Full Year : Analysis of Increase and Decrease in Operating Income Changes



Operating Plan of Subsidiaries in U.S.

(million US\$)

SOA (Jan to Dec)	Actual Results CY2006	Plan CY2007	Changes
Net Sales	\$4,408	\$4,501	+93
Operating Income/Loss	-8	+38	+46
Net Income/Loss	-5	+32	+37
Retail Sales (Thousand units)	200.0	186.1	-13.9

SIA (Jan to Dec)	Actual Results CY2006	Plan CY2007	Changes
Net Sales	\$2,258	\$2,476	+218
Operating Income	31	60	+28
Net Income	12	34	21
Subaru Production (Thousand units)	110.4	109.2	-1.2

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



**<Appendix> Full Year :
Capex, Depreciation and R&D**

(100 million yen)

	<u>Actual Results</u> FYE March 2007	<u>Plan</u> FYE March 2008	Changes
Capital Expenditure	596	600	+4
Depreciation	589	640	+51
R & D expenses	507	550	+43
Interest bearing debt	3,439	3,290	- 149

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