



SUBARU

Presentation of business results for the 3rd quarter of FYE 2010

Fuji Heavy Industries Ltd.

February 4, 2010

A Summary of Business Results



9 months : Consolidated Automobile Sales

(Thousand Units)

| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|-----------------------|---|---|-----------------------|
| Passenger Car | 50.0 | 50.1 | +0.1 |
| Minicar | 80.7 | 68.8 | -11.9 |
| Domestic Total | 130.7 | 118.9 | -11.8 |
| U.S. | 139.6 | 160.8 | +21.2 |
| Canada | 13.0 | 17.7 | +4.7 |
| Russia | 19.2 | 0.5 | -18.7 |
| Europe | 47.9 | 27.1 | -20.8 |
| Australia | 28.6 | 24.8 | -3.7 |
| China | 19.0 | 34.8 | +15.8 |
| Others | 25.1 | 12.7 | -12.4 |
| Overseas Total | 292.3 | 278.4 | -14.0 |
| Total | 423.0 | 397.3 | -25.7 |

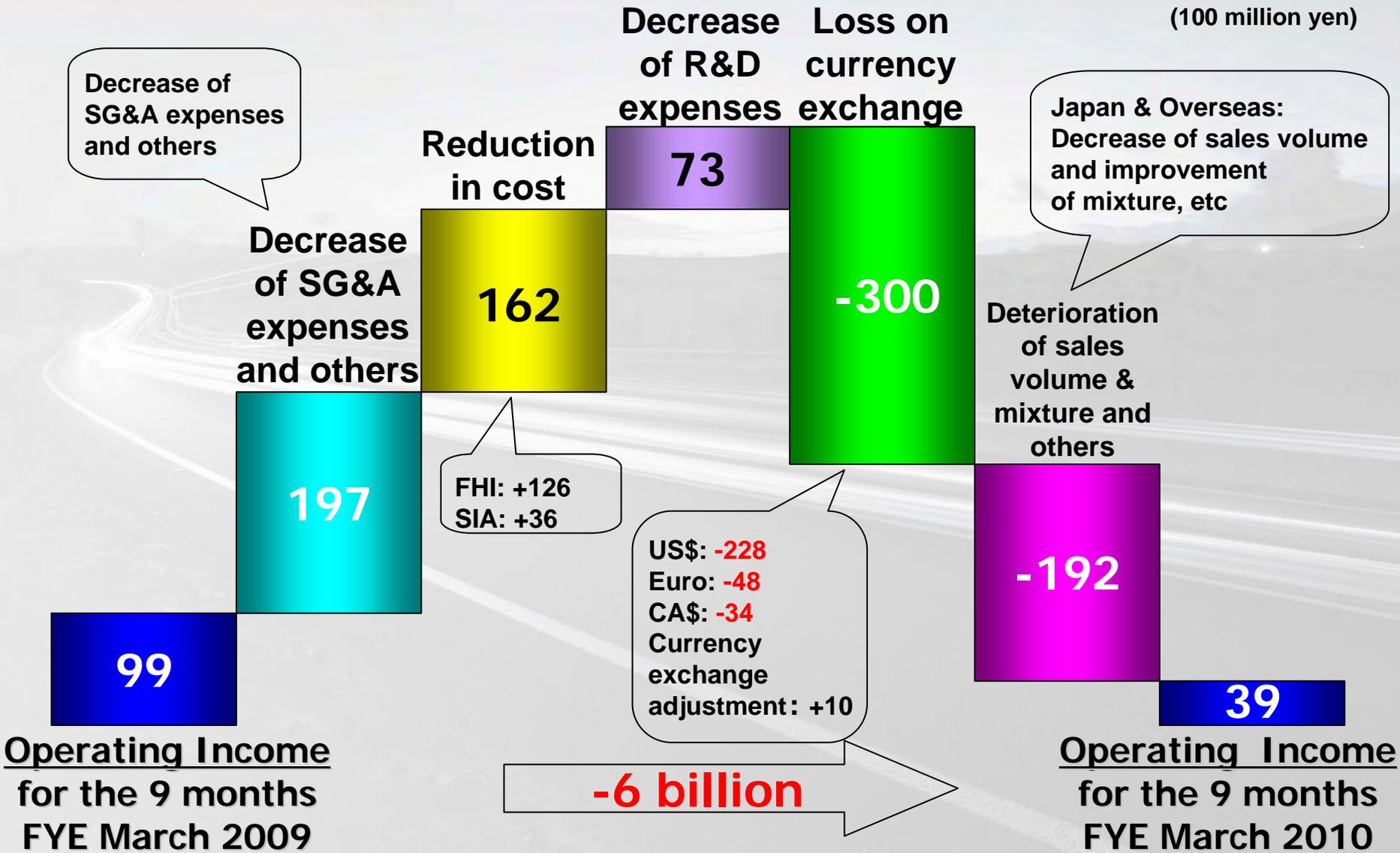
9 months : Consolidated Statements of Income

(100 million yen)

| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|-----------------------------------|---|---|-----------------------|
| Net Sales | 11,067 | 10,121 | -946 |
| Domestic | 3,681 | 3,624 | -57 |
| Overseas | 7,387 | 6,497 | -889 |
| Operating Income /Loss | 99 | 39 | -60 |
| Ordinary Income /Loss | 90 | 18 | -72 |
| Net Income/Loss | -148 | -152 | -4 |
| FHI Exchange Rate | ¥104/\$ | ¥94/\$ | -¥10/\$ |

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

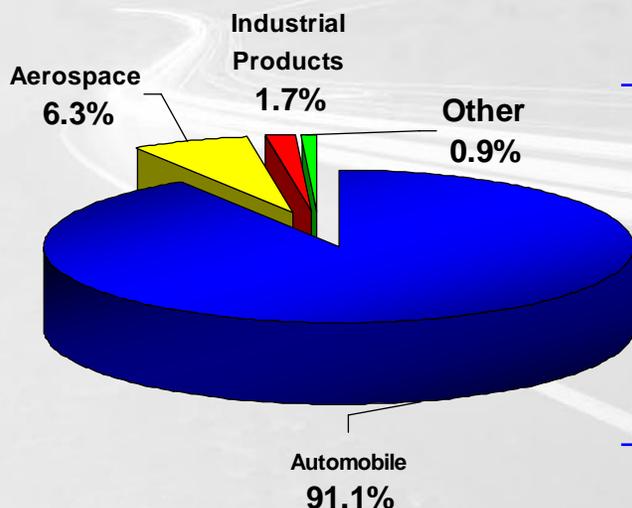
(100 million yen)



9 months : Net Sales by Business Segment (consolidated)

(100 million yen)

Percentage of Total Sales



| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|---------------------|--|--|-----------------------|
| Automobile | 10,158 | 9,218 | -940 |
| Aerospace | 530 | 637 | +107 |
| Industrial Products | 287 | 175 | -112 |
| Other | 92 | 91 | -1 |
| Total | 11,067 | 10,121 | -946 |

9 months : Operating Income by Business Segment (consolidated)

(100 million yen)

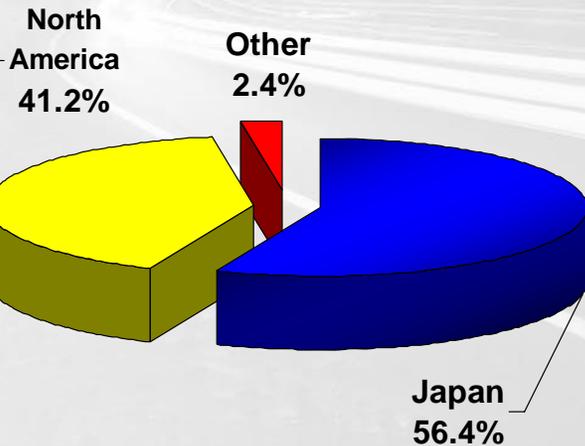
| | <u>Actual Results</u> 9months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|----------------------------------|--|---|-----------------------|
| Automobile | 84 | 13 | -71 |
| Aerospace | -12 | 21 | +33 |
| Industrial Products | -8 | -20 | -13 |
| Other | 16 | 17 | +1 |
| Elimination and Corporate | 18 | 8 | -10 |
| Total | 99 | 39 | -60 |

9 months : Net Sales by Geographic Area

(consolidated)

(100 million yen)

Percentage of Total Sales



| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|---------------|--|--|-----------------------|
| Japan | 6,507 | 5,711 | -796 |
| North America | 4,198 | 4,166 | -32 |
| Other | 362 | 244 | -118 |
| Total | 11,067 | 10,121 | -946 |

9 months : Operating Income by Geographic Area (consolidated)

(100 million yen)

| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|------------------------------|---|---|-----------------------|
| Japan | 5 | -121 | -126 |
| North America | 39 | 225 | +186 |
| Other | 14 | 2 | -13 |
| Elimination and Corporate | 40 | -67 | -107 |
| Total | 99 | 39 | -60 |



Operating Results of Subsidiaries in U.S.

(million US\$)

| SOA | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase/ Decrease |
|-------------------------------|---|---|-----------------------|
| Net Sales | \$3,255 | \$3,779 | +524 |
| Operating Income/Loss | 12 | 185 | +173 |
| Net Income/Loss | 9 | 115 | +106 |
| Retail Sales (Thousand units) | 142.9 | 174.3 | +31.4 |

| SIA | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase/ Decrease |
|------------------------------------|---|---|-----------------------|
| Net Sales | \$1,756 | \$1,478 | -278 |
| Operating Income/Loss | 23 | 39 | +16 |
| Net Income/Loss | 13 | 22 | +9 |
| Subaru Production (Thousand units) | 73.6 | 67.0 | -6.6 |

Analysis of Non-Operating Income and Expenses

(100 million yen)

| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|---|---|---|-----------------------|
| Non-Operating Income | 54 | 40 | -14 |
| Interest and dividends income | 30 | 12 | -18 |
| Equity in earnings of affiliates | 7 | 12 | +5 |
| Non-Operating Expenses | 64 | 61 | -3 |
| Interest expenses | 26 | 37 | +11 |
| Net | -9 | -21 | -11 |
| Financial Revenue and Expenditure | 4 | -25 | -29 |
| FOREX Effects | -10 | 3 | +12 |
| Net of gain and loss on valuation of derivatives | -9 | 0 | +9 |
| Net of FOREX gains and losses | -1 | 2 | +3 |

Analysis of Extraordinary Income and Loss

(100 million yen)

| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|--|---|---|-----------------------|
| Extraordinary Income | 25 | 7 | -18 |
| Extraordinary Loss | 131 | 68 | -62 |
| Loss on sales and retirement of noncurrent assets | 28 | 20 | -7 |
| Impairment loss | 10 | 32 | +22 |
| Loss on valuation of investment securities | 8 | - | -8 |
| Provision of allowance for doubtful accounts | 26 | - | -26 |
| Provision for loss on construction contracts | 29 | - | -29 |
| Loss on abandonment of inventories | - | 12 | +12 |
| Other | 31 | 5 | -26 |
| Net | -106 | -62 | +44 |

Consolidated Balance Sheets

(100 million yen)

| | As of March 31, 2009 | As of December 31, 2009 | Increase /Decrease |
|---|-------------------------|----------------------------|-----------------------|
| Total Assets | 11,654 | 12,054 | +400 |
| Current Assets | 5,860 | 6,274 | +414 |
| Noncurrent Assets | 5,794 | 5,780 | -15 |
| Interest Bearing Debts | 3,817 | 3,826 | +9 |
| Net Assets | 3,947 | 3,795 | -152 |
| Retained Earnings | 1,266 | 1,114 | -152 |
| Shareholder's Equity | 3,939 | 3,788 | -152 |
| Shareholders' Equity to Total Assets | 33.8% | 31.4% | -2.4% |
| D/E ratio | 0.97 | 1.01 | +0.04 |

9 months : Non-Consolidated Automobile Sales

<Appendix>

(Thousand Units)

| | <u>Actual Results</u> 9 months FYE March 2009 | <u>Actual Results</u> 9 months FYE March 2010 | Increase /Decrease |
|---|---|---|-----------------------|
| Domestic Production | 391.7 | 326.1 | -65.6 |
| Domestic Sales | 138.7 | 125.9 | -12.8 |
| Passenger Car | 56.2 | 55.0 | -1.1 |
| Minicar | 82.6 | 70.9 | -11.7 |
| Number of Vehicles exported | 247.2 | 201.9 | -45.3 |
| Components for Overseas Production | 66.7 | 76.3 | +9.6 |
| Total | 452.7 | 404.2 | -48.5 |



3Q : Consolidated Automobile Sales

<Appendix>

(Thousand Units)

| | | <u>Actual Results</u> 3Q FYE March 2009 | <u>Actual Results</u> 3Q FYE March 2010 | Increase /Decrease |
|-----------------------|---------------|---|---|-----------------------|
| | Passenger Car | 13.7 | 16.6 | +2.9 |
| | Minicar | 22.8 | 22.9 | +0.1 |
| Domestic Total | | 36.5 | 39.5 | +3.0 |
| | U.S. | 57.6 | 62.4 | +4.9 |
| | Canada | 4.4 | 8.0 | +3.7 |
| | Russia | 3.9 | 0.3 | -3.6 |
| | Europe | 13.4 | 11.5 | -1.8 |
| | Australia | 7.9 | 9.6 | +1.7 |
| | China | 8.9 | 17.7 | +8.8 |
| | Others | 8.1 | 5.4 | -2.7 |
| Overseas Total | | 104.1 | 115.1 | +11.0 |
| Total | | 140.6 | 154.6 | +13.9 |

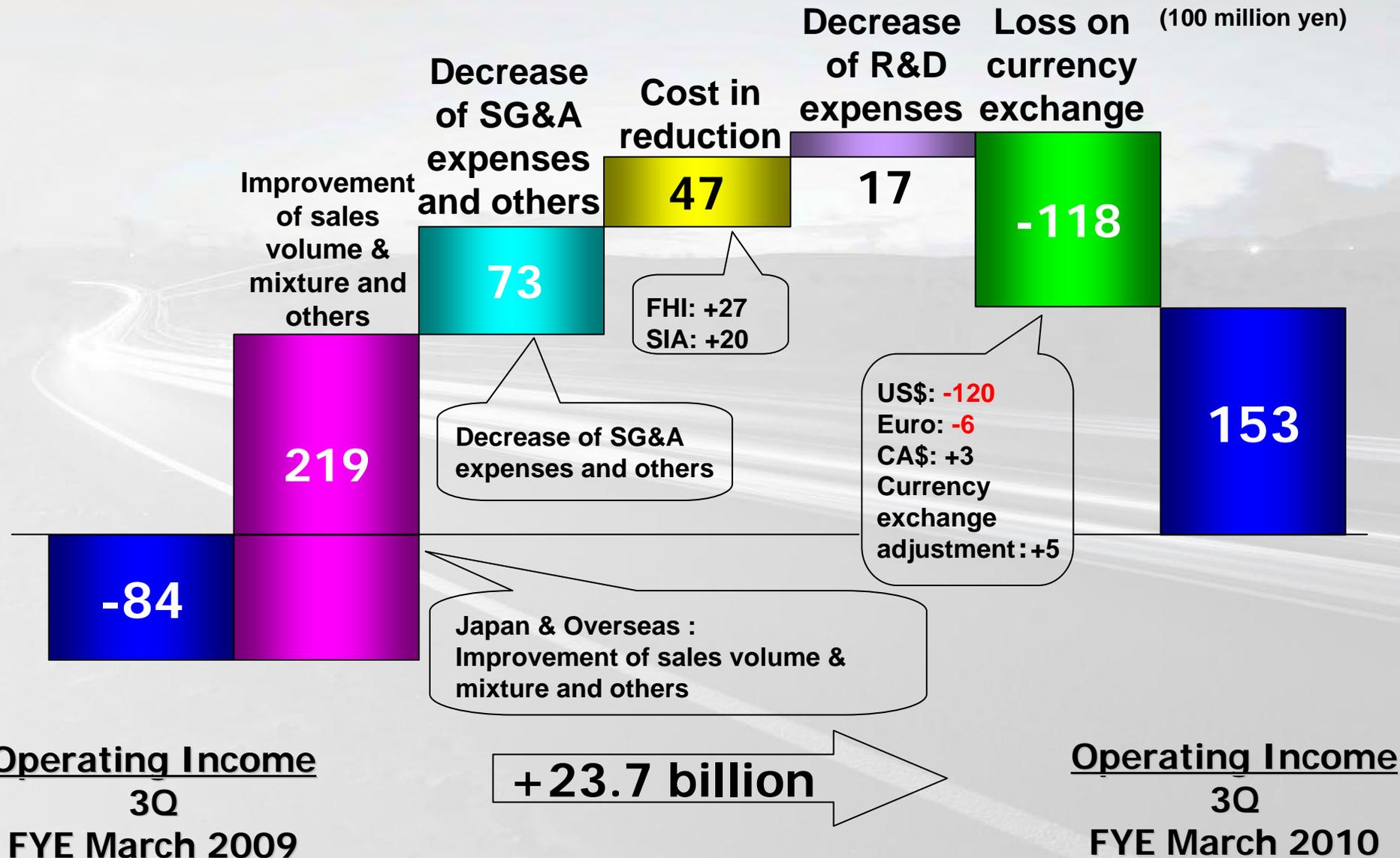
3Q : Consolidated Statements of Income

<Appendix>

(100 million yen)

| | <u>Actual Results</u> 3Q FYE March 2009 | <u>Actual Results</u> 3Q FYE March 2010 | Increase /Decrease |
|-----------------------------------|---|---|-----------------------|
| Net Sales | 3,625 | 3,765 | +140 |
| Domestic | 1,079 | 1,185 | +106 |
| Overseas | 2,546 | 2,581 | +34 |
| Operating Income /Loss | -84 | 153 | +237 |
| Ordinary Income /Loss | -92 | 136 | +228 |
| Net Income/Loss | -192 | 65 | +257 |
| FHI Exchange Rate | ¥101/\$ | ¥90/\$ | -¥11/\$ |

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



Outlook for the Term Ending March 2010



Full Year : Consolidated Automobile Sales Plan

(Thousand Units)

| | <u>Actual Results</u> FYE March 2009 | <u>Plan</u> FYE March 2010 | Increase/ Decrease |
|-----------------------|---|-------------------------------|-----------------------|
| Passenger Car | 70.1 | 74.5 | +4.4 |
| Minicar | 108.7 | 96.5 | -12.2 |
| Domestic Total | 178.8 | 171.0 | -7.8 |
| U.S. | 188.2 | 225.1 | +36.9 |
| Canada | 18.9 | 22.9 | +4.0 |
| Russia | 20.7 | 1.7 | -19.0 |
| Europe | 56.8 | 36.3 | -20.5 |
| Australia | 36.7 | 35.4 | -1.3 |
| China | 26.2 | 49.5 | +23.3 |
| Others | 29.1 | 18.1 | -11.0 |
| Overseas Total | 376.5 | 389.0 | +12.5 |
| Total | 555.3 | 560.0 | +4.7 |

Full Year : Consolidated Operating Plan

(100 million yen)

| | <u>Actual Results</u> FYE March 2009 | <u>Plan</u> FYE March 2010 | Increase/ Decrease |
|-----------------------------------|---|-------------------------------|-----------------------|
| Net Sales | 14,458 | 14,100 | -358 |
| Domestic | 5,075 | 5,200 | +125 |
| Overseas | 9,383 | 8,900 | -483 |
| Operating Income /Loss | -58 | 140 | +198 |
| Ordinary Income /Loss | -46 | 100 | +146 |
| Net Income/Loss | -699 | -250 | -449 |
| FHI Exchange Rate | ¥102/\$ | ¥93/\$ | -¥9/\$ |

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

(100 million yen)

US\$: -268
Euro: -40
CA\$: -29
Currency exchange adjustment: +33

Decrease of fixed cost & SG&A, etc

Decrease of SG&A expenses and others

38

Improvement of sales volume & mixture and others

Loss on currency exchange

-304

FHI: +203
SIA: +55

Cost in reduction

197

Decrease of R&D expenses

9

Japan : Improvement of mixture
Overseas : Improvement of sales volume & mixture and others

258

140

-58

+19.8 billion

Operating Income
FYE March 2010

Operating Income
FYE March 2009



Operating Plan of Subsidiaries in U.S.

(million US\$)

| SOA | <u>Actual Results</u> FYE March 2009 | <u>Plan</u> FYE March 2010 | Increase/ Decrease |
|------------------------------------|---|-------------------------------|-------------------------------|
| Net Sales | \$4,346 | \$5,278 | +932 |
| Operating Income | 9 | 200 | +191 |
| Net Income | 14 | 125 | +111 |
| Retail Sales (Thousand units) | 186.2 | 226.0 | +39.8 |
| SIA | <u>Actual Results</u> FYE March 2009 | <u>Plan</u> FYE March 2010 | Increase/ Decrease |
| Net Sales | \$2,175 | \$2,263 | +88 |
| Operating Income/Loss | -1 | 90 | +91 |
| Net Income | 0 | 50 | +50 |
| Subaru Production (Thousand units) | 91.6 | 104.2 | +12.6 |

Capex / Depreciation / R&D <Appendix>

(100 million yen)

| | <u>Actual Results</u> FYE March 2009 (1) | <u>Original Plan</u> FYE March 2010 (May, 2009) | <u>Previous Plan</u> FYE March 2010 (Nov, 2009) | <u>Actual Results</u> For the 3Q FYE March 2010 | <u>Revised Plan</u> FYE March 2010 (2) | Increase/ Decrease <(2)-(1)> |
|--------------------------------------|--|--|--|--|--|------------------------------------|
| Capex | 580 | 590 | 560 | 440 | 560 | -20 |
| Depreciation | 651 | 590 | 560 | 430 | 560 | -91 |
| R&D | 428 | 430 | 400 | 268 | 390 | -38 |
| Interest Bearing Debt | 3,817 | 4,000 | 3,700 | 3,826 | 3,700 | -117 |

Non-Consolidated Automobile Sales Plan

<Appendix>

(Thousand Units)

| | <u>Actual Results</u> FYE March 2009 | <u>Plan</u> FYE March 2010 | Increase/ Decrease |
|---|---|-------------------------------|-----------------------|
| Domestic Production | 474.0 | 451.2 | -22.8 |
| Domestic Sales | 186.4 | 176.2 | -10.2 |
| Passenger Car | 76.4 | 79.3 | +2.9 |
| Minicar | 110.0 | 96.9 | -13.1 |
| Number of Vehicles exported | 300.4 | 277.2 | -23.2 |
| Components for Overseas Production | 77.9 | 111.5 | +33.7 |
| Total | 564.7 | 565.0 | +0.3 |



2nd Half : Consolidated Automobile Sales Plan <Appendix>

(Thousand Units)

| | | <u>Actual Results</u> 2 nd Half FYE March 2009 | <u>Plan</u> 2 nd Half FYE March 2010 | Increase/ Decrease |
|-----------------------|---------------|---|---|-----------------------|
| | Passenger Car | 33.8 | 41.0 | +7.2 |
| | Minicar | 50.8 | 50.6 | -0.2 |
| Domestic Total | | 84.6 | 91.6 | +7.0 |
| | U.S. | 106.2 | 126.8 | +20.5 |
| | Canada | 10.3 | 13.2 | +3.0 |
| | Russia | 5.4 | 1.5 | -3.9 |
| | Europe | 22.2 | 20.8 | -1.5 |
| | Australia | 16.0 | 20.2 | +4.1 |
| | China | 16.0 | 32.5 | +16.4 |
| | Others | 12.1 | 10.9 | -1.2 |
| Overseas Total | | 188.3 | 225.7 | +37.4 |
| Total | | 272.9 | 317.3 | +44.3 |

2nd Half : Consolidated Operating Plan

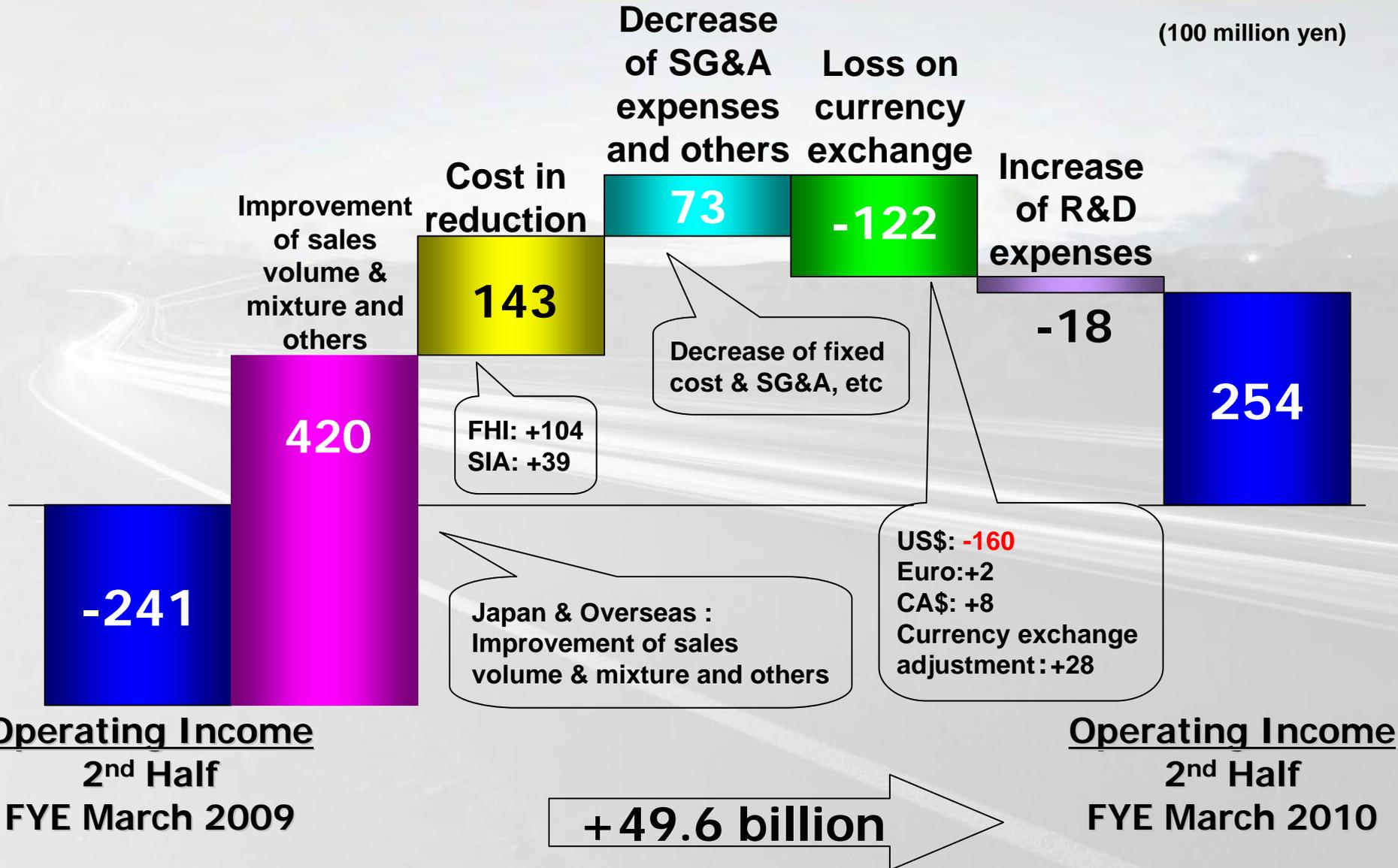
<Appendix>

(100 million yen)

| | <u>Actual Results</u> 2 nd Half FYE March 2009 | <u>Plan</u> 2 nd Half FYE March 2010 | Increase/ Decrease |
|-----------------------------------|---|---|-----------------------|
| Net Sales | 7,016 | 7,745 | +729 |
| Domestic | 2,473 | 2,761 | +288 |
| Overseas | 4,542 | 4,983 | +441 |
| Operating Income /Loss | -241 | 254 | +496 |
| Ordinary Income /Loss | -228 | 218 | +446 |
| Net Income/Loss | -743 | -33 | +711 |
| FHI Exchange Rate | ¥97/\$ | ¥90/\$ | -¥7/\$ |

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

(100 million yen)





4Q : Consolidated Automobile Sales Plan

<Appendix>

(Thousand Units)

| | | <u>Actual Results</u> 4Q FYE March 2009 | <u>Plan</u> 4Q FYE March 2010 | Increase/ Decrease |
|-----------------------|---------------|---|-------------------------------------|-----------------------|
| | Passenger Car | 20.1 | 24.4 | +4.3 |
| | Minicar | 28.0 | 27.7 | -0.3 |
| Domestic Total | | 48.1 | 52.1 | +4.0 |
| | U.S. | 48.7 | 64.3 | 15.6 |
| | Canada | 5.9 | 5.2 | -0.7 |
| | Russia | 1.5 | 1.2 | -0.4 |
| | Europe | 8.9 | 9.2 | +0.4 |
| | Australia | 8.1 | 10.6 | +2.4 |
| | China | 7.2 | 14.7 | +7.6 |
| | Others | 4.0 | 5.4 | +1.5 |
| Overseas Total | | 84.2 | 110.6 | +26.4 |
| Total | | 132.3 | 162.7 | +30.4 |

4Q : Consolidated Operating Plan

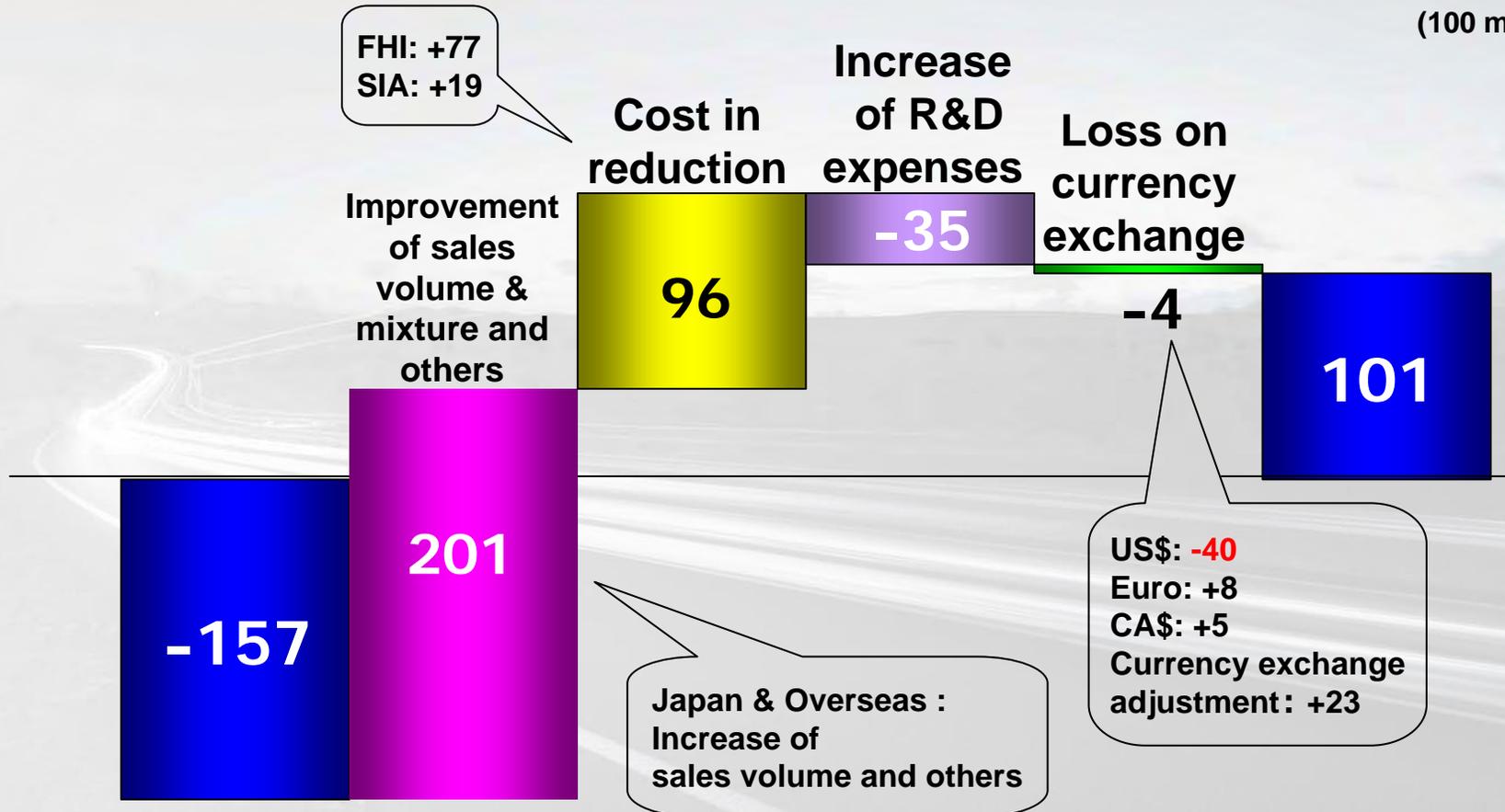
<Appendix>

(100 million yen)

| | <u>Actual Results</u> 4Q FYE March 2009 | <u>Plan</u> 4Q FYE March 2010 | Increase/ Decrease |
|-----------------------------------|---|-------------------------------------|-----------------------|
| Net Sales | 3,391 | 3,979 | +589 |
| Domestic | 1,394 | 1,576 | +182 |
| Overseas | 1,996 | 2,403 | +407 |
| Operating Income /Loss | -157 | 101 | +258 |
| Ordinary Income /Loss | -136 | 82 | +218 |
| Net Income/Loss | -551 | -98 | +453 |
| FHI Exchange Rate | ¥91/\$ | ¥90/\$ | -¥1/\$ |

4Q : Analysis of Increase and Decrease in Operating Income Changes

(100 million yen)



<Appendix> Difference from Previous Outlook



Full Year : Consolidated Automobile Sales Original Plan (May, 2009) vs. Revised Plan

(Thousand Units)

| | | <u>Original Plan</u> FYE March 2010 (May, 2009) | <u>Revised Plan</u> FYE March 2010 | Increase/ Decrease |
|-----------------------|---------------|---|---------------------------------------|-----------------------|
| | Passenger Car | 73.4 | 74.5 | +1.1 |
| | Minicar | 87.0 | 96.5 | +9.5 |
| Domestic Total | | 160.3 | 171.0 | +10.7 |
| | U.S. | 194.4 | 225.1 | +30.7 |
| | Canada | 20.5 | 22.9 | +2.4 |
| | Russia | 8.4 | 1.7 | -6.7 |
| | Europe | 47.3 | 36.3 | -11.0 |
| | Australia | 34.4 | 35.4 | +1.0 |
| | China | 22.1 | 49.5 | +27.4 |
| | Others | 20.5 | 18.1 | -2.4 |
| Overseas Total | | 347.6 | 389.0 | +41.4 |
| Total | | 507.9 | 560.0 | +52.1 |

Full Year : Consolidated Operating Plan Original Plan (May, 2009) vs. Revised Plan

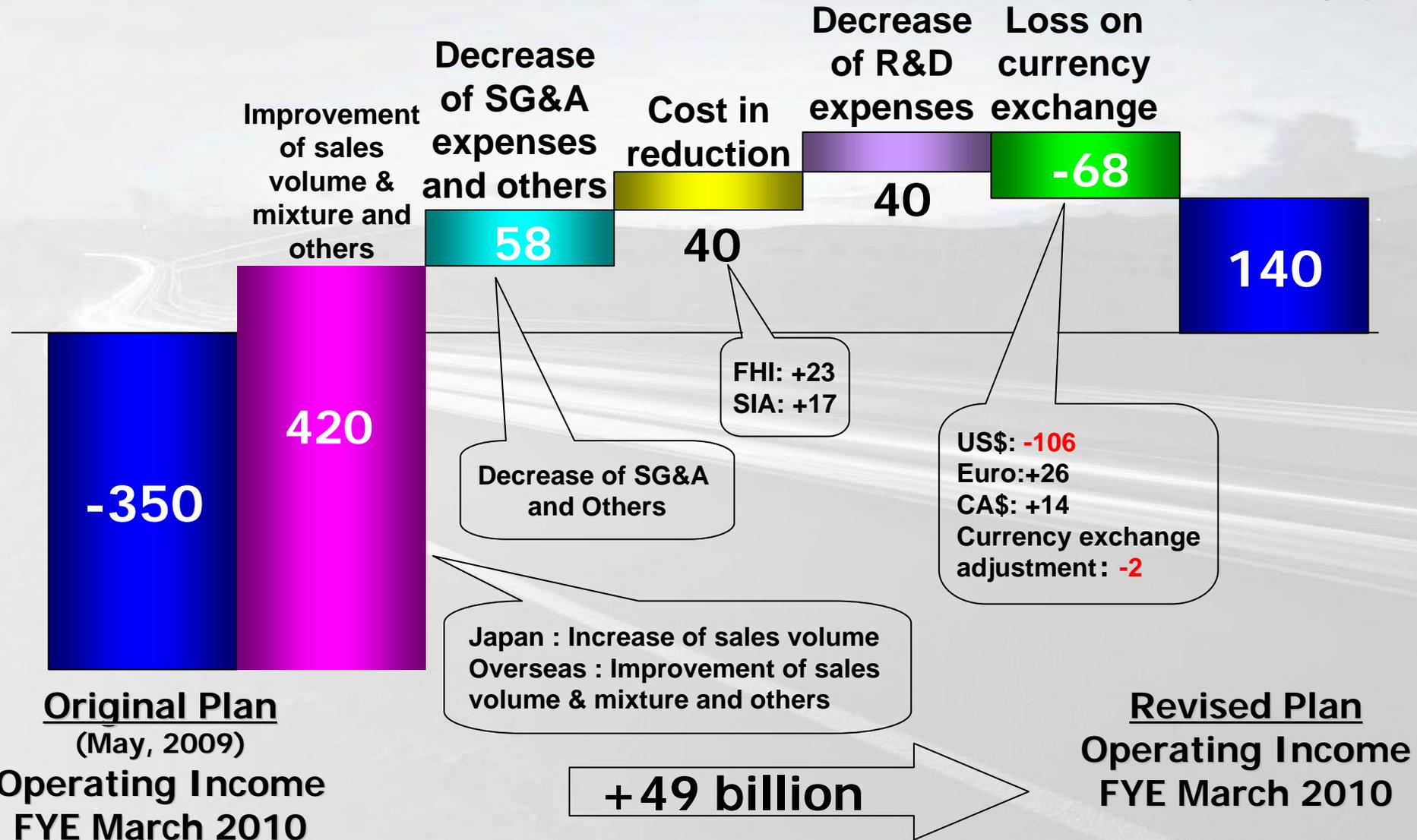
(100 million yen)

| | Original Plan FYE March 2010 (May, 2009) | Revised Plan FYE March 2010 | Increase/ Decrease |
|-----------------------------------|--|--------------------------------|-----------------------|
| Net Sales | 13,200 | 14,100 | + 900 |
| Domestic | 5,100 | 5,200 | + 100 |
| Overseas | 8,100 | 8,900 | + 800 |
| Operating Income /Loss | -350 | 140 | + 490 |
| Ordinary Income /Loss | -400 | 100 | + 500 |
| Net Income/Loss | -550 | -250 | + 300 |
| FHI Exchange Rate | ¥95/\$ | ¥93/\$ | -¥2/\$ |

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

Original Plan (May, 2009) vs. Revised Plan

(100 million yen)





Full Year : Consolidated Automobile Sales Previous Plan (Nov, 2009) vs. Revised Plan

(Thousand Units)

| | <u>Previous Plan</u> FYE March 2010 (Nov, 2009) | <u>Revised Plan</u> FYE March 2010 | Increase/ Decrease |
|-----------------------|---|---------------------------------------|-----------------------|
| Passenger Car | 71.4 | 74.5 | +3.1 |
| Minicar | 94.9 | 96.5 | +1.6 |
| Domestic Total | 166.3 | 171.0 | +4.7 |
| U.S. | 216.4 | 225.1 | +8.7 |
| Canada | 21.5 | 22.9 | +1.4 |
| Russia | 1.6 | 1.7 | +0.1 |
| Europe | 36.9 | 36.3 | -0.6 |
| Australia | 34.8 | 35.4 | +0.6 |
| China | 48.7 | 49.5 | +0.8 |
| Others | 19.2 | 18.1 | -1.1 |
| Overseas Total | 379.2 | 389.0 | +9.8 |
| Total | 545.5 | 560.0 | +14.5 |

Full Year : Consolidated Operating Plan Previous Plan (Nov, 2009) vs. Revised Plan

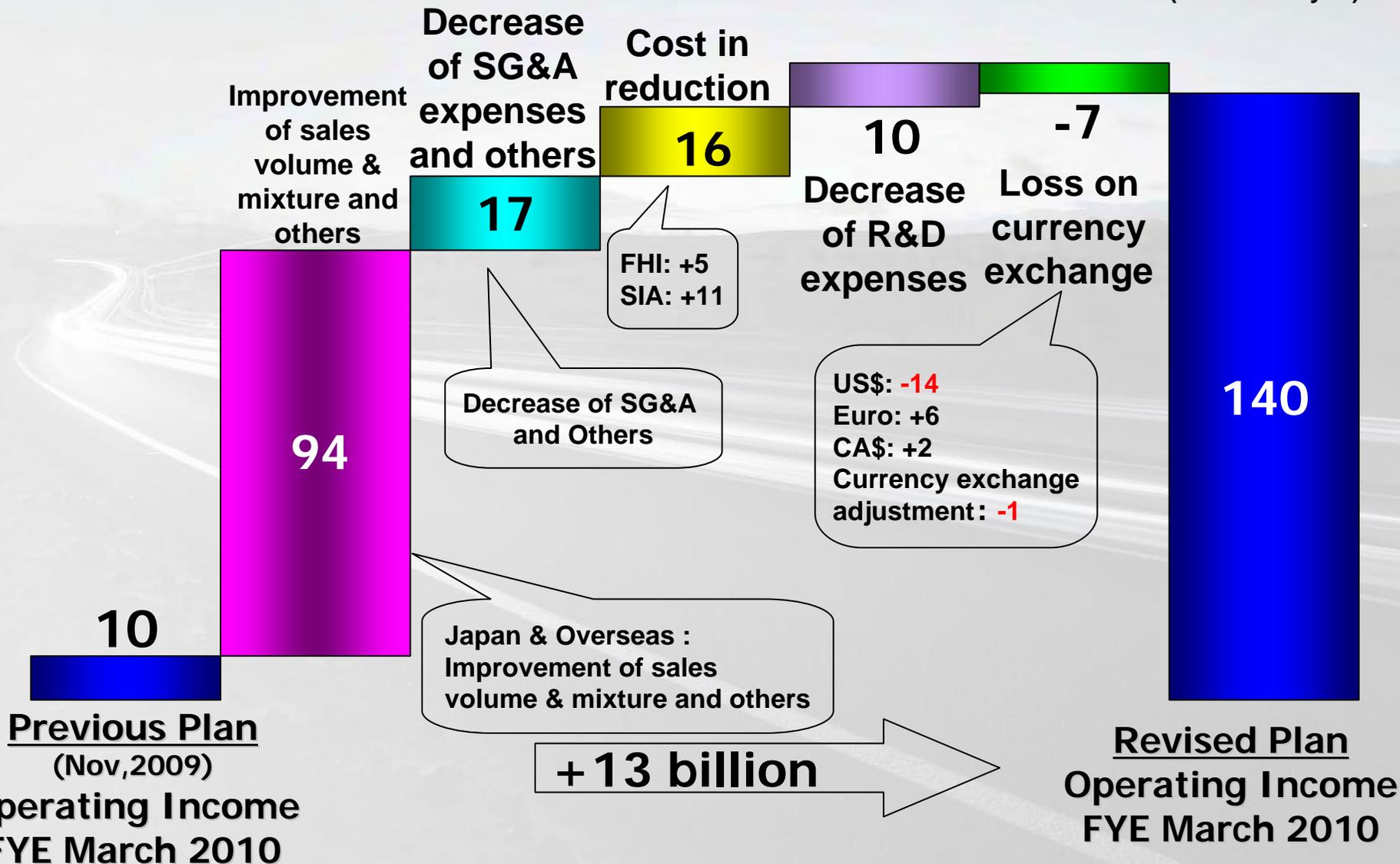
(100 million yen)

| | <u>Previous Plan</u> FYE March 2010 (Nov, 2009) | <u>Revised Plan</u> FYE March 2010 | Increase/ Decrease |
|----------------------------------|---|---------------------------------------|-----------------------|
| Net Sales | 13,600 | 14,100 | +500 |
| Domestic | 5,100 | 5,200 | +100 |
| Overseas | 8,500 | 8,900 | +400 |
| Operating Income | 10 | 140 | +130 |
| Ordinary Income /Loss | -50 | 100 | +150 |
| Net Income/Loss | -250 | -250 | 0 |
| FHI Exchange Rate | ¥92/\$ | ¥93/\$ | +¥1/\$ |



Full Year : Analysis of Increase and Decrease in Operating Income Changes Previous Plan (Nov, 2009) vs. Revised Plan

(100 million yen)





Thank you !