



Fuji Heavy Industries Ltd.

President & CEO

Mr. Ikuo Mori

January 16, 2009

CY2008 Retail Automobile Sales

	CY2007 Actual Results (unit)	CY2008 Actual Results (unit)	Changes (%)
U.S.	187,208	187,699	100.3%
Canada	16,504	19,892	120.5%
Europe (*Main 9 markets)	38,630	38,640	100.0%
Russia	15,803	22,006	139.3%
Australia	38,445	38,492	100.1%
China	9,231	19,010	205.9%
Japan	225,818	206,743	91.6%
(Passenger car)	84,828	85,050	100.3%
(Minicar)	140,990	121,693	86.3%

*Europe main 9 markets ;

Germany, Switzerland, U.K., Benelux, Italy, Greece, France, Spain, Sweden



Production Adjustments

Accelerated decline of demands in domestic and global automobile market resulting from drastic change of market conditions and exchange rates

Measures

Additional domestic production reduction

Total 40 thousand units

10 thousand units for domestic, 30 thousand units for overseas

Further domestic production reduction

Total 10 thousand units

6 thousand units for domestic, 4 thousand units for overseas

End of October

Global Production
629 thousand units/year

End of November

Global Production
589 thousand units/year

End of December

Global Production
579 thousand units/year

Measures for domestic plants

· Reduce production line speed for all production lines

· Main Plant (minicar assembly)
2 shifts 1 shift
· Implement one non-operating day in all plants

From January, reduce 800 temporary and short-term employees whose contracts were completed by the end of December 2008

From February, reduce 300 short-term employees whose contracts will be completed by the end of January 2009



Full Year: Revised Consolidated Operating Plan

(100 million yen)

	<u>Actual Results</u> FYE March 2008	<u>Previous Plan(2Q)</u> FYE March 2009 (a)	<u>Revised Plan</u> FYE March 2009 (b)	Increase/ Decrease (b-a)
Net Sales	15,723	16,000	14,400	-1,600
Domestic	5,440	5,600	5,200	-400
Overseas	10,284	10,400	9,200	-1,200
Operating Income/Loss	457	230	-90	-320
Ordinary Income/Loss	454	200	-90	-290
Net Income/Loss	185	100	-190	-290
FHI Exchange Rate	¥ 116/\$	¥103/\$	¥ 101/\$	¥ -2/\$



Full Year: Revised Consolidated Automobile Sales Plan

(thousand units)

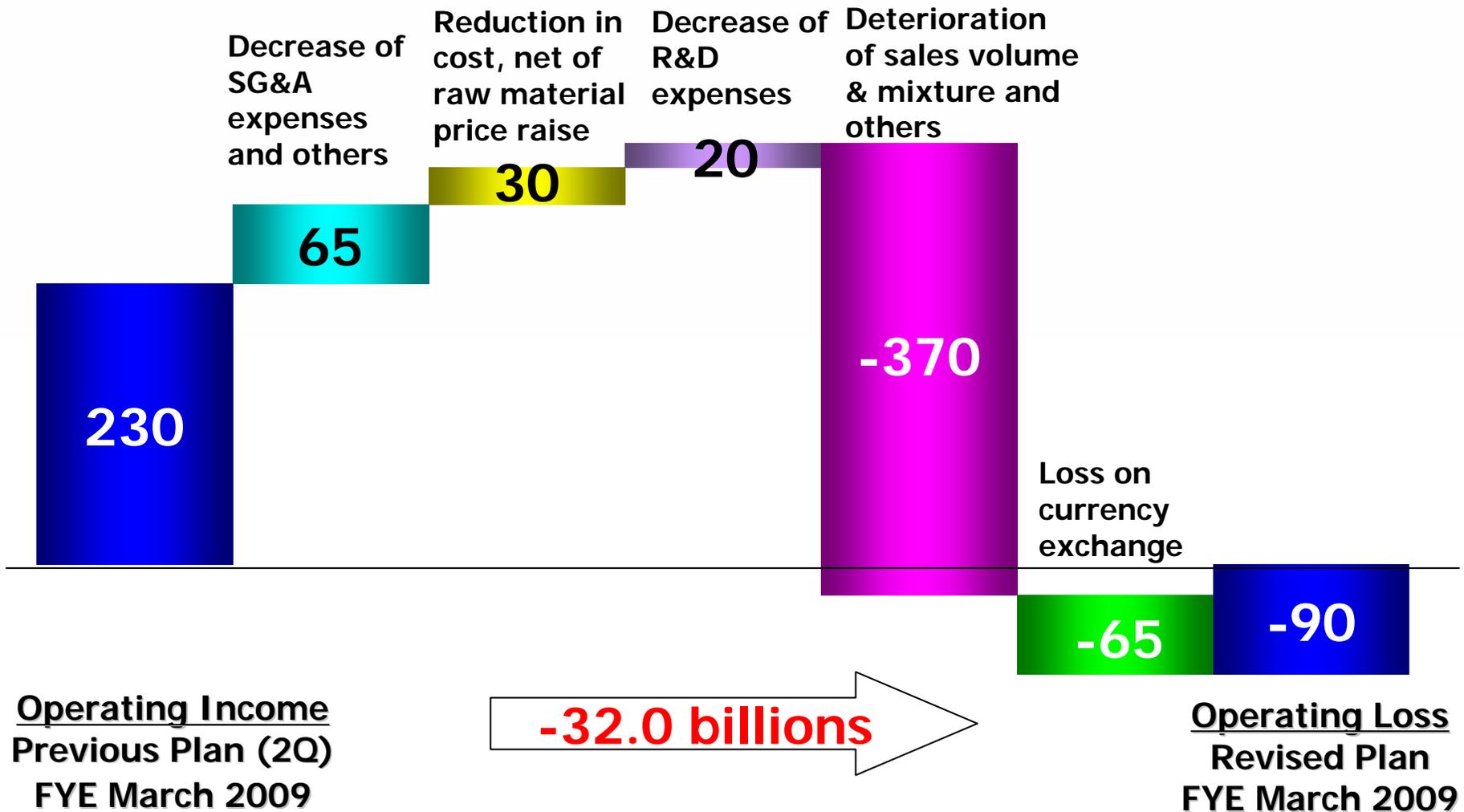
	Actual Results FYE March 2008	Previous Plan(2Q) FYE March 2009 (a)	Revised Plan FYE March 2009 (b)	Changes (b-a)
Passenger car	78.1	83.4	70.6	-12.9
Minicar	130.6	117.6	108.5	-9.2
Domestic Total	208.7	201.0	179.0	-22.0
North America	210.3	212.1	207.1	-5.0
Europe	86.0	97.1	73.4	-23.7
Australia	40.2	39.2	37.3	-1.9
Others	51.4	66.2	57.9	-8.3
Overseas Total	388.0	414.6	375.7	-38.9
Total	596.7	615.7	554.8	-60.9

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



Full Year: Analysis of Increase and Decrease in Operating Income Changes <Previous Plan (2Q) vs Revised Plan>

(100 million yen)





Measures in response to the current crisis

Promote countermeasures to save the all expenses

- Review of capital expenditures plan
 - Reexamining more than 20% reduction
- Further reduction in selling, general and administrative expenses
- Review personnel expenses and others
 - Directors of the Board will give up their bonuses
 - 10% reduction of compensation for directors, SVP and VP
 - Review of compensation for managers, etc



Business alliance with Toyota Group

Keep WIN-WIN Relationship

- Daihatsu supplies "Coo" compact car on an OEM basis
launched "DEX" on November 13, 2008 in Japan
- Daihatsu will supply minicars on an OEM basis
will start from the second half of 2009
- Toyota will provide a compact car on an OEM basis
No change
- Joint development car (Compact FR sporty car)
No change on basic plan
Upgrade environmental and driving performance
Renewal current plant instead of building a new plant
by reexamining capex plan
Update the production facilities sequentially



SUBARU Plug-in STELLA



**Start the delivery from summer 2009
more than 100 units/year
mainly in a metropolitan area in Japan**



Safety Technology



SUBARU ASV-4



Measures for future growth

- **Mid-term management plan No change of our direction**

Market presence of Subaru

Promote each theme more speedy and flexibly corresponding to current market condition

- **Start structural reconstruction in response to dramatic environmental change**

**Review Cost structure, Fixed costs,
How to reduce currency sensitivity**

**Find the opportunity among the crisis
Sales expansion in emerging markets,
Restructure or strengthen sales & distribution network, etc**



SUBARU