

Presentation of Business Results for the 3rd Quarter of FYE 2006

Fuji Heavy Industries Ltd.

February 3, 2006

A Summary of Business Results

9 months : Automobile Sales (consolidated)

(Thousand Units)

	<u>Actual Results</u> 9 months FYE March 2005	<u>Actual Results</u> 9 months FYE March 2006	Changes
Domestic (Passenger Car)	72.4	69.1	- 3.3
Domestic (Minicar)	106.7	95.1	- 11.6
Domestic Total	179.0	164.1	- 14.9
U.S.	140.2	134.5	- 5.8
Canada	12.8	11.7	- 1.1
Europe	45.1	47.4	+2.3
Australia	26.2	27.9	+1.6
Others	15.3	23.0	+7.6
Overseas Total	239.6	244.4	+4.7
SIA (Isuzu SUV)	13.2	0	- 13.2
Grand Total	431.8	408.5	- 23.3

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

9 months: Consolidated Statements of Income

(100 million yen)

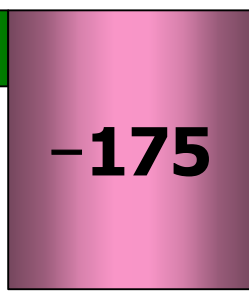
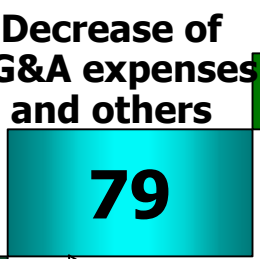
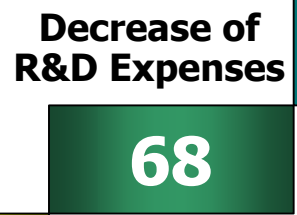
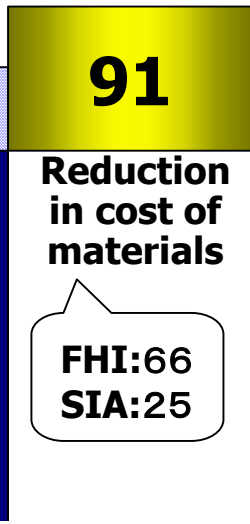
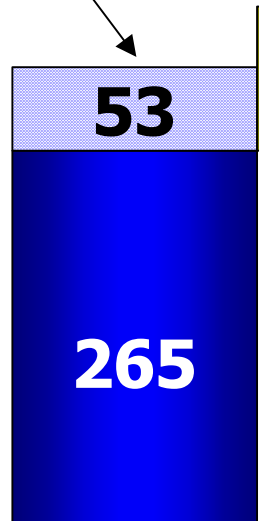
	<u>Actual Results</u> 9 months FYE March 2005	<u>Actual Results</u> 9 months FYE March 2006	Changes
Net Sales	10,504	10,395	- 109
Domestic	4,455	4,281	- 174
Overseas	6,049	6,114	+65
Operating Income	265	376	+111
Ordinary Income	286	312	+26
Net Income	207	128	- 79
FHI Exchange Rate	¥109/\$	¥111/\$	+¥1/\$

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

(100 million yen)

If adding the amount of consolidation adjustments (318)

Amortization of Consolidation Adjustments



If adding the amount of consolidation adjustments (402)

Amortization of Consolidation Adjustments



Japan: Deterioration of sales volume & mixture
Overseas: Costs for Environmental & safety regulations

+¥11.1 Billion

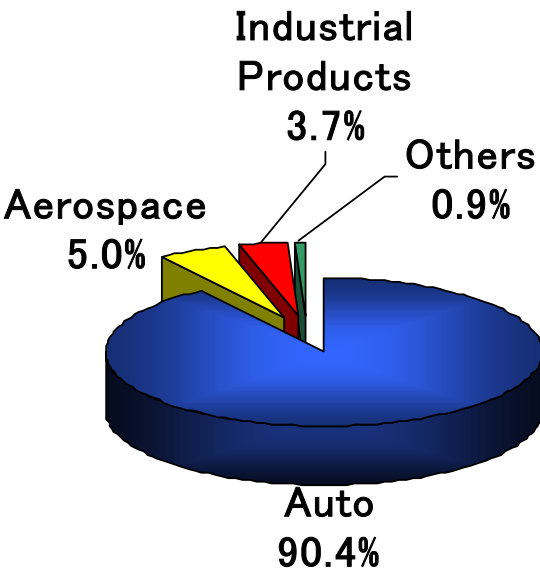
Operating income for the 9 month of FYE March 2005

Operating income for the 9 month of FYE March 2006

9 months : Net Sales by Business Segment (consolidated)

(100 million yen)

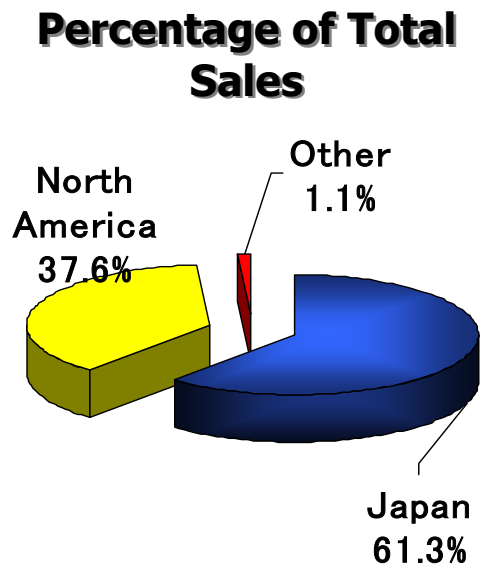
Percentage of Total Sales



	<u>Actual Results</u> 9 months FYE March 2005	<u>Actual Results</u> 9 months FYE March 2006	Changes
Automobile	9,593	9,400	- 2.0%
Aerospace	413	521	+26.2%
Industrial Products	341	380	+11.4%
Other	157	94	- 40.1%
Total	10,504	10,395	- 1.0%

9 months : Net Sales by Geographic Area (consolidated)

(100 million yen)



	<u>Actual Results</u> 9 months FYE March 2005	<u>Actual Results</u> 9 months FYE March 2006	Changes
Japan	6,414	6,369	- 0.7%
North America	3,978	3,907	- 1.8%
Other	112	119	+6.3%
Total	10,504	10,395	- 1.0%

Operating Results of Subsidiaries in U.S.

(million US\$)

SOA (Jan. to Sep.)	Actual results for the 3Q of CY 2004	Actual results for the 3Q of CY 2005	Changes
Net Sales	\$3,089	\$3,267	+178
Operating Loss	- 35	- 24	+12
Net Loss	- 19	- 11	+8
Retail Sales (Thousand units)	136.9	143.2	+6.3
SIA (Jan. to Sep.)	Actual results for the 3Q of CY 2004	Actual results for the 3Q of CY 2005	Changes
Net Sales	\$1,767	\$1,792	+24
Operating Loss	- 54	- 26	+28
Net Loss	- 73	- 161	- 88
Production (Thousand Units) (Isuzu SUV)	87.7 (13.2)	89.2 (0)	+1.4 (- 13.2)

*The extraordinary loss was offset by the consolidated adjustment account in the FYE 2005.
(U.S. Subsidiaries were consolidated on calendar year basis)

Analysis of Non-Operating Income and Expense

	Actual results 9 months FYE 2005	Actual results 9 months FYE 2006	Changes	(100 million yen)
Non-operating income	109	96	- 13	
Amortization of Consolidation Adjustments	53	26	- 27	Offset by SIA operating loss, etc.
Equity gain from affiliated companies	-	13	+13	Gain on equity method affiliates
Other	40	32	- 8	Decrease of gain on valuation of derivatives 9, etc
Non-operating expense	87	160	+72	
Loss on revaluation of derivatives	-	47	+47	FX forward
Equity loss from affiliated companies	5	-	- 5	Decrease of loss on equity method affiliates
Other	63	89	+26	Difference between transaction rates and market rates 36, etc.
Net	+22	- 64	- 85	

Analysis of extraordinary gains and losses

	Actual results 9 months FYE 2005	Actual results 9 months FYE 2006	Changes	(100 million yen)
Extraordinary gains	32	61	+29	
Gain on sales of investment securities	3	53	+50	
Other	27	2	-25	Decrease of gain 25 from the discontinuation of Isuzu SUV production
Extraordinary losses	28	171	+143	
Premium retirement benefits	-	79	+79	the Voluntary Retirement Program
Loss on termination of a joint development project	-	56	+56	Termination 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 Dec. 31, 2005	Changes
Total Assets	13,575	13,384	- 190
Current Assets	6,491	6,087	- 403
Fixed Assets	7,084	7,297	+213
Interest Bearing Debt	4,122	3,911	- 211
Shareholders' Equity	4,712	4,531	- 180
Less treasury stock	- 22	- 415	- 393
Shareholders' Equity to Total Assets	34.7%	33.9%	- 0.9%
Debt to Equity Ratio	0.87	0.86	- 0.01

3rd Quarter : Automobile Sales (consolidated)

(Thousand Units)

	<u>Actual Results</u> 3Q FYE March 2005	<u>Actual Results</u> 3Q FYE March 2006	Changes
Domestic (Passenger Car)	22.0	20.8	- 1.2
Domestic (Minicar)	33.5	29.5	- 4.0
Domestic Total	55.5	50.3	- 5.2
U.S.	53.5	53.4	- 0.1
Canada	5.5	4.5	- 1.1
Europe	14.4	16.7	+2.3
Australia	9.2	9.8	+0.6
Others	5.1	9.5	+4.4
Overseas Total	87.8	93.9	+6.1
SIA (Isuzu SUV)	1.0	0	- 1.0
Grand Total	144.2	144.2	- 0.0

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

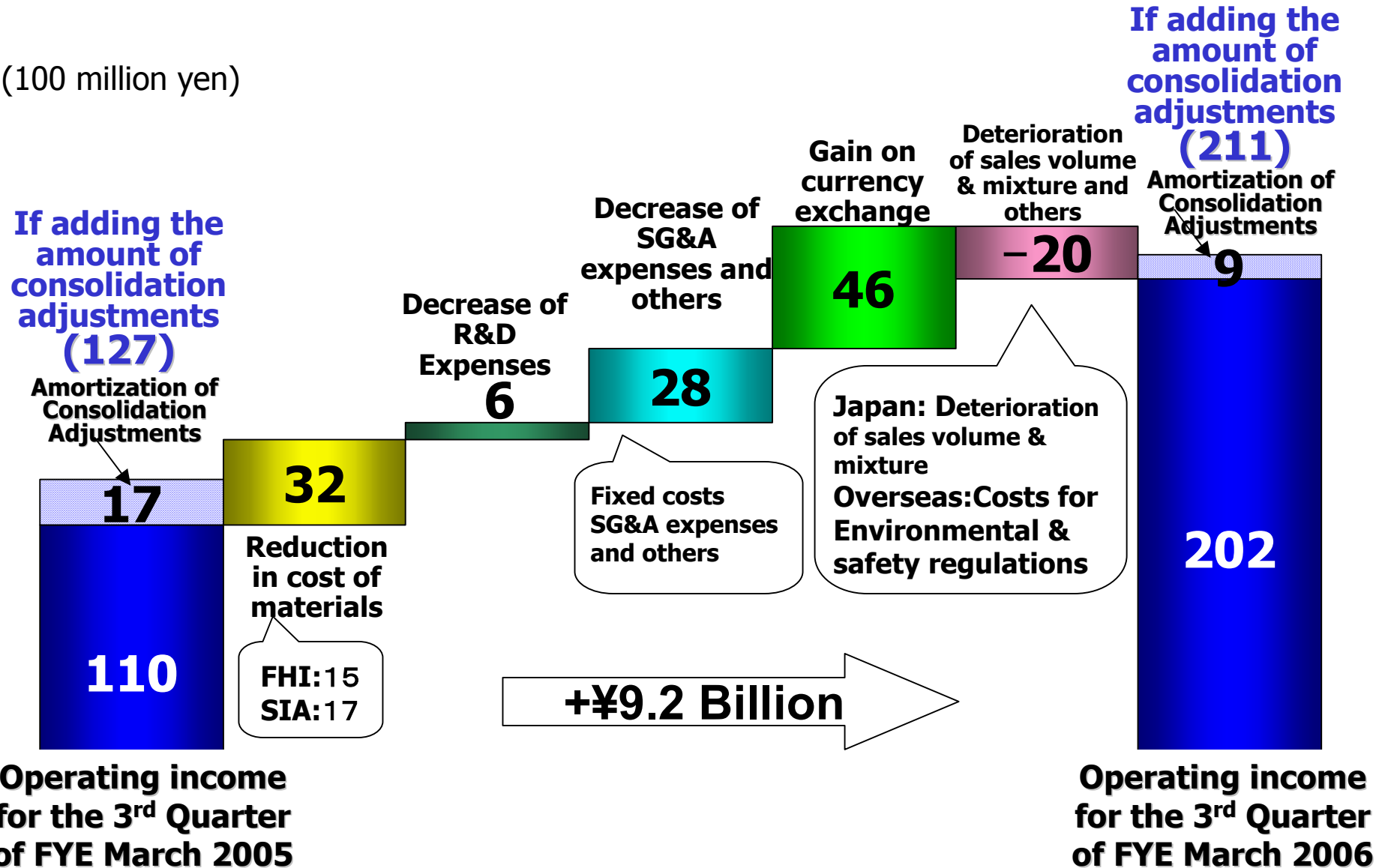
3rd Quarter: Consolidated Statements of Income

(100 million yen)

	<u>Actual Results</u> 3Q FYE March 2005	<u>Actual Results</u> 3Q FYE March 2006	Changes
Net Sales	3,596	3,724	+128
Domestic	1,404	1,326	- 78
Overseas	2,191	2,398	+207
Operating Income	110	202	+92
Ordinary Income	135	177	+42
Net Income	124	48	- 76
FHI Exchange Rate	¥108/\$	¥114/\$	+¥6/\$

3rd Quarter : Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

(100 million yen)



Outlook for the Term Ending March 2006

Full Year: Automobile Sales (consolidated)

(Thousand Units)

	<u>Actual Results</u> FYE March 2005	<u>Plan</u> FYE March 2006	Changes
Domestic (Passenger Car)	104.0	101.8	- 2.3
Domestic (Minicar)	150.0	133.2	- 16.8
Domestic Total	254.0	235.0	- 19.0
U.S.	193.9	192.8	- 1.2
Canada	16.5	16.2	- 0.3
Europe	60.5	64.1	+3.6
Australia	35.4	36.5	+1.1
Others	21.2	29.5	+8.3
Overseas Total	327.6	339.1	+11.5
SIA (Isuzu SUV)	13.2	-	- 13.2
Grand Total	594.8	574.1	- 20.7

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

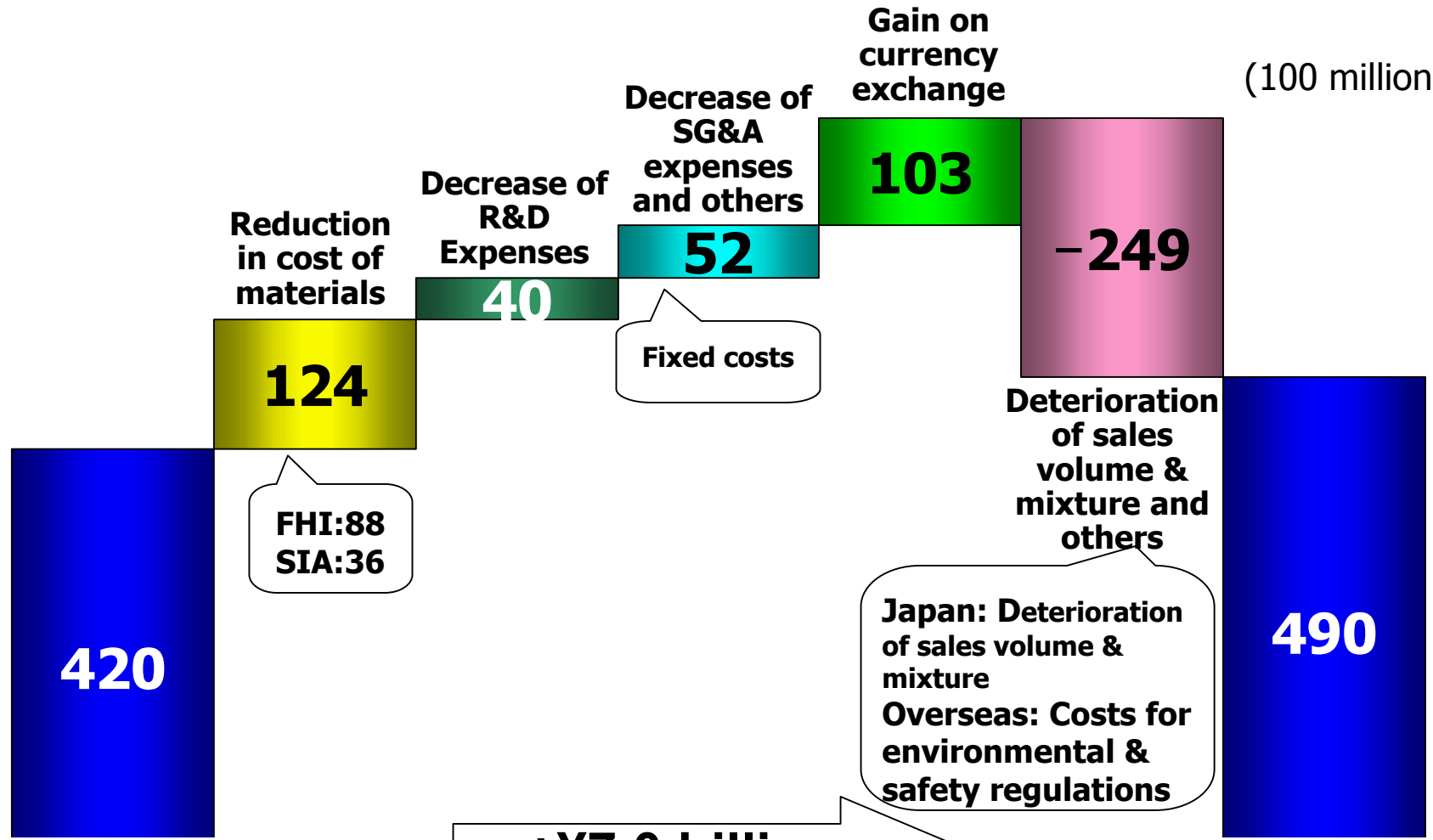
Full Year: Operating Plan (consolidated basis)

(100 million yen)

	<u>Actual Results</u> FYE March 2005	<u>Plan</u> FYE March 2006	Change
Net Sales	14,465	14,800	+335
Domestic	6,271	6,190	- 81
Overseas	8,194	8,610	+416
Operating Income	420	490	+70
Ordinary Income	436	390	- 46
Net Income	182	120	- 62
FHI Exchange Rate	¥108/\$	¥111/\$	+¥3/\$

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

(100 million yen)



FHI:88
SIA:36

+¥7.0 billion

Actual Results
Operating income of the FYE March 2005

Plan
Operating income of the FYE March 2006

Full Year: Automobile Sales (consolidated)

(Thousand Units)

	Plan as of Nov.8, 2005	<u>New Plan</u> FYE March 2006	Change
Domestic (Passenger Car)	103.2	101.8	- 1.5
Domestic (Minicar)	133.8	133.2	- 0.6
Domestic Total	237.1	235.0	- 2.1
U.S.	196.3	192.8	- 3.6
Canada	16.5	16.2	- 0.3
Europe	62.0	64.1	+2.1
Australia	35.8	36.5	+0.7
Others	25.6	29.5	+3.9
Overseas Total	336.2	339.1	+2.9
Grand Total	573.3	574.1	+0.8

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

Full Year: Operating Plan (consolidated basis)

- Compared to the plan released in November 2005-

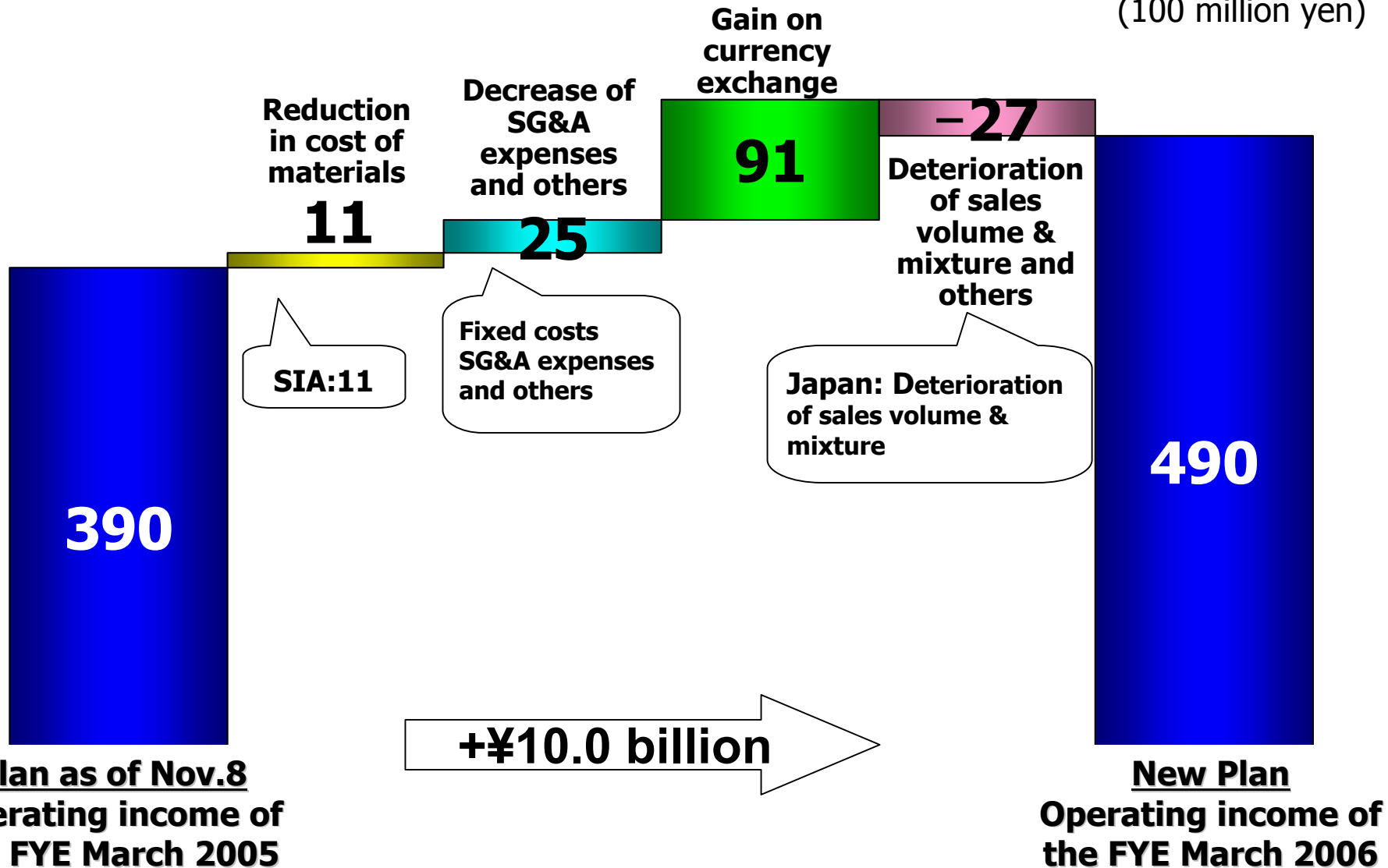
(100 million yen)

	Plan as of Nov.8, 2005	<u>New Plan</u> FYE March 2006	Changes
Net Sales	14,800	14,800	-
Domestic	6,230	6,190	- 40
Overseas	8,570	8,610	+40
Operating Income	390	490	+100
Ordinary Income	290	390	+100
Net Income	120	120	-
FHI Exchange Rate	¥108/\$	¥111/\$	+¥3/\$

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

- Compared to the plan released in November 2005-

(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	\$4,658	+301
Operating Loss	- 10	- 7	+3
Net Income	2	0	- 2
Retail Sales (Thousand units)	186.3	194.0	+7.7

SIA (Jan. to Dec.)	Actual results for the CY 2004	Plan for the CY 2005	Changes
Net Sales	\$2,427	\$2,611	+184
Operating Loss	- 57	- 31	+25
Net Loss	- 74	- 177	- 103
Production (Thousand Units) (Isuzu SUV)	118.7 (13.2)	119.0 (-)	+0.3 (-13.2)

*The extraordinary loss was offset by the consolidated adjustment account in the FYE 2005.
(U.S. Subsidiaries were consolidated on calendar year basis)



<http://www.fhi.co.jp/final/>