

Non-consolidated Financial Results for Fiscal 2006

May 9, 2006

For Immediate Release

Company Name : **Fuji Heavy Industries Ltd.**
 Name of Stock Exchanges : Tokyo Stock Exchange (First Section)
 Code No. : 7270
 Location of Head Office : Tokyo, Japan
 URL : <http://ir.fhi.co.jp/index.html>
 Representative : Mr. Kyoji Takenaka, President and CEO
 Contact for Inquiries : Mr. Shunji Yonekura, General Manager of Administration Department
 Tel: (03) 3347-2005

Date of the Board of Directors Meeting Held for Approving the Financial Results: May 9, 2006

The Scheduled Commencement Date of Dividend Payments: June 28, 2006

Date of the Regular Shareholders Meeting: June 27, 2006

Provision for Interim Dividends: Provision exists

Number of Shares in Unit Share System: 1,000 shares

1. Performance in Fiscal 2006 (from April 1, 2005 to March 31, 2006)

Note that all amounts have been rounded off to the nearest million yen.

(1) Results of Operations

(Unit: Millions of yen, except for per share figures)

	Net sales	Operating income	Ordinary income
Fiscal 2006	¥ 976,143 (2.8 %)	¥ 52,123 (47.1 %)	¥ 41,379 (32.2 %)
Fiscal 2005	¥ 949,511 (1.3 %)	¥ 35,436 (17.6 %)	¥ 31,304 (9.9 %)

	Net income	Net income per share, basic (Yen)	Net income per share, diluted (Yen)	Return on equity (%)	Ratio of ordinary income to total assets (%)	Ratio of ordinary income to net sales (%)
Fiscal 2006	¥ 10,274 310.5 %	¥ 13.60	¥ 13.60	2.1 %	4.5 %	4.2 %
Fiscal 2005	¥ 2,503 (-86.8 %)	¥ 3.14	¥ 3.14	0.5 %	3.3 %	3.3 %

- Notes: 1. Average number of shares : Fiscal 2006 : 750,628,190 shares
 outstanding during the year : Fiscal 2005 : 779,291,864 shares
 2. Accounting change : See "Change of Accounting Policy" section
 3. Percentage figures in the net sales, operating income, ordinary income and net income columns represent changes from prior fiscal year

(2) Dividends

(Unit: Yen, except for per year figures)

	Cash dividends per share			Cash dividends per year (Millions of yen)	Dividend payout ratio (%)	Cash dividends per year to Shareholders' equity (%)
	Semi-annual	Year-end				
Fiscal 2006	¥ 9.00	¥ 4.50	¥ 4.50	¥ 6,734	66.2%	1.4 %
Fiscal 2005	¥ 9.00	¥ 4.50	¥ 4.50	¥ 7,016	286.6%	1.4 %

(3) Financial Position

(Unit: Millions of yen, except for per share figures)

	Total assets	Shareholders' equity	Shareholders' Equity to total assets (%)	Shareholders' equity per share (Yen)
Fiscal 2006	¥ 905,010	¥ 474,631	52.4 %	¥ 661.91
Fiscal 2005	¥ 938,003	¥ 507,091	54.1 %	¥ 650.46

Notes: 1. Number of shares outstanding at : Fiscal 2006 : 716,968,667 shares
end of the year : Fiscal 2005 : 779,503,962 shares

2. Number of treasury stock at end : Fiscal 2006 : 65,897,206 shares
of the year : Fiscal 2005 : 3,361,911 shares

2. Projections for Fiscal 2007 (from April 1, 2006 to March 31, 2007)

(Unit: Millions of yen, except for per share figures)

	Net sales	Ordinary income	Net income	Fiscal 2007 cash dividends per share		
				Semi-annual	Year-end	
Half year	¥ 480,000	¥ 13,000	¥ 6,000	4.50	-	-
Full year	¥ 990,000	¥ 31,000	¥ 14,000	-	4.50	9.00

Reference: Projected net income per share (full year): ¥ 19.53

The above projections are made based on available information and assumptions as of May 9, 2006, and are subject to the uncertainties of future operations. Therefore, actual results could differ materially from those anticipated. The assumptions used for the above projections are stated on page 8.

Non-consociated Balance Sheets

(Unit: Millions of yen)

	Fiscal 2006 (as of March 31, 2006)	Fiscal 2005 (as of March 31, 2005)	Changes Increase/(Decrease)
ASSETS			
Current assets	364,049	380,755	(16,706)
Cash and time deposits	37,789	17,193	20,596
Notes receivable, trade	1,859	2,048	(189)
Accounts receivable, trade	113,763	122,119	(8,356)
Marketable securities	2	54,556	(54,554)
Finished products	24,847	27,585	(2,738)
Raw materials	8,827	6,668	2,159
Work in process	69,819	49,783	20,036
Supplies	1,228	1,294	(66)
Advances paid	9,912	23,335	(13,423)
Prepaid expenses	2,641	1,812	829
Deferred tax assets	17,633	17,254	379
Accounts receivable, other	19,686	20,891	(1,205)
Short-term loans	54,995	34,977	20,018
Other	1,987	1,282	705
Allowance for doubtful accounts	(939)	(42)	(897)
Fixed assets	540,961	557,248	(16,287)
Property, plant and equipment, net	234,053	237,626	(3,573)
Buildings	52,132	51,644	488
Structures	6,905	6,778	127
Machinery and equipment	72,917	81,811	(8,894)
Aircrafts	14	71	(57)
Vehicles	1,261	1,325	(64)
Tools	12,538	10,010	2,528
Land	82,274	82,209	65
Construction in progress	6,012	3,778	2,234
Intangible assets	16,065	22,797	(6,732)
Industrial rights	118	110	8
Software	14,243	17,567	(3,324)
Other	1,704	5,120	(3,416)
Investments and other assets	290,843	296,825	(5,982)
Investment securities	52,852	53,401	(549)
Investments in subsidiaries and affiliated companies	142,662	146,728	(4,066)
Investment securities, other than stock	27	27	0
Investments in subsidiaries and affiliated companies, other than stock	453	453	-
Long-term loans	67,004	66,478	526
Long-term prepaid expenses	2,382	2,825	(443)
Deferred tax assets	24,621	29,073	(4,452)
Other	7,635	8,089	(454)
Allowance for devaluation of investments	(744)	(4,597)	3,853
Allowance for doubtful accounts	(6,049)	(5,652)	(397)
Total assets	905,010	938,003	(32,993)

(Unit: Millions of yen)

	Fiscal 2006 (as of March 31, 2006)	Fiscal 2005 (as of March 31, 2005)	Changes Increase/(Decrease)
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	289,452	280,405	9,047
Notes payable, trade	3,804	3,439	365
Accounts payable, trade	172,129	167,674	4,455
Short-term borrowings	12,140	16,040	(3,900)
Current portion of long-term debts	11	3,715	(3,704)
Current portion of bonds	20,000	10,000	10,000
Accounts payable, other	10,523	17,551	(7,028)
Accrued expenses	34,356	34,204	152
Accrued income taxes	5,677	-	5,677
Advance received	5,378	4,758	620
Deposits received	1,248	1,202	46
Income in advance	172	165	7
Accrued bonus	10,060	9,798	262
Accrued warranty claims	7,063	8,140	(1,077)
Notes payable for acquisition of fixed assets	1,428	718	710
Other	5,463	3,001	2,462
Long-term liabilities	140,927	150,507	(9,580)
Bonds	80,000	100,000	(20,000)
Long-term debts	24,741	10,565	14,176
Long-term accounts payable, other	2,148	515	1,633
Long-term deposits received	1,394	1,466	(72)
Accrued pension and severance liability	31,308	37,781	(6,473)
Accrued directors' severance and retirement benefits	170	179	(9)
Accrued losses on guarantees	1,163	-	1,163
Other	3	1	2
Total liabilities	430,379	430,912	(533)
Shareholders' equity			
Common stock	153,795	153,795	-
Capital surplus	160,071	160,071	-
Capital reserve	160,071	160,071	-
Retained earnings	182,364	179,168	3,196
Legal reserve	7,901	7,901	-
Advanced depreciation reserve	687	687	-
General reserve	85,335	85,335	-
Unappropriated retained earnings	88,441	85,245	3,196
Net unrealized holding gains on securities	19,920	16,262	3,658
Less treasury stock, at cost	(41,519)	(2,205)	(39,314)
Total shareholders' equity	474,631	507,091	(32,460)
Total liabilities and shareholders' equity	905,010	938,003	(32,993)

Non-consolidated Statements of Income

(Unit: Millions of yen)

	Fiscal 2006 (ended March 31, 2006)		Fiscal 2005 (ended March 31, 2005)		Changes Increase/(Decrease)
	Amount	Ratio of total (%)	Amount	Ratio of total (%)	Amount
Net sales	976,143	100.0	949,511	100.0	26,632
Cost of sales	778,248	79.7	761,093	80.2	17,155
Gross profit	197,895	20.3	188,418	19.8	9,477
Selling, general and administrative expenses	145,772	15.0	152,982	16.1	(7,210)
Operating income	52,123	5.3	35,436	3.7	16,687
Non-operating income	7,863	0.8	7,740	0.8	123
Interest and dividends income	2,664		2,270		394
Other	5,199		5,470		(271)
Non-operating expenses	18,607	1.9	11,872	1.2	6,735
Interest expenses	1,454		1,610		(156)
Loss on revaluation of derivatives	2,983		3,132		(149)
Other	14,170		7,130		7,040
Ordinary income	41,379	4.2	31,304	3.3	10,075
Extraordinary gains	5,786	0.6	957	0.1	4,829
Gain on sale of fixed assets	534		485		49
Gain on sale of investment securities	5,243		220		5,023
Reversal of allowance for doubtful accounts	9		2		7
Reversal of allowance for devaluation of investments	0		250		(250)
Extraordinary losses	28,004	2.8	29,540	3.1	(1,536)
Loss on sale and disposal of fixed assets	1,881		2,248		(367)
Loss on sale of investment securities	2,216		4		2,212
Loss on devaluation of securities	6,608		10,425		(3,817)
Impairment loss on fixed assets	329		-		329
Allowance for losses on guarantees	1,163		-		1,163
Allowance for devaluation of investments	744		4,567		(3,823)
Additional retirement payments	7,969		-		7,969
Loss on termination of development projects	7,094		-		7,094
Loss on devaluation of inventories	-		8,122		(8,122)
Loss on compensation to suppliers	-		4,174		(4,174)
Income before income taxes	19,161	2.0	2,721	0.3	16,440
Income taxes-current	7,303	0.7	3,062	0.3	4,241
Income taxes-deferred	1,584	0.2	(2,844)	(0.3)	4,428
Net income	10,274	1.1	2,503	0.3	7,771
Unappropriated retained earnings brought forward	81,683		86,365		(4,682)
Loss on disposal of treasury stock	8		115		(107)
Interim dividends	3,508		3,508		0
Unappropriated retained earnings at end of the year	88,441		85,245		3,196

Proposed Appropriation of Retained Earnings

(Unit: Millions of yen)

	Fiscal 2006 (ended March 31, 2006)	Fiscal 2005 (ended March 31, 2005)	Changes Increase/(Decrease)
Unappropriated retained earnings at end of the year	88,441	85,245	3,196
Total	88,441	85,245	3,196
Planned appropriations:			
Dividends to shareholders	3,226	3,507	(281)
Directors' bonuses [Statutory auditors]	66 [10]	55 [7]	11 [3]
Retained earnings to be carried forward	85,149	81,683	3,466

Note: Cash dividend per share is 9 yen for fiscal 2006, which includes interim dividend of 4.5 yen.

Summery of Significant Accounting Policies

1. Method and Basis for Valuation of Marketable Securities and Investment Securities

- (1) Held-to-maturity debt securities: The amortized interest cost method (the straight-line method)
- (2) Investments in subsidiaries and affiliated companies: Stated at cost determined by the moving-average method.
- (3) Other securities:
 1. Securities for which fair market value is available: Stated at fair value as of the balance sheet date with unrealized holding gains and losses included as a component of shareholders' equity until realized. Realized gains and losses on sale of securities are computed using the moving-average method.
 2. Securities for which fair market value is not available: Stated at cost as determined by the moving-average method, after devaluation for any permanent impairment.

2. Method and Basis for Valuation of Derivative Instruments

Derivative financial instruments are stated at fair values.

3. Method and Basis for Valuation of Inventories

- (1) Finished products: Stated at cost determined by the moving-average method (the first-in, first-out method is used for certain items).
- (2) Raw materials, work in process and supplies: Stated at cost determined by the first-in, first-out method (the moving-average method is used for certain items).

4. Depreciation/Amortization Method of Fixed Assets

(1) Property, plant and equipment:

Depreciation of the property, plant and equipment is computed by the declining-balance method, except for the buildings (excluding building improvements) acquired on or after April 1, 1998, for which the straight-line method is applied.

Estimated useful lives for depreciable assets are as follows:

Building and structures:	8 ~ 50 years
Machinery, equipment and vehicles:	4 ~ 12 years

(2) Intangible assets:

Intangible assets are amortized by the straight-line method. Computer software used internally by the Company is amortized by the straight-line method over the relevant economic useful lives (3 or 5 years).

5. Method for Valuation of Deferred Assets

Bond issuing costs are expensed as incurred.

6. Basis for Significant Accruals and Reserves

(1) Allowance for doubtful accounts:

Allowance for doubtful accounts is provided based on the amount calculated at the actual ratio of bad debt for ordinary receivables, and an amount required for uncollectible account for specific doubtful receivables.

(2) Allowance for devaluation of investments:

Allowance for devaluation of investments is provided for losses from decrease in the value of investment securities for which fair value is not available and investments in subsidiaries and affiliated companies based on the evaluation of the investees' financial conditions, such as net assets and the probability of recovering the value.

(3) Accrued bonus:

Accrued bonus is recorded based on the estimated future payments pro-rated for employee services received during the fiscal year.

(4) Accrued warranty claims:

The Company provides for accrued warranty claims on products sold based on its past experiences of warranty services and estimated future warranty costs.

(5) Accrued pension and severance liability:

Accrued pension and severance liability for employees is provided based on the estimated amounts of projected pension and severance obligation and fair value of plan assets at end of the fiscal year. Prior service cost is being amortized as incurred by the straight-line method over the periods (18 years), which is shorter than the average remaining service periods of the eligible employees. Actuarial gains and losses is amortized from the following fiscal year by the straight-line method over the periods (18 years), which are shorter than the average remaining service periods of the eligible employees.

(6) Accrued directors' severance and retirement benefits:

Directors and statutory auditors of the Company are entitled to receive lump-sum payments at the time of severance or retirement, subject to the approval of the shareholders. The liabilities for such benefits are determined based on the Company's internal rules. This is the allowance based on Article 43 of the Japanese Commercial Code Enforcement Regulation.

(7) Allowance for losses on guarantees

Allowance for losses on guarantees is provided in the amount sufficient to cover potential losses from guarantees based on the assessment of the financial conditions of the parties to which guarantees are provided. This is the allowance based on Article 43 of the Japanese Commercial Code Enforcement Regulation.

7. Basis for translation of foreign currency accounts

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at each balance sheet date with the resulting gain or loss included in the accompanying statements of income.

8. Revenue recognition

Revenues of the Aerospace Division's production contracts with the production term exceeding one year and the amount exceeding ¥ 5,000 million are recognized by the percentage-of-completion method.

9. Accounting for Leases

Finance leases which do not transfer ownership of leased assets to lessees are accounted for as operating leases.

10. Accounting for hedging activities

(1) Method of hedge accounting:

Principally, the deferred hedge accounting method is applied.

For interest rate swap contracts used as hedges and which meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract is executed.

(2) Derivative financial instruments qualifying as a hedge, along with the related transactions, assets and liabilities are as follows:

<u>Financial instrument</u>	<u>Transactions, assets and liabilities</u>
Interest swaps	Borrowings

(3) Hedge policy:

The risk exposures to movements in interest rates are hedged according to the Company's and consolidated subsidiaries' risk management policy.

(4) Method for evaluating hedge effectiveness:

Evaluation of hedge effectiveness is not considered necessary as the terms and notional amounts of these hedge instruments are the same as those of the related transactions, assets and liabilities, and therefore they are assumed to be highly effective in offsetting movements in interest rates at their inception as well as during their term.

11. Other Matters Concerned with Basis for Presentation of the Financial Statements

(1) Accounting for consumption taxes

Consumption taxes are excluded from the related transaction amounts and are accounted for separately.

(2) Treatment of fractional figure

All amounts have been rounded off to the nearest million yen.

Change of Accounting Policy

Accounting standard of impairment loss on fixed assets

From the fiscal year ended March 31, 2006, the Company adopted the new accounting standard for impairment of fixed assets ("Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets" issued by the Business Accounting Deliberation Council on August 9, 2002) and the implementation guidance for the accounting standard for impairment of fixed assets (the Financial Accounting Standard Implementation Guidance No. 6 issued by the Accounting Standards Board of Japan on October 31, 2003).

As a result of this change, "Income before income taxes" decreased by ¥329 million.

An accumulated impairment loss is recorded as direct deduction in the book value of respective assets.

Notes to Non-consolidated Financial Statements

(Balance Sheet)

1. Accumulated depreciation for property, plant and equipment

(Unit: Millions of yen)

Fiscal 2006	Fiscal 2005
¥ 459,276	¥ 444,359

2. Pledged assets

(Unit: Millions of yen)

	Fiscal 2006	Fiscal 2005
Buildings and structures	¥ 10,775	¥ 16,511
	¥ [10,775]	¥ [16,511]
Machinery and equipment	15,970	21,981
	[15,970]	[21,981]
Land	1,014	1,196
	[1,014]	[1,196]
Total	¥ 27,759	¥ 39,688
	¥ [27,759]	¥ [39,688]

Note: The above amounts in parentheses represent a mortgage of the factory foundation.

3. Balance with affiliated companies is as follows:

(Unit: Millions of yen)

	Fiscal 2006	Fiscal 2005
Notes and accounts receivable, trade	¥ 64,493	¥ 77,369
Short-term loans	¥ 54,995	¥ 34,977
Long-term loans	¥ 63,336	¥ 64,168
Other assets – total	¥ 11,022	¥ 10,298
Notes and accounts payable, trade	¥ 21,623	¥ 20,781
Accrued expenses	¥ 16,388	¥ 10,745
Other liabilities – total	¥ 1,033	¥ 3,827

4. Number of issuing shares is as follows:

	Fiscal 2006	Fiscal 2005
Number of shares authorized (Common Stock)	1,500,000,000 shares	1,500,000,000 shares
Number of shares issued at end of the year (Common Stock)	782,865,873 shares	782,865,873 shares

(Statement of Income)

1. Research and development costs

(Unit: Millions of yen)

	Fiscal 2006	Fiscal 2005
	¥ 46,683	¥ 52,854

2. Transaction with affiliated companies is as follow:

(Unit: Millions of yen)

	Fiscal 2006	Fiscal 2005
Net sales	¥ 565,262	¥ 571,661
Non-operating income (lease payments)	¥ 2,386	¥ 2,112
Non-operating income (miscellaneous revenue)	¥ 2,963	¥ 1,695

3. Contents of extraordinary gains and losses

Fiscal 2006

“Loss on termination of development projects”, which is a part of “Extraordinary losses” consisted of the following two components:

1. A joint development project for new model vehicles

In light of the termination of the Strategic Alliance between the Company and General Motors (GM), the Company and GM agreed to terminate the joint development project for cross over vehicles with SAAB Automobile AB. As a result, the Company has recorded an extraordinary loss of ¥ 3,633 million on the joint project costs already incurred. As the Company has since identified certain project assets to be used for another model development, the loss has been reduced by ¥ 1,980 million compared to the amount recorded in the consolidated financial statements for the semi-annual period of 2006.

2. New software system development project

The Company started to develop a software operating system which was expected to support its business processes from order entry to delivery. However, the Company has concluded that the new system would not be as cost effective as it was originally planned. As a result, the Company terminated the development project and has recorded an extraordinary loss of ¥ 3,461 million from the termination.

Fiscal 2005

- “Loss on devaluation of inventories” in extraordinary losses is recorded because the prospective realization of the “Work in process” of Aerospace Division’s certain project has become uncertain due to a substantial delay in schedule of the project.
- “Loss on compensation to suppliers” in extraordinary losses is recorded based on the anticipated compensation loss for suppliers’ development costs which arose from the Company’s partial rescheduling of a certain development plan in Automotive Division.

(Securities and Investments)

Investments in subsidiaries and affiliated companies for which fair market value are available

Fiscal 2006

(Unit: Millions of yen)

	Book value	Fair market value	Difference
Investment in subsidiaries	1,759	6,034	4,275
Total	1,759	6,034	4,275

Fiscal 2005

(Unit: Millions of yen)

	Book value	Fair market value	Difference
Investment in subsidiaries	1,759	5,679	3,920
Total	1,759	5,679	3,920

(Lease transactions)

This footnote is not presented herein for it will be disclosed in the EDINET filing.

(Income tax)

This footnote information will be disclosed as “additional earnings announcement information,” as soon as such information becomes available.

Significant subsequent events

The share exchange to make Fuji Machinery Co., Ltd. a wholly owned subsidiary

Fuji Machinery Co., Ltd., a consolidated subsidiary, accounts for approximately 90% of its sales to Fuji Heavy Industries Ltd. (the Company). In order to enhance group management, the Company, at its Board of Directors' meeting on May 9, 2006, approved a share exchange (under the simplified share exchange method), in which Fuji Machinery Co., Ltd. will become a wholly owned subsidiary, and it executed a share exchange agreement with Fuji Machinery Co., Ltd.

1. Principal terms and conditions of the share exchange

(1) Timetable

May 9, 2006: Board of Directors' approval of the share exchange agreement

Execution of the share exchange agreement

June 28, 2006: General meeting of the shareholders of Fuji Machinery Co., Ltd. to vote on the proposed share exchange

October 1, 2006: Closing date of the share exchange (Deadline to submit stock certificate)

The company will conduct this share exchange in accordance with the simplified share exchange provisions in Article 796 of the Corporate Law, without seeking the approval at a shareholders' meeting.

(2) Share exchange ratio

	The company (Future 100% parent company)	Fuji Machinery Co., Ltd. (Future wholly-owned subsidiary)
Share exchange ratio	1	0.52

Note: Basis of determining the share exchange ratio

The Company and Fuji Machinery Co., Ltd. individually engaged third party appraisers to analyze the exchange ratio. The analysis was performed based on the market stock prices, the comparable-company comparisons, and the discounted cash flows. The Company and Fuji Machinery Co., Ltd. have agreed to the above ratio, taking into consideration the results of such third party appraisals and certain other factors.

(3) Share transfer payment in connection with the share exchange

No share transfer payment will be paid in connection with the share exchange.

2. Operations following the closing of the share exchange

(1) Company name, nature of business, management, and location of the head office

There will be no change as a result of the share exchange.

(2) Common stock of the Company

There will be no change in the amount of common stock of the Company because the Company intends to re-issue its treasury stock for all the shares to be exchanged.

(3) Effect on the results of the Company's operation

The Company expects the share exchange will have no material effect on its results of operations.

Directors' and statutory auditors' change

This information is separately disclosed on today (May 9, 2006).



<Reference for FY2006 Non-consolidated Financial Results>

(MAY 9,2006)

Fuji Heavy Industries Ltd.

(in 100 millions of yen)
(in thousands of units)

	RESULTS	RESULTS	FORECAST		
	FY2005 Apr.2004 to Mar.2005	FY2006 Apr.2005 to Mar.2006	FY2007 Apr.2006 to Mar.2007		
Net Sales	9,495	9,761	2.8 %	9,900	1.4 %
Domestic	4,524	4,376	(3.3) %	4,500	2.8 %
Overseas	4,971	5,386	8.4 %	5,400	0.3 %
Margin Percentage	3.7%	5.3%		3.1%	
Operating income	354	521	47.1 %	310	(40.5) %
Margin Percentage	3.3%	4.2%		3.1%	
Ordinary income	313	414	32.2 %	310	(25.1) %
Margin Percentage	0.3%	1.1%		1.4%	
Net income	25	103	310.5 %	140	36.3 %
Change of operating income by factors		Gain factors Decrease of expenses and others 118 Foreign exchange 118 Reduction in costs 93 Decrease in R&D expenses 62 Loss factors Decrease in sales mix 224		Gain factors Reduction in costs 16 Loss factors Decrease in sales mix 82 Increase in R&D expenses 68 Foreign exchange 55 Increase of expenses and others 22	
Exchange rate YEN/US\$	108	112		110	
Capital investment	256	239		380	
Depreciation and amortization	276	249		270	
R&D expenses	528	467		535	
Interest bearing debt	1,403	1,369		1,400	
Performance of operation		Net sales to increase Operating income to increase Best net sales		Net sales to increase Operating income to decrease Best net sales	
Domestic production volume	481	467	(3.0) %	484	3.8 %
Domestic sales	273	245	(10.3) %	264	7.8 %
Small Cars	108	106	(1.7) %	96	(9.9) %
Minicars	165	138	(15.9) %	168	21.4 %
Export	213	225	5.8 %	219	(2.4) %
North America	102	100	(1.4) %	102	1.1 %
Europe	54	58	7.9 %	57	(2.1) %
Other	57	66	16.7 %	61	(8.2) %
Knock down parts	115	120	3.9 %	115	(4.3) %