FY2009 Consolidated Financial Results
For the Year Ended March 31, 2009

May 8,2009

Company Name	:	**Fuji Heavy Industries Ltd.** (Tokyo Stock Exchange First Section, Code No.: 7270)
URL	:	http://www.fhi.co.jp/english/ir/
Representative	:	Ikuo Mori, President and CEO
Contact for Inquiries	:	Toshimasa Nakamura, General Manager of Administration Department Phone +81-3-3347-2005
Scheduled date of annual meeting of stockholders	:	June 24, 2009
Scheduled date of submitting Securities Report	:	June 25, 2009

(All amounts have been rounded off to the nearest million yen, unless otherwise specified)

1. Performance in FY 2009 (April 1, 2008 to March 31, 2009)

(1)Consolidated Results of Operations

(In Japanese yen rounded to million, except for per share figures, percentage figures indicate a change from the previous fiscal year / period)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss)	
FY2009	1,445,790	(8.0%)	(5,803)	-	(4,600)	-	(69,933)	-
FY2008	1,572,346	5.2%	45,680	(4.6%)	45,437	7.6%	18,481	(42.1%)

	Net income (loss) per share, basic (Yen)	Net income per share, diluted (Yen)	Return on equity	Ratio of ordinary income (loss) to total assets	Ratio of operating Income (loss) to Sales
FY2009	(91.97)	-	(15.8%)	(0.4%)	(0.4%)
FY2008	25.73	25.73	3.7%	3.5%	2.9%

Note: Equity income from affiliates FY2009: 926 million yen FY2008: 501 million yen

(2) Consolidated Financial Position

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

	Total assets	Net assets	Shareholders' equity to total assets (%)	Net assets per share (Yen)
FY2009	1,165,431	394,719	33.8%	505.59
FY2008	1,296,388	494,423	38.1%	687.02

Note: Shareholders' equity FY2009: 393,946 million yen FY2008: 493,397 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash provided by investment activities	Net cash provided by financing activities	Cash & cash equivalents at end of period
FY2009	(26,892)	(72,385)	80,449	96,515
FY2008	107,387	(44,920)	(45,110)	114.649

2. Dividends

	Cash dividends per share (yen)			Amount of dividends paid (Annual)	Dividend payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	2nd Quarter	Year-end	Annual			
FY 2008	4.50	4.50	9.00	6,467	35.0%	1.3%
FY 2009	4.50	0.00	4.50	3,508	-	0.8%
FY 2010 (Forecast)	0.00	-	-		-	

Note: For the (projected) dividends of fiscal 2009, we are suspending the payment for the end of the second quarter (interim). A decision regarding the payment of dividends for the end of the term has not yet been made.

3. Projection of consolidated results for FY 2010 (April 1, 2009 to March 31, 2010)

(In Japanese yen rounded to million, except for per share figures, percentage figures indicate a change from the previous fiscal year / period)

	Net sales		Operating loss		Ordinary loss		Net loss		Net loss per share, basic (Yen)
1st.half	624,000	(16.2%)	34,000	-	37,000	-	44,000	-	57.86
Full year	1,320,000	(8.7%)	35,000	-	40,000	-	55,000	-	72.33

4. Others

(1) Changes of significant subsidiaries in FY 2009 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)

(2) Changes in accounting policies, procedures and methods of presentation for preparing the consolidated financial statements

[1] Changes due to revisions of accounting standards : Yes
[2] Changes due to other reasons : Yes

Note: Please refer to the section of "7. Change in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies] on page 20.

(3) Number of outstanding shares (Common Stock)

[1] Number of outstanding shares (including treasury stock)	FY2009 :	782,865,873shares	FY2008 :	782,865,873 shares
[2] Number of treasury stock	FY2009 :	3,682,316shares	FY2008 :	64,698,395 shares

Note: For details on the number of shares as a basis of computing net income per share (consolidated), please refer to "Information per share" on page 32.

(Reference) Non-consolidated Financial Results Highlights

Performance in the FY 2009 (April 1, 2008 to March 31, 2009)

(1) Non-consolidated Results of Operations

(In Japanese yen rounded to million, except for per share figures, percentage figures indicate a change from the previous fiscal year / period)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net loss	
FY 2009	969,209	(4.9%)	(24,546)	-	(24,840)	-	83,404	-
FY 2008	1,018,820	5.6%	25,830	(22.9%)	24,847	(8.4%)	58	-

	Net loss per share, basic (yen)	Net income per share, diluted (yen)
FY 2009	109.63	−
FY 2008	0.08	−

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity to total assets (%)	Net assets per share (yen)
FY 2009	820,396	380,263	46.4%	487.78
FY 2008	889,956	449,229	50.5%	625.17

Note: Shareholders' equity FY 2009 : 380,263 million yen FY 2008 : 449,229 million yen

Proper use of forecasts of business results (disclaimer), and other special information

1.The above performance projections were made based on the information available as of the date when this document was released. Therefore, actual results may differ considerably due to various factors that might occur in the future.

For assumptions and other information on which the performance projections were based, please refer to page 5

2. For the (projected) dividends of fiscal 2009, we are suspending the payment for the end of the second quarter (interim). A decision regarding the payment of dividends for the end of the term has not yet been made. Regarding the dividends for the end of the term, we will make a decision based on a consideration of all factors, including performance and dividend payout ratio, and will promptly announce the estimated value as soon as possible.

1. Operating Results

1. Analysis of operating results

(1) Operating results for the current term under review

Regarding the economic circumstances surrounding FHI during the period under review, the effects of the financial crisis triggered by the subprime loan problem has rapidly spread into the real economy during the latter half of the fiscal year, resulting in an overlap of extremely difficult conditions, including sluggish demand for products such as automobiles, an increasingly strong yen and falling stock prices.

Under these conditions, the FHI Group introduced new products according to market demands, based on philosophy in the mid-term management plan announced in February 2007 with the keywords "customers come first". These products included the seven-seater "Exiga" in June 2008 and the compact "Dex" with OEM supplied (original products manufactured) by Daihatsu Motor Co., Ltd. in November 2008, both launched in the Japanese market.

In addition, as the management environment undergoes drastic change at a speed not experienced before, FHI has implemented emergency measures in the form of a variety of cost reductions, while also implementing constitutional improvements and starting corporate structural reconstruction that will secure profits in the future even under severe economic circumstances.

Although we have moved forward with such efforts, the impacts of the severe economic circumstances surrounding FHI have resulted in the following consolidated results for the period under review.

Net sales were down ¥126.6 billion, or 8.0% from the previous fiscal year to ¥1,445.8 billion, due to a lower sales volume caused by sluggish demand for automobiles and losses on currency exchange generated by the strong yen.

Regarding the profit, operating income was down ¥51.5 billion from the previous fiscal year to operating loss of ¥5.8 billion, due to losses on currency exchange generated by the strong yen and an increase in fixed cost to launch new car models, and ordinary income was down ¥50.0 billion from the previous fiscal year to ordinary loss of ¥4.6 billion. In addition, net income was down ¥88.4 billion from the previous fiscal year to net loss of ¥69.9 billion, due to the provision of valuation allowance of deferred tax assets of ¥39.4 billion, the amount of 8.9 billion yen of the failure to collect receivables and others from business partner Eclipse Aviation Corporation, and extraordinary loss such as ¥3.0 billion in expenses to withdraw from WRC (World Rally Championship).

Results by Business Segment

(Automobile Division)

Total demands of domestic passenger cars was 4.7 million units, a decrease of 11.6% from the previous fiscal year as a result of reduced consumer spending due to the global economic recession triggered by the financial crisis in the United States in the latter half of last fiscal year.

Two new Subaru models were launched domestically, with the "Exiga" in June 2008 and the "Dex" in November 2008. However, as a result of reduced demands for the "Legacy" and the "Impreza", the number of passenger cars sold was 70 thousand, a decrease of 8 thousand or 10.2% from the previous fiscal year.

On the other hand, the number of domestic minicars sold was 109 thousand units, a decrease of 22 thousand or 16.8% from the previous fiscal year, due to the a slowdown in total demands and the prolonging of current models.

As a result, the sales in Japan were 179 thousand, a decrease of 30 thousand, or 14.3% from the previous fiscal year.

As for overseas, overall sales during the first half of last fiscal year was up from the previous fiscal year, as the new "Forester" model and the "Legacy Diesel" launched in Europe contributed the sales volume. On the other hand, sales during the second half of last fiscal year were down from the same period of the previous fiscal year, due to sluggish demands as a result of the recession triggered by the global financial crisis and the strong yen. As a result, net overseas sales for the period under review were down 11 thousand, or 2.9% from the same period of the previous fiscal year to 377 thousand.

By region, although sales in China continued to be strong and were up 14 thousand, or 107.5% over the previous fiscal year to 26 thousand, they were down in North America by 3 thousand (1.5%) to 207 thousand, down in Europe (including Russia) by 9 thousand (9.9%) to 77 thousand, down in Australia by 3 thousand (8.7%) to 37 thousand, and down in other regions by 10 thousand (25.1%) to 29 thousand.

As a result, the combined sales volume for Japan and overseas markets amounted to 555 thousand, a decrease of 41 thousand, or 6.9% from the previous fiscal year, and overall net income for the Automobile Division was down ¥104.9 billion, or 7.4% from the previous fiscal year to ¥1,316.3 billion. Operating income was down by ¥46.3 billion from the previous fiscal year to operating loss of ¥9.2 billion, due to losses on currency exchange generated by the strong yen and others.

(Industrial Products Division)

Although sales for finished power generators increased, domestic sales fell below the previous fiscal year as a result of decreased sales of engines for construction machinery.

As for overseas, although we recorded our highest ever number of engines sold to the European market due to strong orders before the start of the global recession, net sales were down from the previous fiscal year, in the same manner as for domestic sales, due to the strong impact of the sluggish economy in the North American market.

As a result, overall net sales were down ¥5.8 billion, or 14.2% from the previous fiscal year to ¥34.9 billion, and operating income was down ¥2.3 billion from the previous fiscal year to operating loss of ¥1.6 billion.

(Aerospace Division)

As for sales to the Japan Ministry of Defense, although sales of unmanned research systems increased due to a progress in deliveries, net sales decreased from the previous fiscal year due to a decrease in sales of the next-generation Maritime Patrol and Cargo Transport Aircraft "XP-1/CX", and the "AH-64D" combat helicopter.

In the commercial sector, although there was an increase in the number of deliveries of center wings for the "Boeing 787" and the number of deliveries of main wings for the medium business jet "H4000", net sales decreased from the previous fiscal year due to a strike at Boeing that lead to decreased production of existing planes and discontinued production of the "Eclipse 500", and losses on currency exchange generated by the strong yen.

As a result, overall net sales were down ¥18.8 billion, or 18.9% from the previous fiscal year to ¥80.9 billion, and operating income was down ¥2.9 billion, or 64.5% from the previous fiscal year to ¥1.6 billion.

(Other Businesses)

As the delivery of large-scale wind-generated electricity systems contributed the increase in sales and two subsidiaries were newly complete consolidated, net sales were up ¥2.9 billion, or 26.7% from the previous fiscal year to ¥13.7 billion. Operating income was up ¥0.6 billion, or 23.5% from the previous fiscal year to ¥3.1 billion.

Results by Geographic Region

(Japan)

Although there was an increase in export volume to China by the Automotive Division, net sales were down ¥44.9 billion, or 5.0% from the previous fiscal year to ¥856.2 billion due to a reduction in domestic sales volume and losses on currency exchange generated by the strong yen. Operating income was down ¥50.0 billion from the previous fiscal year to operating loss of ¥15.8 billion.

(North America)

Due to a decrease in sales for the "Legacy" and the "Tribeca" at SOA (Subaru of America, Inc.), a wholly-owned subsidiary in the United States, net sales were down ¥70.9 billion, or 11.5% from the previous fiscal year to ¥546.9 billion. Operating income was down ¥8.5 billion from the previous fiscal year to operating loss of ¥2.0 billion.

(Other Regions)

Due to a decrease in sales at Subaru Europe N.V./S.A., a subsidiary in the European Union, net sales were down ¥10.8 billion, or 20.2% from the previous fiscal year to ¥42.7 billion. However, operating income was up ¥0.5 billion, or 37.9% over the previous fiscal year to ¥1.9 billion, due to reduction of SG&A and other expenses.

(2) Forecast for fiscal 2009

Due to the increasingly bleak conditions of the domestic automobile market and the worldwide slowing economy triggered by the financial crisis, the sluggish demand for cars is expected to continue and future currency exchange movement is uncertain. Against this backdrop, the outlook for this fiscal year is as follows (based on a currency exchange of $1 = ¥95 and €1 = ¥125):

(Consolidated forecast for the whole fiscal year)

Net sales	¥1,320 billion	(down 8.7% year-on-year)
Operating income	(¥35.0 billion)	(- % year-on-year)
Ordinary income	(¥40.0 billion)	(- % year-on-year)
Net income	(¥55.0 billion)	(- % year-on-year)

2. Analysis of Financial Results

(1) Assets, liabilities, and net assets

Total assets were ¥1,165.4 billion, which was a decrease of ¥131.0 billion from the previous fiscal year. This was mainly due to loss on currency exchange when assessing the assets of overseas subsidiaries.

Liabilities were ¥770.7 billion, which was a decrease of ¥31.3 billion from the previous fiscal year. This was mainly due to decreases in notes and accounts payable-trade.

Net assets, including minority interests, were ¥394.7 billion, which was a decrease of ¥99.7 billion from the previous fiscal year. This was mainly due to a decrease in retained earnings mainly by recognizing net loss for the current term.

(2) Cash flow

Cash and cash equivalents (hereinafter cash) at the end of the fiscal year under review was amounted to ¥96.5 billion.

(Net cash provided by operating activities)

Net cash provided by operating activities decreased to ¥26.9 billion. This was mainly due to depreciation and amortization expenses of ¥74.0 billion, a decrease in notes and accounts payable-trade of ¥73.2 billion, and recording loss before income taxes and minority interests of ¥21.5 billion.

(Net cash provided by investing activities)

Net cash provided by investing activities decreased to ¥72.4 billion. This was mainly due to ¥57.6 billion used for the purchase of property, plant and equipment (net of revenue from sales) and ¥8.6 billion used for the purchase of investment securities (net figures with proceeds from purchase).

(Net cash provided by financing activities)

Net cash provided by financing activities increased to ¥80.4 billion. This was mainly due to ¥51.5 billion for a net increase in short-term loans payable and ¥31.1 billion in proceeds from sales of treasury stock (net figures with expenditures for purchases).

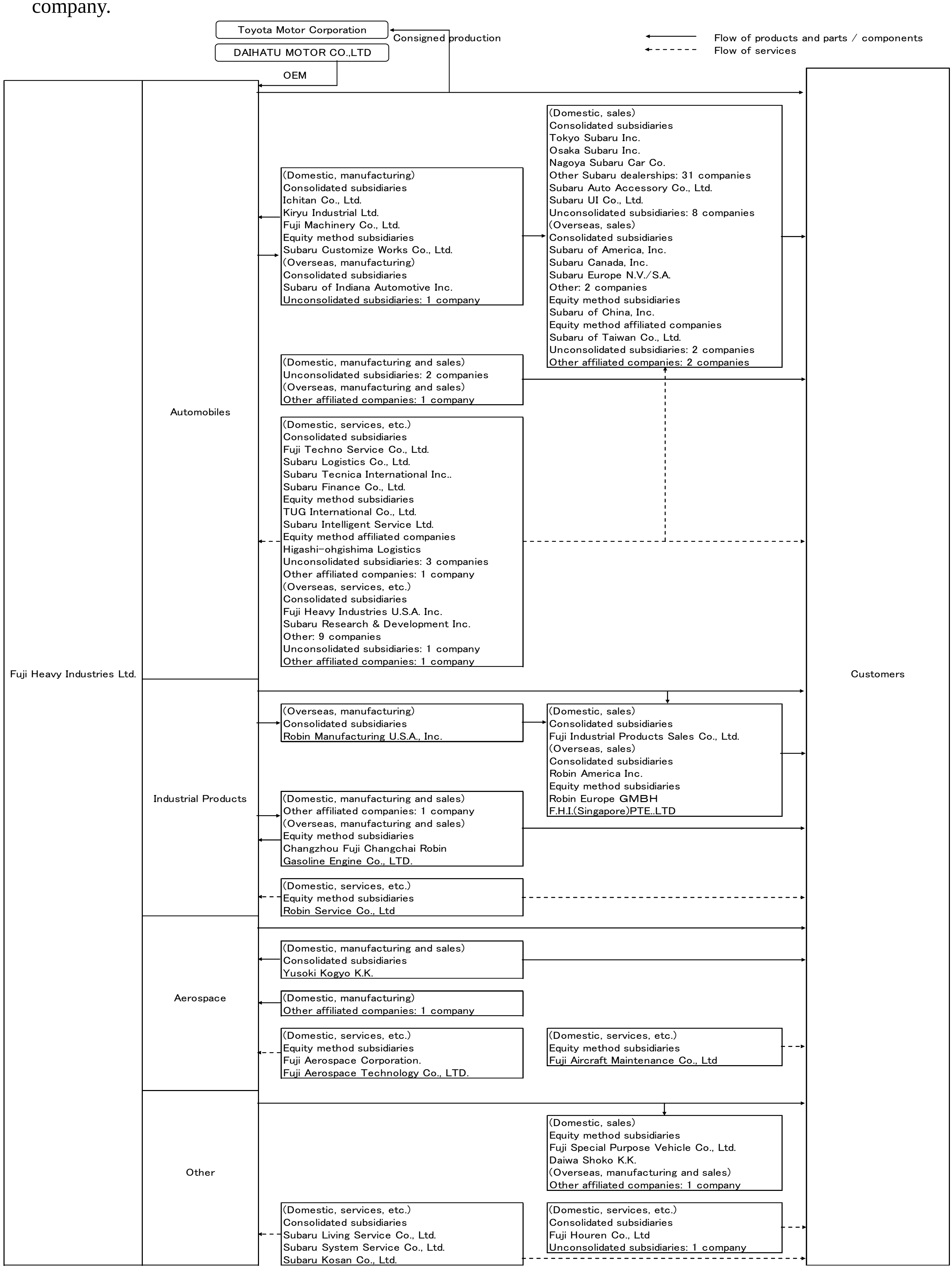
3. Basic Policy Regarding the Distribution of Profits

FHI views the return of profits to shareholders as an important issue for management and follows a basic policy of maintaining stable long-term dividends while taking comprehensive consideration of such factors as its earnings performance and its dividend payout ratio. Although we had set the interim dividends at ¥4.50, we deeply regret that consideration for overall conditions, such as the downturn in earnings performance due to abrupt changes in business environment and an expected continuation of the severe business environment, has led to the decision to suspend payment of dividends for the end of the current term under review as well as for interim dividends for the following term. A decision regarding the payment of dividends for the end of the following term has not yet been made.

2. Condition of the FHI Group

As of March 31, 2009 the FHI Group consisted of Fuji Heavy Industries Ltd., 99 subsidiaries, and 10 affiliated companies primarily engaged in four operations related to the Automobile Division, Industrial Products Division, Aerospace Division and Other Businesses, producing a wide range of products.

The flow chart below illustrates the relationship that each subsidiary and affiliate maintains with the parent company.



3. Management Policies

1. Basic management policies

As there has been no significant change from the details announced in the Consolidated Interim Financial Results for Fiscal year ended March 2007 (released on October 31, 2006), the disclosure of this part is omitted.

The relevant consolidated interim financial results can be seen at the following URL.

(FHI website)
http://www.fhi.co.jp/english/ir/report/fr_archive.html
(Tokyo Stock Exchange website (Information search page of listed companies))
http://www.tse.or.jp/tseHpFront/HPLCDS0101E.do?method=init&callJorEFlg=1

2. Medium-to-long term management strategies

As there has been no significant change from the details announced in the Consolidated Financial Results for Fiscal year ended March 2007 (released on April 27, 2007), the disclosure of this part is omitted.

The aforesaid Consolidated Financial Results for Fiscal 2006 are available on our website at the following URL.

(Fuji Heavy Industries company website)
http://www.fhi.co.jp/english/ir/report/fr_archive.html
(Tokyo Stock Exchange website (for the search of information on listed companies))
http://www.tse.or.jp/tseHpFront/HPLCDS0101E.do?method=init&callJorEFlg=1

3. Issues that must be addressed

Although the speed of the economic downturn is slowing gradually as a result of economic measures implemented by governments around the world, we recognize that a rapid recovery will be difficult. Current conditions make it extremely difficult to return to profitability in fiscal year ending March 2010.

Under these conditions, FHI will take the following future actions.

(Implementation of emergency measures)

FHI is implementing the following emergency measures in response to the rapid downturn in the business environment.

(1) We are starting a review of capital expenditure plans, with consideration for urgency and the maximization of investment effects, and working toward a reduction of more than 20% in existing plans.

(2) We are performing zero-based reviews of all expenses, and striving to make reductions.

- In addition to giving up bonuses by directors of the board and reducing compensation for directors, SVP and VP by 10%, we are also implementing salary cuts for managers.
- We are accelerating a transition plan for integrating distributors in Japan, in order to reduce fixed costs throughout the group by streamlining sales and administrative work.
- In addition, we are streamlining all operations, striving to limit expenses, and downsizing our organization.

(3) In order to respond to rapid changes in demand for automobiles, we are implementing prompt inventory corrections and production adjustments.

(New product launches and experimental research and development based on the mid-term management plan)

FHI is taking the following actions based on the mid-term management plan, for the future improvements in business performance.

FHI plans to make a full-model change to the Legacy, its flagship car model, for launch in the Japanese market in May of this year. This new model Legacy will be sequentially released to the rest of the world and will maximize sales toward business recovery.

In addition, in this year which is referred to as "the first year of electric cars", we plan to launch the Plug-In Stella in summer (for corporations and government and other public offices), with a plan to provide approximately 170 units to mainly the Tokyo metropolitan area. In the future, we, FHI will continue to promote electric cars familiarized and enlightened, and then strive to reduce the burden that automobiles place on the environment.

On the other hand, regarding experimental research and development for the future, we will move forward with the development of electric cars and other environmental technologies, while also being actively involved in the development of safety technology. FHI is a participant in Advanced Safety Vehicle (ASV) Propulsion Program promoted by the Ministry of Land, Infrastructure, Transport, and Tourism, and is pursuing technological developments and the practical application of safe driving support systems to prevent traffic accidents. In the future, we will continue to actively pursue these technological developments while streamlining them further.

(Alliance with the Toyota Group)

In order to improve the certainty of our efforts in our mid-term management plan (for the four years from fiscal 2008 to fiscal 2011), with the keywords "customers come first", on April 10, 2008, FHI strengthened an alliance in development and production with Toyota Motor Corporation (hereinafter Toyota) and Daihatsu Motor Co., Ltd. (hereinafter Daihatsu), and agreed to utilize the technological capabilities of each company to build both a new product lineup and a development and production system.

The specific details of the agreement are provided below. Although some items are subject to review, we are making steady progress while responding to drastic changes in circumstances. We will maintain a win-win relationship with the Toyota Group, while making maximum effort to overcome these adverse circumstances.

(1) OEM supply from Daihatsu to FHI

OEM supply for minicars from Daihatsu, scheduled to start during the latter half of this year, is proceeding according to plan. Following the start of this OEM supply, we will sequentially switch over for each car model in order.

(2) OEM supply for compact cars from Toyota to FHI

Deliberations regarding OEM supply for compact cars from Toyota are also proceeding as scheduled.

(3) Joint development of compact FR sporty car

Joint development of compact FR sporty car with Toyota is currently proceeding smoothly, and we are making enhancements of engine performance and environmental features, beyond the original concept.

(4) Renewal of existing plant

In order to reduce capital expenditure, we will reconsider the construction of new plants for the production of joint development car, and renew the existing plant, instead. Production facilities will be updated in the order according to need.

(Reform of domestic sales structure)

FHI further focused its "customers come first" efforts, the cornerstone of its mid-term management plan, while moving forward with the transition toward an integrated system of distributors in Japan. It started in October 2008, beginning with the Kinki and Kyushu regions, in order to utilize alliance with Toyota group to build a domestic sales structure that is appropriate for the development of new products for Subaru cars.

After assessing the severe business environment for distributors, such as the sluggish automobile market caused by a business slowdown following last year’s global financial crisis and the response to sophisticated and diversified customer needs, we have determined that it was necessary to quickly implement regional business activities while simultaneously establishing a rational management system. Therefore, we accelerated the schedule for complete transition to the new structure from the original target of autumn 2009 to April 2009.

Specifically, the transition to the integrated system was performed in four regions (Tohoku, Koshinetsu/Hokuriku, Tokai, and Chugoku/Shikoku) on April 1, 2009. As a result, Subaru distributors shifted from a 46-company structure (as of April 1, 2008) to a 22-company structure.

We will pursue the efforts outlined here while continuing to adhere to the themes of our mid-term management plan, such as "To provide a distinctive Subaru experience for drivers and passengers", "To increase sales globally", and "To strengthen competitiveness in quality and cost", to move forward with our plans with even greater speed.

4. Consolidated Financial Statements

(1)Consolidated balance sheets

(Unit: Million of yen)

	FY2008 (as of March 31, 2008) Amount	FY2009 (as of March 31, 2009) Amount
ASSETS		
Ⅰ Current assets		
Cash and deposits	67,053	78,151
Notes and accounts receivable-trade	96,017	82,352
Lease investment assets	-	27,074
Short-term investment securities	32,775	11,439
Inventories	261,009	-
Merchandise and finished goods	-	128,645
Work in process	-	96,425
Raw materials and supplies	-	34,249
Deferred tax assets	26,486	15,918
Short-term loans receivable	78,329	59,434
Other	62,504	53,845
Allowance for doubtful accounts	(1,346)	(1,509)
Total current assets	**622,827**	**586,023**
Ⅱ Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	124,342	123,403
Machinery, equipment and vehicles, net	113,876	108,077
Land	181,974	183,741
Lease assets, net	47,906	20,765
Construction in progress	10,161	12,287
Other, net	33,449	19,786
Total property, plant and equipment	**511,708**	**468,059**
2. Intangible assets		
Goodwill	18,500	-
Other	12,972	13,972
Total intangible assets	**31,472**	**13,972**
3. Investments and other assets		
Investment securities	70,107	51,838
Long-term loans receivable	3,736	3,334
Deferred tax assets	27,256	10,702
Other	32,369	37,428
Allowance for doubtful accounts	(3,087)	(5,925)
Total investments and other assets	**130,381**	**97,377**
Total noncurrent assets	**673,561**	**579,408**
Total assets	**1,296,388**	**1,165,431**

(Unit: Million of yen)

	FY2008 (as of March 31, 2008) Amount	FY2009 (as of March 31, 2009) Amount
LIABILITIES		
Ⅰ **Current liabilities**		
Notes and accounts payable-trade	229,780	148,015
Short-term loans payable	165,886	225,149
Commercial papers	6,000	24,000
Current portion of long-term loans payable	-	21,956
Current portion of bonds	30,000	-
Income taxes payable	8,091	2,062
Accrued expenses	61,954	50,524
Provision for bonuses	15,507	14,141
Provision for product warranties	22,563	17,934
Provision for loss on construction contracts	-	760
Other	58,261	56,707
Total current liabilities	**598,042**	**561,248**
Ⅱ **Noncurrent liabilities**		
Bonds payable	60,000	60,000
Long-term loans payable	42,661	50,583
Deferred tax liabilities	-	7,448
Provision for retirement benefits	40,993	36,997
Provision for directors' retirement benefits	774	702
Provision for loss on guarantees	745	745
Other	58,750	52,989
Total noncurrent liabilities	**203,923**	**209,464**
Total liabilities	**801,965**	**770,712**
NET ASSETS		
Ⅰ **Shareholders' equity**		
Capital stock	153,795	153,795
Capital surplus	160,098	160,071
Retained earnings	227,789	126,593
Treasury stock	(40,538)	(2,086)
Total shareholders' equity	**501,144**	**438,373**
Ⅱ **Valuation and translation adjustments**		
Valuation difference on available-for-sale securities	13,716	3,002
Foreign currency translation adjustment	(21,463)	(47,429)
Total valuation and translation adjustments	**(7,747)**	**(44,427)**
Minority interests	1,026	773
Total net assets	**494,423**	**394,719**
Total liabilities and net assets	**1,296,388**	**1,165,431**

(2)Consolidated statements of income (Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008) Amount	FY2009 (April 1, 2008 to March 31, 2009) Amount
Ⅰ Net sales	1,572,346	1,445,790
Ⅱ Cost of sales	1,217,662	1,164,564
Gross profit	354,684	281,226
Ⅲ Selling, general and administrative expenses	309,004	287,029
Operating income (loss)	**45,680**	**(5,803)**
Ⅳ Non-operating income		
Interest and dividends income	5,503	-
Interest income	-	2,663
Dividends income	-	1,080
Equity in earnings of affiliates	501	926
Real estate rent	-	586
Foreign exchange gains	-	7,769
Gain on valuation of derivatives	4,921	-
Other	4,104	1,779
Total non-operating income	15,029	14,803
Ⅴ Non-operating expenses		
Interest expenses	4,063	3,315
Foreign exchange losses	4,740	-
Loss on valuation of derivatives	110	5,296
Other	6,359	4,989
Total non-operating expenses	15,272	13,600
Ordinary income (loss)	**45,437**	**(4,600)**
Ⅵ Extraordinary income		
Gain on sales of noncurrent assets	1,480	357
Gain on sales of investment securities	1,502	673
Gain on prior period adjustment	1,539	-
Gain on revision of retirement benefit plan	-	845
Gain on sale of loans receivable	548	837
Other	83	1,156
Total extraordinary income	5,152	3,868
Ⅶ Extraordinary loss		
Loss on sales and retirement of noncurrent assets	5,489	3,809
Impairment loss	13,174	1,045
Loss on sales of investment securities	-	468
Loss on valuation of investment securities	-	1,072
Provision of allowance for doubtful accounts	-	2,640
Provision for loss on construction contracts	-	2,901
Other	20	8,850
Total extraordinary losses	18,683	20,785
Income (loss) before income taxes and minority interests	31,906	(21,517)
Income taxes-current	14,536	6,637
Income taxes-deferred	(1,148)	41,961
Total income taxes	13,388	48,598
Minority interests in income (loss)	37	(182)
Net income (loss)	**18,481**	**(69,933)**

(3)Consolidated statement of changes in net assets

(Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008)	FY2009 (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	153,795	153,795
Balance at the end of current period	153,795	153,795
Capital surplus		
Balance at the end of previous period	160,104	160,098
Changes of items during the period		
Disposal of treasury stock	(6)	(27)
Total changes of items during the period	(6)	(27)
Balance at the end of current period	160,098	160,071
Retained earnings		
Balance at the end of previous period	214,831	227,789
Effect of changes in accounting policies applied to foreign subsidiaries	-	(12,115)
Changes of items during the period		
Dividends from surplus	(6,468)	(6,742)
Net income (loss)	18,481	(69,933)
Disposal of treasury stock	-	(7,309)
Change of scope of consolidation	402	(43)
Change of scope of equity method	-	72
Other	543	(5,126)
Total changes of items during the period	12,958	(89,081)
Balance at the end of current period	227,789	126,593
Treasury stock		
Balance at the end of previous period	(40,511)	(40,538)
Changes of items during the period		
Purchase of treasury stock	(60)	(50)
Disposal of treasury stock	33	38,502
Total changes of items during the period	(27)	38,452
Balance at the end of current period	(40,538)	(2,086)
Total shareholders' equity		
Balance at the end of previous period	488,219	501,144
Effect of changes in accounting policies applied to foreign subsidiaries	-	(12,115)
Changes of items during the period		
Dividends from surplus	(6,468)	(6,742)
Net income (loss)	18,481	(69,933)
Purchase of treasury stock	(60)	(50)
Disposal of treasury stock	27	31,166
Change of scope of consolidation	402	(43)
Change of scope of equity method	-	72
Other	543	(5,126)
Total changes of items during the period	12,925	(50,656)
Balance at the end of current period	501,144	438,373

(Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008)	FY2009 (April 1, 2008 to March 31, 2009)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	22,182	13,716
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,466)	(10,714)
Total changes of items during the period	(8,466)	(10,714)
Balance at the end of current period	13,716	3,002
Revaluation reserve for land		
Balance at the end of previous period	290	-
Changes of items during the period		
Net changes of items other than shareholders' equity	(290)	-
Total changes of items during the period	(290)	-
Balance at the end of current period	-	-
Foreign currency translation adjustment		
Balance at the end of previous period	(16,687)	(21,463)
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,776)	(25,966)
Total changes of items during the period	(4,776)	(25,966)
Balance at the end of current period	(21,463)	(47,429)
Total valuation and translation adjustments		
Balance at the end of previous period	5,785	(7,747)
Changes of items during the period		
Net changes of items other than shareholders' equity	(13,532)	(36,680)
Total changes of items during the period	(13,532)	(36,680)
Balance at the end of current period	(7,747)	(44,427)
Minority interests		
Balance at the end of previous period	1,699	1,026
Changes of items during the period		
Net changes of items other than shareholders' equity	(673)	(253)
Total changes of items during the period	(673)	(253)
Balance at the end of current period	1,026	773
Total net assets		
Balance at the end of previous period	495,703	494,423
Effect of changes in accounting policies applied to foreign subsidiaries	-	(12,115)
Changes of items during the period		
Dividends from surplus	(6,468)	(6,742)
Net income (loss)	18,481	(69,933)
Purchase of treasury stock	(60)	(50)
Disposal of treasury stock	27	31,166
Change of scope of consolidation	402	(43)
Change of scope of equity method	-	72
Other	543	(5,126)
Net changes of items other than shareholders' equity	(14,205)	(36,933)
Total changes of items during the period	(1,280)	(87,589)
Balance at the end of current period	494,423	394,719

Note: “Effect of changes in accounting policies applied to foreign subsidiaries” was related to amortization of goodwill that had not amortized up to the prior financial year.

The breakdown of “Other” in “Retained earnings” were as follows. (Unit: Million of yen)

	FY2008	FY2009
Comprehensive income of foreign subsidiaries	543	52
Impact of fiscal closing date changes of foreign subsidiaries	-	(5,178)

(4) Consolidated statements of cash flows

(Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008)	FY2009 (April 1, 2008 to March 31, 2009)
Ⅰ Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	31,906	(21,517)
Depreciation and amortization	87,164	74,036
Impairment loss	13,174	1,045
Increase (decrease) in allowance for doubtful accounts	(500)	2,956
Increase (decrease) in provision for bonuses	-	(2,037)
Increase (decrease) in provision for product warranties	(1,236)	(533)
Increase (decrease) in provision for loss on construction contracts	-	760
Increase (decrease) in provision for retirement benefits	(4,136)	(5,053)
Interest and dividends income	(5,503)	(3,743)
Interest expenses	4,063	3,315
Loss (gain) on valuation of derivatives	(4,811)	5,296
Equity in (earnings) losses of affiliates	(501)	(926)
Loss (gain) on sales and retirement of noncurrent assets	4,009	3,452
Loss (gain) on sales and valuation of investment securities	(1,502)	867
Loss (gain) on sales of loans receivable	(548)	-
Decrease (increase) in notes and accounts receivable-trade	460	5,938
Decrease (increase) in inventories	(45,633)	(18,717)
Increase (decrease) in notes and accounts payable-trade	44,205	(73,159)
Decrease (increase) in lease investment assets	-	(1,539)
Decrease (increase) in operating loans receivable	-	9,127
Decrease (increase) in leased assets	-	(417)
Increase (decrease) in deposits received	(11,111)	(4,757)
Other, net	7,633	12,819
Subtotal	117,133	(12,787)
Interest and dividends income received	5,864	3,738
Interest expenses paid	(4,135)	(3,062)
Income taxes paid	(11,475)	(14,781)
Net cash provided by (used in) operating activities	107,387	(26,892)
Ⅱ Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	(4,700)	(2,265)
Proceeds from sales of short-term investment securities	6,020	5,326
Purchase of property, plant and equipment	(59,430)	(58,415)
Proceeds from sales of property, plant and equipment	2,384	830
Purchase of property for lease	(60,048)	-
Proceeds from sale of leased assets	57,734	-
Purchase of intangible assets	(2,782)	(2,713)
Purchase of investment securities	(18,032)	(20,433)
Proceeds from sales of investment securities	15,911	11,848
Payments for investments in capital	-	(1,548)
Payments of loans receivable	(108,620)	(64,188)
Collection of loans receivable	128,476	60,155
Other, net	(1,833)	(982)
Net cash provided by (used in) investing activities	(44,920)	(72,385)

(Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008)	FY2009 (April 1, 2008 to March 31, 2009)
Ⅲ Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(15,972)	51,517
Increase (decrease) in commercial papers	(5,000)	18,000
Proceeds from long-term loans payable	3,100	37,063
Repayment of long-term loans payable	(10,735)	(20,500)
Redemption of bonds	(10,000)	(30,000)
Purchase of treasury stock	(60)	(50)
Proceeds from sales of treasury stock	27	31,166
Cash dividends paid	(6,470)	(6,744)
Other,net	-	(3)
Net cash provided by (used in) financing activities	(45,110)	80,449
Ⅳ Effect of exchange rate change on cash and cash equivalents	(1,968)	(15,614)
Ⅴ Net increase (decrease) in cash and cash equivalents	15,389	(34,442)
Ⅵ Cash and cash equivalents at beginning of period	99,060	114,649
Ⅶ Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	200	2,045
Increase (decrease) by change in accounting period of consolidated subsidiaries	-	14,263
Ⅷ Cash and cash equivalents at end of period	114,649	96,515

(5)**Notes on premise of going concern**

Not Applicable

6. Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies

(1) Scope of Consolidation

[1] Number of consolidated subsidiaries: 68

The names of the main consolidated subsidiaries were omitted because they are described in "2. Condition of the FHI group."

Since the beginning of fiscal 2009, the current consolidated fiscal year, as a result of our reevaluation of their significance to the consolidated financial statements, Subaru Tecnica International Inc. and six other companies have been newly included in the scope of consolidation. In addition, the number of consolidated subsidiaries decreased because Matsumoto Subaru Motors Co. was merged into Shin Nagano Subaru Inc., and the name of the remaining company was changed to Subaru Shinsyu, Inc. during the third quarter of fiscal 2009.

[2] Name of non-consolidated subsidiaries

The main non-consolidated subsidiary

Subaru of China LTD.

(2) Application of the Equity Method

Number of equity method non-consolidated subsidiaries: 13

The names of equity method non-consolidated subsidiaries were omitted because they are described in "2. Condition of the FHI group."

In addition, the financial significance of Subaru of China LTD. ("SOC"; old name: Subaru of China Inc.) has increased, so the Company has applied the equity method to SOC.

As a result of our reevaluation of their significance to the consolidated financial statements, Subaru Tecnica International Inc. and six other companies were changed from equity-method companies to consolidated subsidiaries.

(3) Fiscal Year-End of Consolidated Subsidiaries

The fiscal year-end of domestic consolidated subsidiaries and main foreign subsidiaries is the same as that of the parent company, while the fiscal year-end of the seven consolidated foreign subsidiaries is December 31. The operating results of those subsidiaries, whose fiscal year-end is different from that of the parent company, are consolidated by using the financial statements as of each subsidiary's respective fiscal year-end, and the necessary adjustments are made in consolidation if there is any significant transaction between January 1 and March 31.

(4) Accounting Policies

[1] Valuation standards and methods of accounting for significant assets

Appraisal of inventories

Inventories for the purpose of regular sales

Carried out using the moving-average cost method (Book value on the consolidated balance sheet is measured based on the lower of cost or market value)

[2] Depreciation method for material depreciable assets

Property, plant and equipment (excluding Leased assets)

The Company and domestic consolidated subsidiaries are mainly using the constant percentage method.

(However, the straight-line method is used for plants and buildings (excluding accessory equipment) acquired on or after April 1, 1998.)

Foreign subsidiaries are using the straight-line method under local accounting standards.

In addition, the main useful life is as follows.

Buildings and structures	8–50 years
Machinery, equipment and vehicles	2–12 years

Leased assets

Leased assets obtained by transfer of title through finance lease transaction

Leased assets by transfer of title finance lease are depreciated by a method that is identical to that applied to assets owned by the Company.

Leased assets obtained by finance leases which do not transfer ownership title

For finance leases which do not transfer ownership title, depreciation or amortization expense is calculated based on the straight-line method over the leased period and the residual value is zero.

In addition, finance lease transactions which do not transfer ownership on or before March 31,2008, are recorded based on the same method as used for regular rental transactions.

[3] Standards for recognition of reserves

Provision for loss on construction contracts

The Company has taken a “provision for loss on contracts” in order to cover against loss on the construction of undelivered aerospace business which would possibly occur and could be reasonably estimated.

[4] Other

Basis of revenue and expense recognition

Basis of revenue recognition for finance lease transactions

The Company is using a method that records “sales” and “cost of sales” on the effective date of the lease contract.

Other than those items reported above, the disclosure of information is omitted because any change after submission of the Securities Report (June 26, 2008) is not significant.

7. Change in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies

(1) Changes in the Scope of Consolidation and Application of the Equity Method

As of the end of fiscal 2009, the number of consolidated subsidiaries and affiliated investees accounted for under the equity method was 68 and 15, respectively. As a result of our reevaluation of their significance to the consolidated financial statements, the following changes in the scope of consolidation and application of the equity method have been made during fiscal 2009:

Scope of Consolidation

Added

Since the beginning of fiscal 2009, the current consolidated fiscal year, as a result of our reevaluation of their significance to the consolidated financial statements, the new scope of consolidation includes Subaru Tecnica International Inc. and six other companies.

Eliminated

Matsumoto Subaru Motors Co.

Application of the Equity Method

Added

From the first quarter of the current consolidated fiscal year, the financial significance of Subaru of China, LTD. ("SOC"; old name: Subaru of China Inc.) has grown, so the Company has applied the equity method to SOC.

Eliminated

Since the beginning of the current consolidated fiscal year, fiscal 2009, as a result of our reevaluation of their significance to the consolidated financial statements, the new scope of consolidation includes Subaru Tecnica International Inc. and six other companies.

(2) Fiscal Year Change of Consolidated Subsidiaries

Until the fiscal year ended March 31, 2008, since the difference between the fiscal year-end of the parent company and that of 19 consolidated subsidiaries was within three months, the operating results of those subsidiaries were consolidated by using the financial statements as of each subsidiary's respective fiscal year-end, and the necessary adjustments were made in consolidation to reflect any significant transactions from January 1 to March 31.

The accounting date for the fiscal year-end of 12 consolidated subsidiaries was changed to March 31, 2009 in order to make the disclosures of the consolidated financial statements more meaningful by unifying the fiscal year.

Consolidated subsidiaries whose fiscal closing date has been changed

・Subaru of America, Inc. and nine consolidated subsidiaries

・Subaru of Indiana Automotive, Inc. and one consolidated subsidiary

(3) Accounting Policies

[1] Valuation standards and methods of significant assets

Appraisal of inventories

Inventories for the purpose of regular sales have been stated mainly using the moving-average cost method. As the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9) has been applied since the beginning of the current consolidated fiscal year, the Company has mainly employed the moving-average cost method (for the value stated on the balance sheet, the lower of cost or market value method).

This change resulted in an increase in operating loss, ordinary loss and loss before income taxes and minority interests of 3,220 million yen in the year ended March 31, 2009.

The impact of this change on segment information is explained in the relevant portion of these documents.

[2] Standards for recognition of reserves

Provision for loss on construction contracts

Since the beginning of the current consolidated fiscal year, the Company has taken “provision for loss on contracts” in order to cover the loss on construction of undelivered aerospace business which would possibly occur and could be reasonably estimated. The reason for this is that its estimated loss has become more significant, so the Company reflected it accurately in the financial statements and disclosed it in a timely manner as of the end of fiscal 2009.

This change resulted in a decrease in operating loss and ordinary loss of 433 million yen, and an increase in loss before income taxes and minority interests of 2,468 million yen in the year ended March 31, 2009.

The impact of this change on segment information is explained in the relevant portion of these documents.

[3] Change in recognition of sales or interest revenue on credit

Since the beginning of the current consolidated fiscal year, the Company’s financial subsidiary has changed the recognition of sales or interest revenue on credit from the equal installment method to the seven-eight allocation method. The reason for this change is that it could manage the interest revenue strictly by improving the credit system and reflecting the results more accurately.

The impact of this change on net sales, operating loss and ordinary loss in the year ended March 31, 2009 was insignificant. However the impact on loss before income taxes and minority interests was a 1,043 million yen decrease.

[4] Accounting for lease transactions

Previously, the Company and its domestic consolidated subsidiaries applied the accounting treatment for finance lease transactions not involving the transfer of ownership rights to the method for operating lease transactions. However, since the beginning of the current consolidated fiscal year, as “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16) have been applied, the accounting treatment for finance lease transactions not involving the transfer of ownership rights is followed using the method for regular sales transactions.

In addition, finance lease transactions which do not transfer ownership before the application of the revised “Accounting Standard for Lease Transactions” is followed use the method for regular rental transactions.

This change resulted in a decrease in operating loss, ordinary loss and loss before income taxes and minority interests of 2,513 million yen in the year ended March 31, 2009.

The impact of this change on segment information is explained in the relevant portion of these documents.

For the reasons listed above, this change resulted in an increase in “lease investment assets” of “Current assets” of 27,074 million yen, and a decrease in “lease assets, net” of “Property, plant and equipment” of 27,074 million yen, on the consolidated balance sheets.

Moreover, the Company applies the disclosure model that the Japan Leasing Association created for leasing companies, and Cash Flow from finance lease transactions of captive finance companies and sales on credit were reclassified from “Net cash provided by (used in) investing activities” to “Net cash provided by (used in) operating activities.”

Net cash provided by (used in) operating activities

(Unit: Million of yen)

Decrease (increase) in lease investment assets	(1,539)
Decrease (increase) in operating loans receivable	9,127
Decrease (increase) in leased assets	(417)
Total	7,171

(4) Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Since the beginning of the current consolidated fiscal year, fiscal 2009, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial statements” (the Practical Issues Task Force No.18) and made the necessary revisions to its consolidated accounts.

The impact of this change on profit and loss was insignificant.

For the impact of this change on shareholders' equity, refer to “(3)Statement of changes in net assets” on page 14.

(Additional information)

Alteration of service life of fixed assets

The Company and its domestic consolidated subsidiaries revised the service life of fixed assets (machinery) in accordance with the enacted revisions to the tax depreciation schedules.

This change resulted in an increase in operating loss of 1,595 million yen and an increase in ordinary loss of 1,609 million yen and resulted in an increase in loss before income taxes and minority interest of 1,609 million yen in the fiscal year ended March 31,2009.

The impact of this change on segment information is explained in the relevant portion of these documents.

(Changes in Presentation of Financial Statements)

[Consolidated balance sheets]

1.“Inventories” in fiscal 2008 is presented separately in “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies” in fiscal 2009. In addition, “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies” included in “Inventories” in fiscal year 2008 were as follows.

Merchandise and finished goods	133,175 million yen
Work in process	100,133 million yen
Raw materials and supplies	27,701 million yen

2. “Goodwill” which was presented separately in fiscal 2008 is included in “Other” in fiscal 2009 because of its decreased materiality. In addition, “goodwill” included in “Other” in fiscal year 2008 was 3,623 million yen.

3. For the improvement of comparability in the consolidated financial statements, along with the XBRL introduction into EDINET, “Short-term loans payable” in fiscal 2008 is presented separately in “Short-term loans payable” and “Current portion of long-term loans payable” in fiscal 2009. In addition, “Short-term loans payable” and “Current portion of long-term loans payable” included in “Short-term loans payable” in fiscal 2008 were as follows.

Short-term loans payable	144,625 million yen
Current portion of long-term loans payable	21,261 million yen

[Consolidated statements of income]

1.For improvement of comparability in the consolidated financial statements, along with the XBRL introduction into EDINET, “Interest and dividends income” in fiscal 2008 is presented separately in “Interest income” and “Dividends income” in fiscal 2009. In addition, “Interest income” and “Dividends income” included in “Interest and dividends income” in fiscal 2008 were as follows.

Interest income	4,365 million yen
Dividends income	1,138 million yen

2. “Real estate rent” was included in “Other” of “Total non-operating income” in fiscal 2008.However, “Real estate rent” was presented separately for reasons similar to those listed in 1., above. In addition, “Real estate rent,” included in “Other” in fiscal 2008, was 919 million yen.

3. “Loss on sales of investment securities” and “Loss on valuation of investment securities” were included in “Other” of “Extraordinary loss” in fiscal 2008. However, “Loss on sales of investment securities” and “Loss on valuation of investment securities” is presented separately because of its increased materiality in fiscal 2009. In addition, “Loss on sales of investment securities” included in “Other” in fiscal 2008 was 2 million yen, and “Loss on valuation of investment securities” included in “Other” in fiscal 2008 was 18 million yen.

[Consolidated statements of cash flows]

1.In fiscal 2008, “Other non-operating expenses (income)” and “Other extraordinary loss (income)” in “Net cash provided by (used in) operating activities” was presented in the same way as in the consolidated statements of income. For improvement of comparability in the consolidated financial statements, along with the XBRL introduction into EDINET, the net amount of profit and loss has been presented from fiscal 2009. The net amount of profit and loss in fiscal 2008 was as follows.

	(Unit: Million of yen)
Gain on valuation of derivatives	(4,921)
Loss on valuation of derivatives	110
Loss (gain) on valuation of derivatives	(4,811)
Gain on sales of noncurrent assets	(1,480)
Loss on retirement of noncurrent assets	5,489
Loss (gain) on sales and retirement of noncurrent assets	4,009

2. “Payments for investments in capital” was included in “Other” of “Net cash provided by (used in) investing activities” in fiscal 2008. However, “Payments for investments in capital” is presented separately because of its increased materiality in fiscal 2009. In addition, “Payments for investments in capital” included in “Other” in fiscal 2008 was overdrawn 930 million yen.

8. Notes to Consolidated Financial Statements

(Consolidated Balance Sheets)

FY 2008	FY 2009
Accumulated depreciation for property, plant and equipment 752,311 million yen	Accumulated depreciation for property, plant and equipment 739,586 million yen

(Consolidated Statements of income)

<table>
<tr><th>FY 2008</th><th>FY 2009</th></tr>
<tr><td>1.Research and development cost included in general and administrative expenses and cost of sales

52,020 million yen

2. Extraordinary income and losses

(1)Gain on prior period adjustment

Gain on prior period adjustment represents a gain on reversal of certain expenses due to revision to the estimated expense related to a change in the medical insurance system of a foreign subsidiary and the settlement of a tariff rate issue on imported parts.

(2)

Not Applicable</td><td>1.Research and development cost included in general and administrative expenses and cost of sales

42,831 million yen

2. Extraordinary income and losses

(1)

Not Applicable

(2)Other (Extraordinary income)

1,001 million yen of “Other” in “Extraordinary income” represents the impact of “Change in recognition of sales or interest revenue on credit” from the equal installment method to the seven-eight allocation method.</td></tr>
<tr><td>(3)Impairment loss

The Company recorded an impairment loss with regard to the following asset groups.

<table>
<tr><th>Use</th><th>Location</th><th>Category</th></tr>
<tr><td>Production facility</td><td>Gunma Prefecture</td><td>Buildings, machinery and other</td></tr>
<tr><td>Assets for dealership business</td><td>Yamagata Prefecture and 2 other location</td><td>Buildings and structures, land and other</td></tr>
<tr><td>Idle assets</td><td>Hokkaido and 3 other location</td><td>Machinery, land and other</td></tr>
</table>
The assets on which impairment was recognized are grouped as follows: The production facilities are grouped by product line; the operating assets for dealership are grouped by each company; and the idle assets are grouped on a property by property basis.

The impairment loss by each category of property, plant and equipment was as follows:

<table>
<tr><th>Account</th><th>Amount</th></tr>
<tr><td>Buildings and structures</td><td>3,092 million yen</td></tr>
<tr><td>Machinery</td><td>8,619 million yen</td></tr>
<tr><td>Land</td><td>789 million yen</td></tr>
<tr><td>Other</td><td>674 million yen</td></tr>
<tr><td>Total</td><td>13,174 million yen</td></tr>
</table>
</td><td>(3)Impairment loss

The Company recorded an impairment loss with regard to the following asset groups.

<table>
<tr><th>Use</th><th>Location</th><th>Category</th></tr>
<tr><td>Assets for dealership business</td><td>Nagano Prefecture and Shimane Prefecture</td><td>Buildings and land and other</td></tr>
<tr><td>Idle assets</td><td>Hokkaido and 3 other location</td><td>Buildings and structures, and land</td></tr>
</table>
The assets on which impairment was recognized are grouped as follows: The operating assets for dealership are grouped by each company, and the idle assets are grouped on a property by property basis.

The impairment loss by each category of property, plant and equipment was as follows:

<table>
<tr><th>Account</th><th>Amount</th></tr>
<tr><td>Buildings and structures</td><td>288 million yen</td></tr>
<tr><td>Land</td><td>706 million yen</td></tr>
<tr><td>Other</td><td>51 million yen</td></tr>
<tr><td>Total</td><td>1,045 million yen</td></tr>
</table>
</td></tr>
</table>

(4) Not Applicable	(4) Loss on valuation of investment securities and other Eclipse Aviation Corporation (“Eclipse”), a trading partner of FHI, had filed an application under Chapter 11 of the United States Bankruptcy Code on November 25, 2008. However, their creditors submitted a motion for an order converting the Chapter 11 Bankruptcy cases to cases under Chapter 7 on February 24, 2009, and this was granted with the selection of a trustee on March 5, 2009. Therefore, the Company has recorded an extraordinary loss (as follows) because the Company will incur uncollectible receivables or the delayed collection of receivables and damage to assets that the Company holds for or in Eclipse Aviation Corporation. Loss on valuation of investment securities: 521 million yen Provision of allowance for doubtful accounts: 2,640 million yen Other(Loss on valuation of inventories): 5,737 million yen
(5) Not Applicable	(5)Other The main breakdown of “Other,” 8,850 million yen, was as follows. [1] “Loss on valuation of inventories” that is noted in the above-mentioned (4). 5,737 million yen [2] Loss on the withdrawal from the FIA World Rally Championship (WRC) 3,030 million yen
(6) Not Applicable	(6)Income taxes-deferred A reversal of deferred tax assets of 39,408 million yen, which had been posted, was made, carefully considering their possible realization.

(Consolidated Statement of Changes in Net Assets)

FY 2009 (April 1, 2008 to March 31, 2009)
1.Class of outstanding shares or total number of outstanding shares and class of treasury stock or number of treasury stock

	End of FY 2008 Number of shares	FY 2009 Number of incremental shares	FY 2009 Number of decreased shares	End of FY 2009 Number of shares
Outstanding shares				
Common shares	782,865,873	-	-	782,865,873
Total	782,865,873	-	-	782,865,873
Treasury stock				
Common shares	64,698,395	109,264	61,125,343	3,682,316
Total	64,698,395	109,264	61,125,343	3,682,316

Note: Shares of decreased treasury stock in fiscal 2009 include 61 million shares of transferred treasury stock to Toyota Motor Corporation.

2.Dividends
Dividends paid

Resolution	Class of shares	Amount of dividends paid (million yen)	Cash dividends per share (yen)	Base date	Date of entry into force
Annual meeting of shareholders June 25,2008	Common shares	3,234	4.5	March 31,2008	June 26,2008
Annual meeting of shareholders October 31,2008	Common shares	3,508	4.5	September 30,2008	December 1,2008

3.Other
The Company transferred treasury stock to Toyota Motor Corporation on July 14, 2008.
(number of shares: 61 million shares; sales value: 31,110 million yen)
As a result, there was a 38,424 million yen decrease in the treasury stock, and the loss on the sale of treasury stocks were divided into a 25 million yen decrease in capital surplus and 7,289 million yen decrease in retained earnings.

FY 2008 (April 1, 2007 to March 31, 2008)
The disclosure of information is omitted because the need for such disclosure is not considered to be significant for the purpose of this release.

(Omission of Disclosures in This Release)
The disclosure of the following footnote information is omitted because the need for such disclosure is not considered to be significant for the purpose of this release:

Notes to Consolidated Statements of Cash Flows
Lease transactions
Transactions with related parties
Income taxes
Securities and investments
Derivative transactions
Accrued pension and severance benefits
Stock options, etc.
Business Combination

(Segment Information)

(1) Business segment Information

FY 2009 (April 1, 2008 to March 31, 2009) (Unit: Million of yen)

	Automobiles	Industrial products	Aerospace	Other	Total	Elimination and corporate	Consolidated total
Ⅰ Sales and operating income							
Net sales							
(1) Outside customers	1,316,305	34,912	80,872	13,701	1,445,790	-	1,445,790
(2) Inter-segment	2,641	18	1	12,420	15,080	(15,080)	-
Total sales	1,318,946	34,930	80,873	26,121	1,460,870	(15,080)	1,445,790
Operating cost and expense	1,328,147	36,573	79,298	23,003	1,467,021	(15,428)	1,451,593
Operating income	(9,201)	(1,643)	1,575	3,118	(6,151)	348	(5,803)
Ⅱ Assets, depreciation expense, impairment loss, and capital expenditure							
Assets	910,250	39,856	174,062	70,089	1,194,257	(28,826)	1,165,431
Depreciation expense	66,395	1,421	4,479	1,741	74,036	-	74,036
Impairment loss	1,045	-	-	-	1,045	-	1,045
Capital expenditure	90,723	1,187	1,787	1,480	95,177	(24)	95,153

FY 2008 (April 1, 2007 to March 31, 2008) (Unit: Million of yen)

	Automobiles	Industrial products	Aerospace	Other	Total	Elimination and corporate	Consolidated total
Ⅰ Sales and operating income							
Net sales							
(1) Outside customers	1,421,179	40,678	99,673	10,816	1,572,346	-	1,572,346
(2) Inter-segment	2,849	13	1	6,778	9,641	(9,641)	-
Total sales	1,424,028	40,691	99,674	17,594	1,581,987	(9,641)	1,572,346
Operating cost and expense	1,386,887	40,032	95,232	15,069	1,537,220	(10,554)	1,526,666
Operating income	37,141	659	4,442	2,525	44,767	913	45,680
Ⅱ Assets, depreciation expense, impairment loss, and capital expenditure							
Assets	1,041,057	45,528	172,410	64,869	1,323,864	(27,476)	1,296,388
Depreciation expense	79,575	1,527	4,250	1,812	87,164	-	87,164
Impairment loss	13,174	-	-	-	13,174	-	13,174
Capital expenditure	114,245	858	3,142	624	118,869	-	118,869

Notes:

1.Definition of business segments:
Business segments are defined based on product line and market.

2.Main products each business segment:

Business segment	Main products
Automobiles	LEGACY, IMPREZA, FORESTER, EXIGA, TRIBECA, STELLA, R1, R2, PLEO, SAMBER
Industrial products	Robin engines, power generators, pumps
Aerospace	Aircraft, parts of space-related devices
Other	Garbage collection vehicles, specialized vehicles, real estate lease

3.All operating costs and expenses are allocated to each business segment.

4.There is no corporate asset included in Corporate and elimination.

5.Change of accounting method

[1] Accounting Standard for Measurement of Inventories

As described in (3)-[1] of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009, the Company and its domestic consolidated subsidiaries have applied the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9).

This change resulted in an increase in operating loss of 3,061 million yen in “Automobiles” and an increase in operating loss of 146 million yen in “Industrial products” by the same amount for the 12-month period ended March 31, 2009 compared with the corresponding amounts which would have been recorded if the previous method had been followed.

In addition, the impact of this change on other business segments is insignificant.

[2] Provision for loss on construction contracts

As described in (3)-[2] of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009,

the Company has adopted “provision for loss on contracts” in order to cover the loss on undelivered construction of aerospace business which would occur and could be reasonably estimated.

The Company recorded 2,901 million yen of “Provision for loss on construction contracts” in the first quarter of fiscal 2009 as “Extraordinary loss,” and a part of the provision corresponding to recognized sales related to construction has been reclassified in cost of sales along with additional cost for construction since the second quarter of fiscal year 2009.

This change resulted in an increase in operating income of 433 million yen in “Aerospace”—the same amount for the 12-month period ended March 31, 2009 when compared with the corresponding amount which would have been recorded if the previous method had been followed.

[3] Change in recognition of sales or interest revenue on credit

As described in (3)-[3] of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009, the Company’s financial subsidiary has changed the recognition of sales or interest revenue on credit from the equal installment method to the seven-eight allocation method.

The impact of this change on net sales and operating loss was insignificant.

[4] Accounting for lease transactions

As described in (3)-[4] of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009, the Company and its domestic consolidated subsidiaries has adopted “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16).

This change resulted in a decrease in operating loss of 2,513 million yen in “Automobiles”—the same amount for the 12-month period ended March 31, 2009 when compared with the corresponding amount which would have been recorded if the previous method had been followed.

[5] Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

As described in item (4) of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial statements” (the Practical Issues Task Force No.18).

The impact of this change on profit and loss was insignificant.

[6] Alteration of service life of fixed assets

As described in “Additional information,” since the beginning of the current fiscal year, fiscal 2009, the Company and domestic consolidated subsidiaries revised the service life of fixed assets (machinery) in accordance with the enacted revisions to the tax depreciation schedules.

This change resulted in an increase in operating loss of 1,469 million yen in “Automobiles” and a decrease in operating income of 128 million yen in “Aerospace”—the same amount for the 12-month period ended March 31, 2009 when compared with the corresponding amount which would have been recorded if the previous method had been followed.

In addition, the impact of this change on other business segments is insignificant.

(2) Geographic segment information

FY 2009 (April 1, 2008 to March 31, 2009) (Unit: Million of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated total
Ⅰ Sales and operating income						
Net sales						
(1) Outside customers	856,188	546,859	42,743	1,445,790	-	1,445,790
(2) Inter-segment	280,623	15,380	622	296,625	(296,625)	-
Total sales	1,136,811	562,239	43,365	1,742,415	(296,625)	1,445,790
Operating cost and expense	1,152,651	564,203	41,432	1,758,286	(306,693)	1,451,593
Operating income	(15,840)	(1,964)	1,933	(15,871)	10,068	(5,803)
Ⅱ Assets	872,342	297,801	13,116	1,183,259	(17,828)	1,165,431

FY 2008 (April 1, 2007 to March 31, 2008) (Unit: Million of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated total
Ⅰ Sales and operating income						
Net sales						
(1) Outside customers	901,091	617,718	53,537	1,572,346	-	1,572,346
(2) Inter-segment	270,514	20,860	501	291,875	(291,875)	-
Total sales	1,171,605	638,578	54,038	1,864,221	(291,875)	1,572,346
Operating cost and expense	1,137,417	632,003	52,636	1,822,056	(295,390)	1,526,666
Operating income	34,188	6,575	1,402	42,165	3,515	45,680
Ⅱ Assets	962,886	347,205	12,221	1,322,312	(25,924)	1,296,388

Notes:

1. Geographic areas are based on geographical proximity.
2. Principal countries or districts in each geographic area:
   North America: United States and Canada
   Other: Europe
3. All operating costs and expenses are allocated to each segment.
4. There is no corporate asset included in Corporate and elimination.
5. Change of accounting method

[1] Accounting standard for measurement of inventories

As described in (3)-[1] of "Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies," since the beginning of the current fiscal year, fiscal 2009, the Company and its domestic consolidated subsidiaries has applied the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9).

This change resulted in an increase in operating loss of 3,220 million yen in Japan—the same amount for the 12-month period ended March 31, 2009 when compared with the corresponding amounts which would have been recorded if the previous method had been followed.

[2] Provision for loss on construction contracts

As described in (3)-[2] of "Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies," since the beginning of the current fiscal year, fiscal 2009,

the Company has adopted "provision for loss on contracts" in order to cover the loss on undelivered construction of aerospace business which would occur and could be reasonably estimated.

The Company recorded 2,901 million yen in "Provision for loss on construction contracts" in the first quarter of fiscal 2009 as "Extraordinary loss," and a part of the provision corresponding to recognized sales related to the construction has been reclassified in cost of sales along with additional cost for construction since the second quarter of fiscal 2009.

This change resulted in a decrease in operating loss of 433 million yen in Japan—the same amount for the

12-month period ended March 31, 2009 when compared with the corresponding amount which would have been recorded if the previous method had been followed.

[3] Change in recognition of sales or interest revenue on credit

As described in (3)-[3] of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009, the Company’s financial subsidiary has changed the recognition of sales or interest revenue on credit from the equal installment method to the seven-eight allocation method.

The impact of this change on net sales and operating loss was insignificant.

[4] Accounting for lease transactions

As described in (3)-[4] of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009, the Company and its domestic consolidated subsidiaries has adopted “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16).

This change resulted in a decrease in operating loss of 2,513 million yen in Japan—the same amount for the 12-month period ended March 31, 2009 when compared with the corresponding amount which would have been recorded if the previous method had been followed.

[5] Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

As described in (4) of “Changes in the Basis for Preparation of Consolidated Financial Statements and Significant Accounting Policies,” since the beginning of the current fiscal year, fiscal 2009, the Company has adopted “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial statements” (the Practical Issues Task Force No.18).

The impact of this change on profit and loss was insignificant.

[6] Alteration of service life of fixed assets

As described in “Additional information,” since the beginning of the current fiscal year, fiscal 2009, the Company and domestic consolidated subsidiaries revised the service life of fixed assets (machinery) to the enacted revisions to the tax depreciation schedules.

This change resulted in an increase in operating loss of 1,595 million yen in Japan— the same amount for the 12-month period ended March 31, 2009 when compared with the corresponding amount which would have been recorded if the previous method had been followed.

(3) Overseas net sales

FY 2009 (April 1, 2008 to March 31, 2009) (Unit: Million of yen)

	North America	Europe	Other	Total
Overseas net sales	582,979	168,520	186,777	938,276
Consolidated net sales				1,445,790
Percentage of overseas net sales over consolidated sales	40.3%	11.7%	12.9%	64.9%

FY 2008 (April 1, 2007 to March 31, 2008) (Unit: Million of yen)

	North America	Europe	Other	Total
Overseas net sales	667,310	181,333	179,716	1,028,359
Consolidated net sales				1,572,346
Percentage of overseas net sales over consolidated sales	42.5%	11.5%	11.4%	65.4%

Notes:

1. Geographic areas are based on geographical proximity.
2. Principal countries or districts in each geographic area:
   - North America : United States and Canada
   - Europe : Germany, Switzerland, United Kingdom and Russia
   - Other : Australia
3. Overseas sales are sales outside of Japan by the Company and consolidated subsidiaries.

(Information per share)

	FY 2008	FY 2009
Net assets per share (yen)	687.02	505.59
Net income (loss) per share, basic (yen)	25.73	(91.97)
Net income per share, diluted (yen)	25.73	-
Weighted average number of common shares outstanding during the year (thousands)	718,208	760,413
Weighted average number of additional dilutive common shares due to stock options (thousands)	42	-

(Subsequent Event)

Not Applicable

5. Non-consolidated Financial Statements

(1)Non-consolidated balance sheets

(Unit: Million of yen)

	FY2008 (as of March 31, 2008) Amount	FY2009 (as of March 31, 2009) Amount
ASSETS		
Ⅰ **Current assets**		
Cash and deposits	14,338	24,857
Notes receivable-trade	1,405	1,202
Accounts receivable-trade	111,608	96,812
Short-term investment securities	2	-
Finished goods	33,672	-
Merchandise and finished goods	-	23,090
Work in process	96,384	92,878
Raw materials	16,665	-
Supplies	1,515	-
Raw materials and supplies	-	29,318
Advance payments-trade	10,383	1,569
Prepaid expenses	2,754	1,340
Deferred tax assets	16,313	-
Short-term loans receivable	85,305	-
Short-term loans receivable to subsidiaries and affiliates	-	77,158
Current portion of long-term loans receivable from subsidiaries and affiliates	-	20,900
Accounts receivable-other	28,023	25,893
Consumption taxes receivable	-	14,073
Other	7,399	4,096
Allowance for doubtful accounts	(234)	(11,596)
Total current assets	**425,532**	**401,590**
Ⅱ **Noncurrent assets**		
1. Property, plant and equipment		
Buildings, net	50,813	50,720
Structures, net	6,778	6,434
Machinery and equipment, net	68,181	71,104
Aircraft, net	9	9
Vehicles, net	1,229	1,216
Tools, furniture and fixtures, net	10,208	9,075
Land	89,512	91,446
Lease assets, net	-	248
Construction in progress	7,029	1,778
Total property, plant and equipment	**233,759**	**232,030**
2. Intangible assets		
Patent right	79	63
Leasehold right	11	11
Right of trademark	5	4
Software	9,865	7,783
Other	370	568
Total intangible assets	**10,330**	**8,429**
3. Investments and other assets		
Investment securities	41,362	23,934
Stocks of subsidiaries and affiliates	143,564	140,362
Investments in capital	8	8
Investments in capital of subsidiaries and affiliates	1,983	2,022
Long-term loans receivable	5	5
Long-term loans receivable from employees	118	114
Long-term loans receivable from subsidiaries and affiliates	26,030	8,130
Claims provable in bankruptcy, claims provable in rehabilitation and other	6,486	9,348
Long-term prepaid expenses	1,543	1,794
Deferred tax assets	11,992	-
Other	3,404	3,129
Allowance for investment loss	(1,271)	(259)
Allowance for doubtful accounts	(14,889)	(10,240)
Total investments and other assets	**220,335**	**178,347**
Total noncurrent assets	**464,424**	**418,806**
Total assets	**889,956**	**820,396**

(Unit: Million of yen)

	FY2008 (as of March 31, 2008) Amount	FY2009 (as of March 31, 2009) Amount
LIABILITIES		
Ⅰ Current liabilities		
Notes payable-trade	3,620	2,066
Accounts payable-trade	197,072	144,661
Short-term loans payable	20,046	62,750
Commercial papers	-	24,000
Current portion of long-term loans payable	-	13,869
Current portion of bonds	30,000	-
Lease obligations	-	68
Accounts payable-other	15,371	12,291
Accrued expenses	29,015	22,268
Income taxes payable	5,126	-
Advances received	4,145	4,348
Deposits received	1,024	873
Unearned revenue	186	195
Provision for bonuses	10,249	8,860
Provision for directors' bonuses	96	-
Provision for product warranties	6,180	5,388
Provision for loss on construction contracts	-	760
Other	23	2,677
Total current liabilities	**322,153**	**305,074**
Ⅱ Noncurrent liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	22,217	39,698
Lease obligations	-	193
Deferred tax liabilities	-	2,523
Provision for retirement benefits	23,847	19,662
Provision for loss on guarantees	745	745
Long-term accounts payable-other	10,604	11,091
Other	1,161	1,147
Total noncurrent liabilities	**118,574**	**135,059**
Total liabilities	**440,727**	**440,133**
NET ASSETS		
Ⅰ Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus		
Legal capital surplus	160,071	160,071
Other capital surplus	43	-
Total capital surpluses	**160,114**	**160,071**
Retained earnings		
Legal retained earnings	7,901	7,901
Other retained earnings		
Reserve for reduction entry of land	749	749
General reserve	85,335	85,335
Retained earnings brought forward	68,944	(28,495)
Total earned surpluses	**162,929**	**65,490**
Treasury stock	(40,504)	(2,051)
Total shareholders' equity	**436,334**	**377,305**
Ⅱ Valuation and translation adjustments		
Valuation difference on available-for-sale securities	12,895	2,958
Total valuation and translation adjustments	**12,895**	**2,958**
Total net assets	**449,229**	**380,263**
Total liabilities and net assets	**889,956**	**820,396**

(2)Non-consolidated statements of income (Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008) Amount	FY2009 (April 1, 2008 to March 31, 2009) Amount
Ⅰ Net sales	1,018,820	969,209
Ⅱ Cost of sales	843,069	861,081
Gross profit	175,751	108,128
Ⅲ Selling, general and administrative expenses	149,921	132,674
Operating income (loss)	**25,830**	**(24,546)**
Ⅳ Non-operating income		
Interest and dividends income	2,959	-
Interest income	-	893
Interest on securities	-	41
Dividends income	-	1,618
Real estate rent	-	2,690
Foreign exchange gains	-	4,397
Gain on valuation of derivatives	4,921	-
Other	4,514	2,709
Total non-operating income	12,394	12,348
Ⅴ Non-operating expenses		
Interest expenses	1,768	917
Interest on bonds	-	983
Foreign exchange losses	5,998	-
Loss on valuation of derivatives	-	5,278
Other	5,611	5,464
Total non-operating expenses	13,377	12,642
Ordinary income (loss)	**24,847**	**(24,840)**
Ⅵ Extraordinary income		
Gain on sales of noncurrent assets	1,025	278
Gain on sales of investment securities	1,652	1,610
Gain on revision of retirement benefit plan	-	653
Reversal of allowance for investment loss	-	1,271
Other	0	444
Total extraordinary income	2,677	4,256
Ⅶ Extraordinary loss		
Loss on sales and retirement of noncurrent assets	3,945	2,493
Impairment loss	10,940	337
Loss on sales of investment securities	-	666
Loss on valuation of investment securities	2,418	3,253
Provision of allowance for doubtful accounts	4,885	5,874
Provision for loss on construction contracts	-	2,901
Provision of allowance for investment loss	1,271	259
Other	-	8,834
Total extraordinary losses	23,459	24,617
Income (loss) before income taxes	4,065	(45,201)
Income taxes-current	7,540	612
Income taxes-deferred	(3,417)	37,591
Total income taxes	4,123	38,203
Net income (loss)	**(58)**	**(83,404)**

(3)Non-consolidated statement of changes in net assets

(Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008)	FY2009 (April 1, 2008 to March 31, 2009)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	153,795	153,795
Balance at the end of current period	153,795	153,795
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	160,071	160,071
Balance at the end of current period	160,071	160,071
Other capital surplus		
Balance at the end of previous period	49	43
Changes of items during the period		
Disposal of treasury stock	(6)	(43)
Total changes of items during the period	(6)	(43)
Balance at the end of current period	43	-
Total capital surplus		
Balance at the end of previous period	160,120	160,114
Changes of items during the period		
Disposal of treasury stock	(6)	(43)
Total changes of items during the period	(6)	(43)
Balance at the end of current period	160,114	160,071
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	7,901	7,901
Balance at the end of current period	7,901	7,901
Other retained earnings		
Reserve for reduction entry of land		
Balance at the end of previous period	719	749
Changes of items during the period		
Provision of reserve for reduction entry of land	30	-
Total changes of items during the period	30	-
Balance at the end of current period	749	749
General reserve		
Balance at the end of previous period	85,335	85,335
Balance at the end of current period	85,335	85,335
Retained earnings brought forward		
Balance at the end of previous period	75,500	68,944
Changes of items during the period		
Provision of reserve for reduction entry of land	(30)	-
Dividends from surplus	(6,468)	(6,742)
Net income (loss)	(58)	(83,404)
Disposal of treasury stock	-	(7,293)
Total changes of items during the period	(6,556)	(97,439)
Balance at the end of current period	68,944	(28,495)
Total retained earnings		
Balance at the end of previous period	169,455	162,929
Changes of items during the period		
Dividends from surplus	(6,468)	(6,742)
Net income (loss)	(58)	(83,404)
Disposal of treasury stock	-	(7,293)
Total changes of items during the period	(6,526)	(97,439)
Balance at the end of current period	162,929	65,490

(Unit: Million of yen)

	FY2008 (April 1, 2007 to March 31, 2008)	FY2009 (April 1, 2008 to March 31, 2009)
Treasury stock		
Balance at the end of previous period	(40,477)	(40,504)
Changes of items during the period		
Purchase of treasury stock	(60)	(50)
Disposal of treasury stock	33	38,503
Total changes of items during the period	(27)	38,453
Balance at the end of current period	(40,504)	(2,051)
Total shareholders' equity		
Balance at the end of previous period	442,893	436,334
Changes of items during the period		
Dividends from surplus	(6,468)	(6,742)
Net income (loss)	(58)	(83,404)
Purchase of treasury stock	(60)	(50)
Disposal of treasury stock	27	31,167
Total changes of items during the period	(6,559)	(59,029)
Balance at the end of current period	436,334	377,305
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	21,130	12,895
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,235)	(9,937)
Total changes of items during the period	(8,235)	(9,937)
Balance at the end of current period	12,895	2,958
Total valuation and translation adjustments		
Balance at the end of previous period	21,130	12,895
Changes of items during the period		
Net changes of items other than shareholders' equity	(8,235)	(9,937)
Total changes of items during the period	(8,235)	(9,937)
Balance at the end of current period	12,895	2,958
Total net assets		
Balance at the end of previous period	464,023	449,229
Changes of items during the period		
Dividends from surplus	(6,468)	(6,742)
Net income (loss)	(58)	(83,404)
Purchase of treasury stock	(60)	(50)
Disposal of treasury stock	27	31,167
Net changes of items other than shareholders' equity	(8,235)	(9,937)
Total changes of items during the period	(14,794)	(68,966)
Balance at the end of current period	449,229	380,263

(4) Notes on premise of going concern

Not Applicable

(Changes in Presentation of Non-consolidated Financial Statements)

[Non-consolidated Balance Sheets]

1. For improvement of comparability in the consolidated financial statements, along with the XBRL introduction into EDINET, "Short-term loans receivable" in the preceding period is presented separately in "Short-term loans receivable to subsidiaries and affiliates" and "Current portion of long-term loans receivable from subsidiaries and affiliates" in the current period. In addition, "Short-term loans receivable to subsidiaries and affiliates" and "Current portion of long-term loans receivable from subsidiaries and affiliates" included in "Short-term loans receivable" in preceding period were as follows.

Short-term loans receivable to subsidiaries and affiliates	66,905 million yen
Current portion of long-term loans receivable from subsidiaries and affiliates	18,400 million yen

2. For reasons similar to those listed in 1., above, "Accounts receivable—other" in the preceding period is presented separately in "Accounts receivable—other" and "Consumption taxes receivable" in the current period. In addition, "Accounts receivable—other" and "Consumption taxes receivable" included in "Accounts receivable—other" in preceding period were as follows.

Accounts receivable－other	15,978 million yen
Consumption taxes receivable	12,045 million yen

3. For reasons similar to those listed in 1., above, "Short-term loans payable" in the preceding period is presented separately in "Short-term loans payable" and "Current portion of long-term loans payable" in the current period. In addition, "Short-term loans payable" and "Current portion of long-term loans payable" included in "Short-term loans payable" in the preceding period were as follows.

Short-term loans payable	17,540 million yen
Current portion of long－term loans payable	2,506 million yen

[Non-consolidated Statements of Income]

1. For improvement of comparability in the consolidated financial statements, along with the XBRL introduction into EDINET, "Interest and dividends income" in the preceding period is presented separately in "Interest income" and "Dividends income" in the current period. In addition, "Interest income" and "Dividends income" included in "Interest and dividends income" in preceding period were as follows.

Interest income	958 million yen
Interest on securities	43 million yen
Dividends income	1,958 million yen

2. "Real estate rent" was included in "Other" of "Total non-operating income" in the preceding period.
However, "Real estate rent" is presented separately because reasons similar to those listed in 1., above. In addition, "Real estate rent" included in "Other" in the preceding period was 2,760 million yen.

3. For reasons similar to those listed in 1., above, "Interest expenses" in the preceding period is presented separately in "Interest expenses" and "Interest on bonds" in the current period. In addition, "Interest expenses" and "Interest on bonds" included in "Interest expenses" in the preceding period were as follows.

Interest expenses	558 million yen
Interest on bonds	1,210 million yen

SUBARU

(MAY.8,2009)
Fuji Heavy Industries Ltd.

<Reference for FY2009 Consolidated Financial Results>

(in 100 millions of yen) (in thousands of units)		RESULTS FY2008 Apr.2007 to Mar.2008	RESULTS FY2009 Apr.2008 to Mar.2009	Difference	Ratio	FORECAST FY2010 Apr.2009 to Mar.2010	Difference	Ratio
Net Sales		15,723	14,458	(1,266)	(8.0)	13,200	(1,258)	(8.7)
	Domestic	5,440	5,075	(365)	(6.7)	5,100	25	0.5
	Overseas	10,284	9,383	(901)	(8.8)	8,100	(1,283)	(13.7)
Operating Income/Loss		457	(58)	(515)	-	(350)	(292)	-
	Margin Percentage	2.9	-			-		
Ordinary Income/Loss		454	(46)	(500)	-	(400)	(354)	-
	Margin Percentage	2.9	-			-		
Net Income/Loss		185	(699)	(884)	-	(550)	149	-
	Margin Percentage	1.2	-			-		
Change of operating income by factors			Decrease of R&D expenses	92		Reduction in cost, Net of raw material price raise	218	
			Improvement of sales volume & mixture and others	3		Decrease of SG&A expenses and others	174	
			Loss on currency exchange	(435)		Decrease of sales volume & mixture and others	(411)	
			Increase of SG&A expenses and others	(143)		Loss on currency exchange	(271)	
			Reduction in cost, Net of raw material price raise	(32)		Increase of R&D expenses	(2)	
Exchange rates	YEN/US$	YEN116/US$	YEN102/US$			YEN95/US$		
	YEN/EURO	YEN161/EURO	YEN147/EURO			YEN125/EURO		
Capital expenditures		563	580			590		
Depreciation and amortization		655	651			590		
R&D expenses		520	428			430		
Interest bearing debt		3,045	3,817			4,000		
Performance of operation			Net Sales to decrease Net Income to decrease			Net Sales to decrease Net Income to decrease		
Domestic sales		209	179	(30)	(14.3)	160	(18)	(10.3)
	Passenger Cars	78	70	(8)	(10.2)	73	3	4.6
	Minicars	131	109	(22)	(16.8)	87	(22)	(20.0)
Overseas sales		388	377	(11)	(2.9)	348	(29)	(7.7)
	North America	210	207	(3)	(1.5)	215	8	3.8
	Europe	86	77	(9)	(9.9)	56	(22)	(28.2)
	Others	92	92	0	0.4	77	(15)	(16.3)
Total sales		597	555	(41)	(6.9)	508	(47)	(8.5)
Production Units Total		599	566	(33)	(5.6)	490	(76)	(13.4)
	Japan	490	474	(16)	(3.2)	404	(70)	(14.7)
	U.S	109	92	(18)	(16.1)	85	(6)	(6.8)
Net sales by business segment	Automobile	14,212	13,163	(1049)	(7.4)			
	Aerospace	997	809	(188)	(18.9)			
	Industrial Products	407	349	(58)	(14.2)			
	Others	108	137	29	26.7			
Operating income by business segment	Automobile	371	(92)	(463)	-			
	Aerospace	44	16	(29)	(64.5)			
	Industrial Products	7	(16)	(23)	-			
	Others	25	31	6	23.5			
	Elimination and Corporate	9	3	(6)	-			
Net sales by geographic area	Japan	9,011	8,562	(449)	(5.0)			
	North America	6,177	5,469	(709)	(11.5)			
	Others	535	427	(108)	(20.2)			
Operating income by geographic area	Japan	342	(158)	(500)	-			
	North America	66	(20)	(85)	-			
	Others	14	19	5	37.9			
	Elimination and Corporate	35	101	66	-			

* Figures of Total Sales are the sum of retail sales units of the Japanese subsidiary dealers, wholesale units of the overseas subsidiary distributors, and wholesale units of FHI to other distributors/dearlers.

* Exchange rate is the non-consolidated sales rate of FHI.