

March 31, 2010

Company name: Fuji Heavy Industries Ltd.
Representative: Mr. Ikuo Mori, President and CEO
(Code No. 7270, First Section of Tokyo Stock Exchange)
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Company name: Ichitan Co., Ltd.
Representative: Mr. Minoru Tamura, President
(Code No. 5645, JASDAQ)
Contact for inquiries: Mr. Tatsuhiko Arita,
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**Notification with Respect to the Execution of an Agreement Regarding a Share Exchange
through which Ichitan Co., Ltd. will Become a Wholly-Owned Subsidiary of
Fuji Heavy Industries Ltd.**

Fuji Heavy Industries Ltd. (“FHI”) and Ichitan Co., Ltd. (“Ichitan”) resolved, at their respective meetings of the Board of Directors held on March 31, 2010, to conduct a share exchange (the “Share Exchange”) through which Ichitan will become a wholly-owned subsidiary of FHI, and entered into an agreement concerning the Share Exchange (the “Share Exchange Agreement”). In connection with the foregoing, FHI and Ichitan would like to provide notice of the following.

The effective date (the “Effective Date”) of the Share Exchange is scheduled to be August 1, 2010, after Ichitan obtains approval for the Share Exchange Agreement at the ordinary general meeting of its shareholders scheduled to be held on June 29, 2010. FHI will implement the Share Exchange without obtaining approval for the Share Exchange Agreement at a general meeting of its shareholders in accordance with “simplified share exchange” (*kan-i kabushiki kokan*) procedures pursuant to Article 796, Paragraph 3 of the Companies Act of Japan (the “Companies Act”). In addition, prior to August 1, 2010, the scheduled Effective Date of the Share Exchange, the shares of common stock of Ichitan will be delisted from JASDAQ Securities Exchange, Inc. (“JASDAQ”) on July 28, 2010 (the final day on which the shares of common stock of Ichitan will be traded on JASDAQ is scheduled to be July 27, 2010).

1. Purpose and Background of Making Ichitan a Wholly-Owned Subsidiary of FHI through the Share Exchange

Ichitan was established in 1951 as Daiichi Tanzo Co., Ltd., and became a subsidiary of FHI in 1965. Since then, Ichitan has been responsible exclusively in the FHI group (the “FHI Group”) for forging activities, engaging primarily in the manufacture and sale of forged parts such as engine, transmission and suspension parts which are core parts of automobiles and industrial machinery, and has aimed to become the best forging manufacturer with global competitive strength focusing on its specialized area of precision forging technologies.

In its mid-term management plan, FHI is currently developing global products with the aim of an integration of the pleasure of driving and environmental responsibility, focusing on a “distinctive Subaru experience” (*Subaru rashisa*) and the foundation of the philosophy of “customers come first.” Because performance and quality required for engines and transmissions, which are core

parts in responding to environmental issues, will become more sophisticated in the future amidst increasingly strict environmental regulations applicable to automobile and industrial machinery, FHI believes that the precision forging technologies specific to Ichitan will gain more importance.

However, in a continuing severe management environment including the sudden decline in demand triggered by the global recession since two years ago, Ichitan has experienced a substantial decrease in revenue, and, for the 89th consolidated fiscal year (from April 1, 2008 to March 31, 2009), Ichitan recorded a net loss of JPY534 million and incurred excess liabilities of JPY28 million. In response to this situation, Ichitan is implementing various measures including increase of sales, reduction of cost, improvement of productivity, reduction of various expenses and a freeze on capital expenditure, among other measures. In addition, in response to FHI's favorable sales of new automobiles, the demand for CVT (continuously variable transmission) parts has been improving. As a result, Ichitan is expecting, in the consolidated performance projection for the fiscal year ending March 31, 2010 (as of February 15, 2010), that the deficit would decrease. However, while the settlement of accounts is still in progress, Ichitan has not yet reached the stage where it can resolve its excess liabilities.

FHI is the largest shareholder of Ichitan holding over 50% of Ichitan's issued shares. After a series of discussions and cautious review, the two companies came to the conclusion that making Ichitan a wholly-owned subsidiary of FHI through the Share Exchange is the best way to increase synergy in the FHI Group and to maximize its corporate value.

In order for Ichitan to push through business structure reforms and re-establish itself going forward, it is necessary to flexibly and efficiently reinforce Ichitan's financial base and establish an administration that can make efficient business judgments based on a mid- to long-term strategy without being influenced by fluctuations in short-term business results. In addition, by deepening further the relationship between FHI and Ichitan, which would (i) strengthen the two companies' cooperative relationship through technological and personnel support from FHI, (ii) realize various operational innovation and efficiency in such areas as technological development, factory operations and material procurement, and (iii) advance Ichitan's specialized technology, the two companies believe that Ichitan will be able to improve its competitiveness and, at the same time, FHI will be able to develop automobiles, in accordance with the pursuit of providing a "distinctive Subaru experience (*Subaru rashisa*)," that all its customers find driving pleasure, reliability and comfort, which will result in the expansion of its global sales.

Going forward, both FHI and Ichitan will aim to improve profitability and shareholder value, and as a unified group, will make efforts to meet the expectations of the stake holders such as shareholders, employees and business partners.

2. Summary of the Share Exchange

(1) Schedule of the Share Exchange

Meetings of the Boards of Directors of FHI and Ichitan (Resolution to approve the Share Exchange)	Wednesday, March 31, 2010
Execution of the Share Exchange Agreement between FHI and Ichitan	Wednesday, March 31, 2010
Record date of ordinary general meeting of shareholders of Ichitan	Wednesday, March 31, 2010
Ordinary general meeting of shareholders of Ichitan (approval of the Share Exchange Agreement)	Tuesday, June 29, 2010 (scheduled)
Date of final trading of shares of Ichitan	Tuesday, July 27, 2010 (scheduled)

Date of delisting of shares of Ichitan	Wednesday, July 28, 2010 (scheduled)
Scheduled date of the Share Exchange (Effective Date)	Sunday, August 1, 2010 (scheduled)

(Note 1) FHI plans to implement the Share Exchange without obtaining approval for the Share Exchange Agreement at a general meeting of its shareholders in accordance with “simplified share exchange” procedures pursuant to Article 796, Paragraph 3 of the Companies Act.

(Note 2) The schedule of the Share Exchange may be changed, upon discussion between FHI and Ichitan, if such change is necessary based on the progress of procedures relating to the Share Exchange.

(2) Method of the Share Exchange

Through the Share Exchange, FHI will become the parent company and sole shareholder of Ichitan and Ichitan will become a wholly-owned subsidiary of FHI. FHI will implement the Share Exchange without obtaining approval for the Share Exchange Agreement at a general meeting of its shareholders in accordance with “simplified share exchange” procedures pursuant to Article 796, Paragraph 3 of the Companies Act, and Ichitan will obtain approval for the Share Exchange Agreement at the ordinary general meeting of its shareholders scheduled to be held on June 29, 2010. The Effective Date of the Share Exchange is scheduled to be August 1, 2010.

(3) Allocation of Shares in the Share Exchange

Name of Company	Fuji Heavy Industries Ltd. (Parent Company and Sole Shareholder after the Share Exchange)	Ichitan Co., Ltd. (Wholly-Owned Subsidiary after the Share Exchange)
Detail of allocation of shares in the Share Exchange	1	0.17

(Note 1) Share Allocation Ratio

In the Share Exchange, FHI plans to allocate and deliver 0.17 shares of common stock of FHI for one share of common stock of Ichitan; provided, however, that shares will not be allocated through the Share Exchange in exchange for the 4,512,158 shares of Ichitan that are held by FHI. Allocation of shares in the Share Exchange may be changed, upon discussion between FHI and Ichitan, if material changes in various conditions forming the basis of calculation occur.

(Note 2) Number of Shares to be Delivered in the Share Exchange

In the Share Exchange, FHI plans to allocate and deliver 737,015 shares of common stock (digits after the decimal point will be truncated). FHI intends to utilize treasury shares it holds (3,476,618 shares as of February 28, 2010) for such allocation and delivery, and FHI does not plan to issue new shares of common stock. The number of FHI’s treasury shares scheduled to be delivered in the Share Exchange was calculated based on the 8,847,541 issued shares (excluding treasury shares) of Ichitan as of September 30, 2009. In addition, pursuant to the resolution at its meeting of the Board of Directors scheduled to be held by the day prior to the Effective Date of the Share Exchange, Ichitan intends to cancel, at the Base Time (as defined below), all of the treasury shares which it holds (including shares which Ichitan will acquire, in the Share Exchange, from its shareholders in response to such shareholders’ share buyback request (see Note 3 below), pursuant to Article 785 of the Companies Act) at the time

immediately before FHI acquires all of issued shares of Ichitan (the “Base Time”) (excluding Ichitan’s shares of common stock held by FHI). As of September 30, 2009, Ichitan holds 2,459 treasury shares. There is a possibility that the number of FHI’s shares to be allocated and issued in the Share Exchange will be modified due to reasons such as Ichitan’s cancellation of its treasury shares.

(Note 3) Handling of Shares Constituting Less Than a Whole Unit

In the Share Exchange, it is expected that there will be new shareholders of FHI who only hold shares constituting less than a whole unit (1,000 shares) (“Shares Constituting Less Than a Whole Unit”) (as of September 30, 2009, there are 365 shareholders of Ichitan who hold its shares constituting a whole unit, of which approximately 80% of the shareholders hold shares constituting less than 6 units. Shares Constituting Less Than a Whole Unit may not be sold on the stock exchanges. Shareholders who will hold FHI’s Shares Constituting Less Than a Whole Unit as a result of the Share Exchange may use the following programs with respect to shares of FHI:

- (i) Buyback program (*kaitori seido*) for Shares Constituting Less Than a Whole Unit (sale of shares fewer than 1,000 shares)

The buyback program is a program through which FHI’s shareholders who hold Shares Constituting Less Than a Whole Unit may request FHI to purchase their Shares Constituting Less Than a Whole Unit, pursuant to Article 192, Paragraph 1 of the Companies Act.

- (ii) Additional purchase program (*kaimashi seido*) for Shares Constituting Less Than a Whole Unit (additional purchase of shares to hold 1,000 shares)

The additional purchase program allows FHI’s shareholders who hold Shares Constituting Less Than a Whole Unit to request FHI to sell additional shares to such shareholders in such number necessary to constitute one unit (1,000 shares), pursuant to Article 194, Paragraph 1 of the Companies act and FHI’s Articles of Incorporation.

(Note 4) Handling of Fractional Numbers of Shares Constituting Less Than One Share

With respect to Ichitan’s shareholders who would be allocated a fractional number of shares constituting less than one share of common stock of FHI as a result of the Share Exchange, FHI will, pursuant to Article 234 of the Companies Act, distribute the proceeds from sales of the shares of common stock of FHI to such shareholders in an amount proportionate to the fractional number of shares attributed to them, after selling the number of shares of its common stock equivalent to the aggregate number of such fractional number of shares (if there is a fractional number of shares constituting less than one share in such aggregate number, such fractional number of shares will be truncated).

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights of Ichitan

As Ichitan does not issue stock acquisition rights or bonds with stock acquisition rights, this section is not applicable.

3. Basis of Calculation of the Share Exchange Ratio

(1) Basis of the Calculation

In order to ensure the fairness and appropriateness of the calculation of the share exchange ratio in the Share Exchange, each of FHI and Ichitan requested an independent third party appraiser to calculate the share exchange ratio. FHI appointed Daiwa Securities Capital Markets Co.Ltd. (“Daiwa Securities CM”) and Ichitan appointed TFP Business Solution Co., Ltd. (“TFP Business Solution”) as their independent third party appraiser.

When conducting its calculation of the share exchange ratio to be applied to the common stock of FHI, Daiwa Securities CM employed the market price method (using calculation date of March 26, 2010 and the average closing prices of the common stock for the one(1), three(3) and six (6) months preceding such calculation date), because the common stock of FHI is listed on the Tokyo Stock Exchange, Inc. (“Tokyo Stock Exchange”) and the market price was available. When conducting its calculation of the share exchange ratio to be applied to the common stock of Ichitan, Daiwa Securities CM employed the market price method (using calculation date of March 26, 2010 and the average closing prices of the common stock for the one(1), three(3) and six (6) months preceding such calculation date), because the common stock of Ichitan is listed on JASDAQ and the market price was available. In addition, Daiwa Securities CM employed the discounted cash flow method (“DCF method”) in order to reflect the status of future business operations in the valuation. The valuation range per share of common stock of FHI if the share value is one (1) is as follows.

Calculation Method	Range of the Share Exchange Ratio Valuation
Market price method	Between 0.151 and 0.178
DCF method	Between 0.126 and 0.273

In its calculation of the share exchange ratio, Daiwa Securities CM employed, in principle, the information furnished by the two companies and information and other materials that were publicly available, assuming the accuracy and completeness of all such information and materials, and did not conduct independent verification of the accuracy, credibility, completeness or appropriateness of the information or materials. Furthermore, with respect to the assets and liabilities of both companies and their affiliate companies (including off-the-book assets and liabilities, and other contingent liabilities), Daiwa Securities CM has not conducted independent valuation, appraisal or assessment of those assets and liabilities, including evaluation or analysis, and has also not requested third party appraisers to conduct such valuation, appraisal or assessment. In addition, with respect to the business operation plan and financial forecasts of Ichitan, Daiwa Securities CM assumed that such forecasts were reasonably prepared according to proper procedures based on the best estimates and judgments of the management of Ichitan available at the time.

The results of the calculation of the share exchange ratio as submitted by Daiwa Securities CM are not an expression of opinion by Daiwa Securities CM with respect to the fairness or appropriateness of the share exchange ratio in the share exchange.

When conducting its calculation of the share exchange ratio to be applied to the common stock of FHI, TFP Business Solution employed the market price method (using a calculation date of March 26, 2010 and both the average closing prices and the volume weighted average prices of the common stock of FHI for the one (1), three (3) and six (6) months preceding such calculation date), because the common stock of FHI is listed on the Tokyo Stock Exchange and the market price was available. With respect to the common stock of FHI, TFP Business Solution determined that sufficiently appropriate results could be obtained through the market price method and therefore employed only the market price method.

When conducting its calculation of the share exchange ratio to be applied to the common stock of Ichitan, TFP Business Solution employed the market price method (using a calculation date of March 26, 2010 and both the average closing prices and the volume weighted average prices of the common stock of Ichitan for the one (1), three (3) and six (6) months preceding such calculation date), because the common stock of Ichitan is listed on JASDAQ and the market price was available. In addition, TFP Business Solution employed the DCF method in order to reflect the status of future business operations.

The valuation range per share of common stock of FHI if the share value is one (1) is as follows.

Calculation Method	Range of the Share Exchange Ratio Valuation
Market price method	Between 0.146 and 0.178
DCF method	Between 0.148 and 0.211

In its calculation of the share exchange ratio, TFP Business Solution employed, in principle, without modification, the information furnished by the two companies and information and other materials that were publicly available, assuming the accuracy and completeness of all such information and materials, and did not conduct independent verification of the accuracy or completeness of the information or materials. Furthermore, with respect to the assets and liabilities of both companies and their affiliate companies (including contingent liabilities), TFP Business Solution has not conducted independent valuation, appraisal or assessment of those respective assets and liabilities, including evaluation or analysis and has also not requested third party appraisers to conduct such appraisal or assessment. In addition, with respect to the information related to the financial forecasts of Ichitan, TFP Business Solution assumed that such forecasts were reasonably prepared based on the best possible estimates and judgments of the management of Ichitan available at the time.

The results of the calculation of the share exchange ratio as submitted by TFP Business Solution are not an expression of opinion by TFP Business Solution with respect to the fairness or appropriateness of the share exchange ratio in the share exchange.

Furthermore, under its business operation plan taken into account by Daiwa Securities CM and TFP Business Solution, despite temporary losses caused by a significant decrease in sales of automobile parts for the fiscal year ended March 31, 2010, Ichitan expects to improve its profitability in the future through efforts to strengthen sales of CVT-related parts, improve productivity, reduce costs and reduce various expenses, and the plan forecasts an increase in profits after a certain amount of time.

(2) Background of the Calculation

After thorough consideration of the analysis received from the abovementioned third party appraisers selected by each company, and as a result of negotiations and a series of discussions based on consideration of such analysis and the financial situations, business trends, stock price movements of both companies, FHI and Ichitan determined that the respective share exchange ratios as set forth above under “2. (3) Allocation of Shares in the Share Exchange” are appropriate and contribute to the interests of the shareholders of both companies. Pursuant to such determination, the Boards of Directors of both companies determined the share exchange ratios to be used in the Share Exchange at their respective meetings held on March 31, 2010, and executed the Share Exchange Agreement between the two companies on March 31, 2010.

(3) Relationship with the Appraisers

Neither Daiwa Securities CM nor TFP Business Solution is a related party of either FHI or Ichitan and has no material interest in either party.

(4) Expected Delisting and Reasons Thereof

As a result of the Share Exchange, Ichitan will become a wholly-owned subsidiary of FHI on the Effective Date of August 1, 2010. The common stock of Ichitan is scheduled to be delisted as of July 28, 2010. The final day on which the common stock of Ichitan will be traded is scheduled to be July 27, 2010. After the common stock of Ichitan is delisted, such shares will no longer be able to be traded on JASDAQ.

(5) Reasons for Delisting and Consideration of Alternative Measures

As described in “1. Purpose and Background of Making Ichitan a Wholly-Owned Subsidiary of FHI through the Share Exchange” above, the purpose of the Share Exchange, through making Ichitan a wholly-owned subsidiary of FHI, is to maintain and improve the corporate value of both companies through business structure reform. The Share Exchange is not being conducted for the direct purpose of delisting of the common stock of Ichitan, but if the Share Exchange is consummated, the common stock of Ichitan is scheduled to be delisted.

Because the common stock of FHI, which will be issued to Ichitan’s shareholders through the Share Exchange, is listed on the Tokyo Stock Exchange and amounts of more than one trading unit will be able to be traded on the stock exchange even after the Share Exchange, although some shareholders may receive Shares Constituting Less Than a Whole Unit in accordance with the number of shares that they hold, those shareholders of Ichitan who hold 5,883 or more shares of common stock and who will receive an amount of shares equivalent to, or in excess of, the one thousand shares of common stock of FHI necessary to constitute one trading unit of FHI shares, will continue to enjoy stock liquidity after the Share Exchange.

Shareholders of Ichitan who hold less than 5,883 shares of common stock would receive less than one thousand shares of common stock of FHI through the Share Exchange, or Shares Constituting Less Than a Whole Unit, which may not be sold on the stock exchanges. Such shareholders may use FHI’s buyback program or the additional purchase program. For further information with respect to these two programs, please refer to “2. (3) (Note 3) Handling of Shares Constituting Less Than a Whole Unit” above.

In the event that shareholders receive fractional amounts less than one whole share through the Share Exchange, please refer to “2. (3) (Note 4) Handling of Fractional Numbers of Shares Constituting Less Than One Share” above.

In addition, shareholders of Ichitan may trade the shares of common stock that they hold on JASDAQ up until the scheduled final day of trading of July 27, 2010, in addition to exercising any rights they have under the Companies Act and other related laws and regulations.

(6) Measures to Ensure Fairness

Because FHI already holds 50.98% of the issued shares of the common stock of Ichitan, in order to ensure the fairness of the calculation of the share exchange ratio in the Share Exchange, FHI requested Daiwa Securities CM, a third party appraiser, to calculate the share exchange ratio. Based on those calculation results, FHI held negotiations and discussions with Ichitan and resolved at the meeting of its Board of Directors on March 31, 2010, to implement the Share Exchange using the share exchange ratio as described above in “2. (3) Allocation of Shares in the Share Exchange”.

In order to ensure the fairness of the calculation of the share exchange ratio in the Share Exchange, Ichitan requested TFP Business Solution, a third party appraiser, to calculate the share exchange ratio. Based on those calculation results, Ichitan held negotiations and discussions with FHI and resolved at the meeting of its Board of Directors on March 31, 2010, to implement the Share Exchange using the share exchange ratio as described above in “2. (3) Allocation of Shares in the Share Exchange”. Furthermore, Ichitan has appointed TMI Associates as its legal advisor and has

received advice regarding the appropriate procedures, response, and other matters, from a legal perspective with respect to the Share Exchange.

Neither FHI nor Ichitan has obtained an opinion (fairness opinion) from Daiwa Securities CM or TFP Business Solution with respect to the appropriateness of the share exchange ratio.

(7) Measures to Avoid Conflicts of Interest

In order to avoid conflicts of interest, Messrs. Naoto Muto and Masahiro Kasai, who serve concurrently as outside corporate auditors of Ichitan and executive officers of FHI, have not participated in any of the deliberations of the Board of Directors meeting related to the Share Exchange, and have not expressed any opinions with respect to the Share Exchange. There are no directors on the Board of Directors of Ichitan who hold concurrent positions as executive officers or employees of FHI.

As there are no executive officers or employees of Ichitan who hold concurrent positions on the Board of Directors of FHI, no special measures have been taken.

4. Description of Parties to the Share Exchange (as of September 30, 2009)

(1)	Trade Name	Fuji Heavy Industries Ltd. (Parent Company and Sole Shareholder after the Share Exchange)	Ichitan Co., Ltd. (Wholly-Owned Subsidiary after the Share Exchange)		
(2)	Address	1-7-2 Nishi-shinjuku, Shinjuku-ku, Tokyo	74, Shindo-cho, Ohta-City, Gunma		
(3)	Name and Title of Representative	Ikuo Mori, Representative Director of the Board, President and CEO	Minoru Tamura, Representative Director and President		
(4)	Business Description	Research & Development, manufacture and sale of automobiles, airplanes, aerospace-related machinery, industrial machinery, etc.	Design, manufacture and sale of precision forged parts for automobile and industrial machinery, and machining products		
(5)	Paid-in Capital	JPY 153,795 million	JPY 706 million		
(6)	Date of Incorporation	July 15, 1953	February 2, 1951		
(7)	Number of Issued Shares	782,865,873 shares	8,850,000 shares		
(8)	Fiscal Year End	March 31	March 31		
(9)	Number of Employees	28,074 (consolidated)	381 (consolidated)		
(10)	Major Business Partners	FHI has many domestic and overseas business partners.	Fuji Heavy Industries Ltd. Hitachi Automotive Systems, Ltd. Aisin Ai Co., Ltd.		
(11)	Major Banks	Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Ashikaga Bank, Ltd. The Gunma Bank, Ltd. Sumitomo Mitsui Banking Corporation		
(12)	Major Shareholders and Shareholding Ratio	Toyota Motor Corporation	16.48%	Fuji Heavy Industries Ltd.	50.98%
		Japan Trustee Service Bank, Ltd. (Trust Account)	5.96%	Hitachi Automotive Systems, Ltd.	18.53%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	4.82%	Ichitan Kyowakai	4.02%
		Nippon Life Insurance Company	2.04%	The Ashikaga Bank, Ltd.	2.82%

		The Bank of New York Mellon as Depository Bank for Depository Receipt Holders (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.86%	Nomura Koki Co., Ltd.	1.46%	
(13)	Relationship between the Parties to the Share Exchange	Capital Relationship	As of March 31, 2010, FHI holds 50.98% (4,512,158 shares) of Ichitan's issued shares, and is a parent company of Ichitan. Ichitan does not hold any shares of FHI.			
		Personnel Relationship	Two executive officers of FHI serve as corporate auditors of Ichitan.			
		Transactional Relationship	FHI provides production material to Ichitan and purchases precision forged parts for automobiles and industrial machinery (finished products) from Ichitan.			
		Relationship with related parties	Ichitan is considered a related party of FHI as it is a consolidated subsidiary of FHI.			

(14) Business Results and Financial Conditions for the Most Recent Three Fiscal Years
(in millions of JPY, unless otherwise specified)

Fiscal Year End	Fuji Heavy Industries Ltd. (Parent Company and Sole Shareholder after the Share Exchange) (consolidated)			Ichitan Co., Ltd. (Wholly-Owned Subsidiary after the Share Exchange) (consolidated)		
	Year ended March 2007	Year ended March 2008	Year ended March 2009	Year ended March 2007	Year ended March 2008	Year ended March 2009
Net Assets	495,703	494,423	394,719	528	670	22
Total Assets	1,316,041	1,296,388	1,165,431	9,220	9,699	8,906
Net Assets per Share (JPY)	687.81	687.02	505.59	52.10	67.61	(3.24)
Net Sales	1,494,817	1,572,346	1,445,790	10,969	11,361	9,856
Operating Income (Loss)	47,906	45,680	(5,803)	383	345	(347)
Ordinary Income (Loss)	42,215	45,437	(4,600)	249	264	(472)
Net Income (Loss)	31,899	18,481	(69,933)	168	149	(534)
Net Income per Share (JPY)	44.46	25.73	(91.97)	19.05	16.85	(60.41)
Dividend Per Share (JPY)	9	9	4.5	—	—	—

5. Post-Share Exchange Situation

(1)	Trade Name	Fuji Heavy Industries Ltd.
(2)	Address	1-7-2 Nishi-shinjuku, Shinjuku-ku, Tokyo
(3)	Name and Title of Representative	Ikuo Mori, Representative Director of the Board, President and CEO
(4)	Business Description	Research & Development, manufacture and sale of automobiles, airplanes, aerospace-related machinery, and industrial machinery, etc.
(5)	Paid-in Capital	JPY 153,795 million
(6)	Fiscal Year End	March 31

(7)	Net Assets	Yet to be determined
(8)	Total Assets	Yet to be determined

6. Summary of Accounting Procedures

The Share Exchange will be accounted for as an additional acquisition from minority shareholders. The amount of goodwill which is expected to be incurred as a result of the Share Exchange is not yet determined at this time.

7. Future Outlook

Ichitan is already a consolidated subsidiary of FHI. The Share Exchange is not expected to have a significant effect on FHI's consolidated and non-consolidated business results.

8. Matters with Respect to Transactions with Controlling Shareholders

For Ichitan, the Share Exchange is considered as a transaction with a controlling shareholder (*shihai kabunushi*). Ichitan acknowledges that, between it and its parent company FHI and FHI's group companies, (i) Ichitan is not hindered by FHI or its group companies in freely conducting business operations and that (ii) a certain level of independence of Ichitan is ensured. In addition, Ichitan conducts transactions with FHI and its group companies based on the same standards it uses for transactions with other corporations. Therefore, Ichitan is not subject to any restrictions caused by capital relationships.

With respect to the Share Exchange, Ichitan has made various decisions after ensuring its managerial independence and ensuring fairness through measures defined in (6) and (7) of "3. Basis of Calculation of the Share Exchange Ratio" above.

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(Reference)

Performance Projection for the Current Fiscal Year (as announced on February 4, 2010) and Actual Results for the Previous Fiscal Year ended March 31, 2009 (Consolidated)

(in millions of JPY)

	Net Sales	Operating Income	Ordinary Income	Net Income
Performance Projection (Fiscal Year ending March 31, 2010)	1,410,000	14,000	10,000	(25,000)
Actual Results (Fiscal Year ended March 31, 2009)	1,445,790	(5,803)	(4,600)	(69,933)