

Revision of Performance Projection for Fiscal Year Ended March 31, 2005

Fuji Heavy Industries Ltd. (FHI) has announced the revision of performance projection for Fiscal Year Ended March 31, 2005, which was released at the timing of consolidated basis 3rd quarter financial results announcement on February 14, 2005 and non-consolidated basis 1st half financial results announcement on November 12, 2004 respectively.

1. Consolidated Basis Revision of Performance Projection for Fiscal Year Ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

(Unit : Millions of yen)

	Net sales	Ordinary income	Net income
Previous projection (A)	1,450,000	43,000	28,000
Revised projection (B)	1,450,000	43,000	18,000
Increase and decrease (B-A)	0	0	-10,000
Change of percentage (%)	0.0	0.0	-35.7
Actual results of the previous fiscal year (Ended March 31,2004)	1,439,451	56,614	38,649

2. Non-consolidated Basis Revision of Performance Projection for Fiscal Year Ended March 31, 2005 (From April 1, 2004 to March 31, 2005)

(Unit: Millions of yen)

	Net sales	Ordinary income	Net income
Previous projection (A)	965,000	36,000	14,000
Revised projection (B)	949,500	31,300	2,500
Increase and decrease (B-A)	-15,500	-4,700	-11,500
Change of percentage (%)	-1.6	-13.1	-82.1
Actual results of the previous fiscal year (Ended March 31,2004)	936,911	28,496	19,012

3. Reasons of revisions

Regarding the consolidated basis projection, net sales and ordinary income were as planned.

On the other hand, net sales and ordinary income of non-consolidated basis were revised because of the automotive sales volume decrease and deterioration of sale mixture. This difference was caused as consolidated basis projection was revised at the timing of 3rd quarter financial results release though non-consolidated basis projection was remained since 1st half financial results announcement.

In terms of net income, we have revised the consolidated and non-consolidated projection due to posting loss on valuation of inventory related to the specific project of Aerospace Company and others.

<Factors of net income revision>

(1) Consolidated basis

- ① Extraordinary loss : Loss on valuation of inventory related the specific project of Aerospace Company and others of FHI 12 billion yen
- ② Additional tax payment: Increase the tax expense of subsidiary in U.S. 3 billion yen

(2) Non-consolidated basis

- ① Same as (1)①
- ② Extraordinary loss: Reserve for devaluation of investment securities of some domestic automotive dealers 3 billion yen

Annual dividend of 9 yen per share, which is the same as the previous fiscal year, is planned to be paid according to the stable dividend policy.

Note: Above-mentioned projections are based on certain assumptions and our management's judgement in light of currently available information, therefore actual results may differ from these projections.