

## **Fuji Heavy Industries Introduces Subaru Vehicles in Mexico**

***-- Entering into an agreement with Grupo Galeria to set up a new sales network --***

Tokyo, January 25, 2006 – Fuji Heavy Industries Ltd. (FHI), a global manufacturer of transportation and aerospace-related products and the maker of Subaru automobiles, today announced that it has concluded a distributorship agreement with Grupo Galeria to introduce Subarus for the first time into the Mexican market. The Grupo Galeria will soon set up a new distributor, Subaru de Mexico, to import and market Subaru vehicles. It plans to open 8 dealers exclusively handling Subaru vehicles in Mexico City, Guadalajara, Monterrey and other major cities in Mexico.

The new distributor plans to start the sale of three Subaru models as early as February. These models are the B9 Tribeca, Legacy and Outback, all of which are manufactured by Subaru of Indiana Automotive Inc. in the U.S. The company also plans to add the Japan-made Impreza and Forester models into the Subaru lineup in Mexico. FHI and the new distributor will devise a strategy to establish the high-performance Subaru brand image, and focus on marketing to performance-conscious, affluent individuals in major cities to meet their goal of selling 2000 vehicles annually by the year 2008.

The move to introduce Subarus in Mexico comes after FHI's careful review of market conditions there. Under the North American Free Trade Agreement (NAFTA), tariffs were eliminated for automobiles built in North America to be exported to Mexico, effective January 2004. In addition, Japan and Mexico concluded an Economic Partnership Agreement (EPA) that will phase out tariffs on imported vehicles from Japan. Furthermore, Mexico's annual new car market recently hit the one million mark and presents substantial growth potential.

The distributorship agreement came at an opportune time for Subaru as its brand image has been elevated in Mexico by outstanding performances at rallying events. Since 2004 Corona Rally Mexico has been included in the World Rally Championship (WRC) that Subaru World Rally Team (SWRT) participates in. In 2005 the Subaru Impreza WRC2005 competition vehicle, driven by Petter Solberg, won the Rally Mexico. The win in rigorous rallying conditions demonstrates Subaru's commitment to driving performance and enhances Subaru brand recognition, helping the smooth start-up of sales in the market.

### About Grupo Galeria

Founded in 1966 and based in Monterrey, Grupo Galeria comprises a group of companies, which operate a variety of businesses, ranging from automobile sales, auto financing, car repair and car wash services to family restaurant chains.