

# Fact Book



*2009*

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NOTES: \* The English version of the Fact Book for the description of Fuji Heavy Industries has been prepared in accordance with generally accepted Japanese accounting principles. Please also note that the English version has not been audited.

\* The fiscal years stated in the Fact Book begin on April 1 of the previous year and end on March 31 of the year indicated.

\* US dollar figures are translated from yen, for convenience only, at the rate of ¥98.26 to US\$1, the approximate rate of exchange on March 31, 2009.

## 1. Profile

■ Name	Fuji Heavy Industries Ltd. (FHI)
■ Established	July 15, 1953
■ Head Office	1-7-2 Nishishinjuku, Shinjuku-ku, Tokyo 160-8316 Japan TEL: +81-3-3347-2111 (switchboard) (03-3347-2111 when calling within Japan)
■ President	Ikuo Mori
■ Paid-in Capital	153,795 million yen
■ Number of Employees	12,843 (27,659 on a consolidated basis) as of March 31, 2009
■ Corporate Symbol	



Celebrating the 50th anniversary of its founding in 1953, FHI introduced the new 6-star corporate symbol and logo design that have long been associated with Subaru automotive business. Effective on July 15, 2003, the new symbol and logo were adopted globally to project a more cohesive brand image.

### ■ Subaru Environment Logo



In June 2005, we create the Subaru Groups environment logo. The environment logo has a leaf at the center, with green earth and blue sky to represent the globe. Into this logo, we incorporated our determination to activity on providing products that are friendly to the earth, society, and people, which is stated in the FHI Environment Policy.

## 2. Corporate Philosophy, Quality Policy and Environment Policy

### ■ Corporate Philosophy (Established in November 1994)

1. We will strive to create advanced technology on an ongoing basis and provide consumers with distinctive products with the highest level of quality and customer satisfaction.
2. We will aim to continuously promote harmony between people, society and environment while contributing to the prosperity of society.
3. We will look to the future with a global perspective and aim to foster a vibrant, progressive company.

### ■ Quality Policy (Established in November 1994)

FHI considers customer satisfaction as the first priority, and will work constantly to improve products and services to provide world-class quality.

### ■ Environment Policy (Established in April 1998)

FHI recognizes the integral relationship between the environment and its business activities, and services to provide products that are friendly to the earth, society and people. FHI is protecting the environment to ensure our future.

## 3. Trademarks (Subaru, Robin)

■ **Subaru** : Having been used for FHI's automobiles since March 1958, Subaru comes from the Japanese name of the Pleiades that belongs to the Taurus constellation. The Subaru emblem design reflects a cluster of 6 stars, known in Japan as *mitsuraboshi*. FHI is the first automobile manufacturer that used a Japanese word for a brand of automobiles.



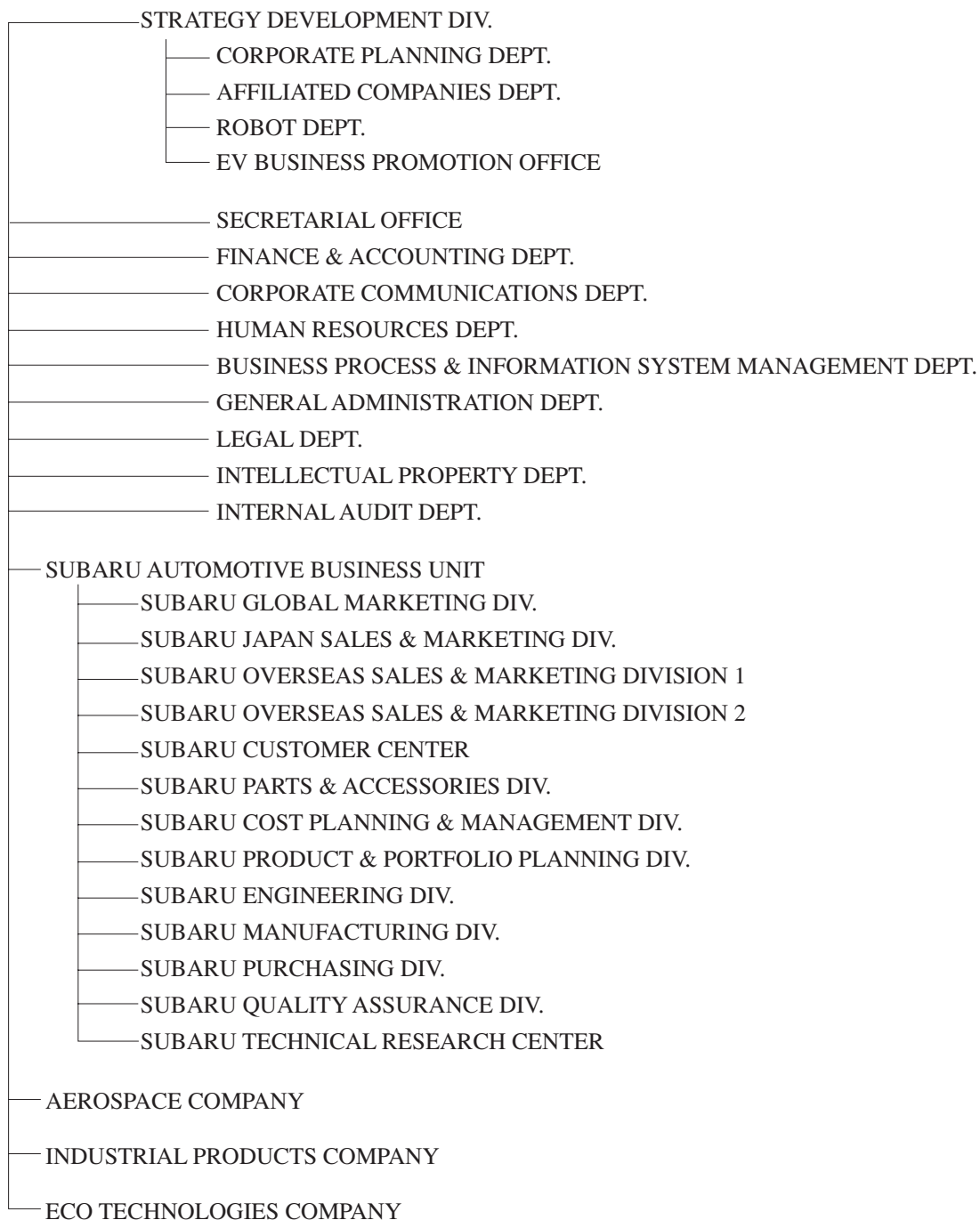
■ **Robin** : Adopted in May 1956 and registered as an official trademark in July 1960, Robin has been used for FHI's general-purpose engines. The Robin logo design captures the animated image of a flying *komadori*, or Japanese robin.



## 4. Organization

### FUJI HEAVY INDUSTRIES LTD. ORGANIZATION CHART

(As of July 1, 2009)



## 5. Description of Business

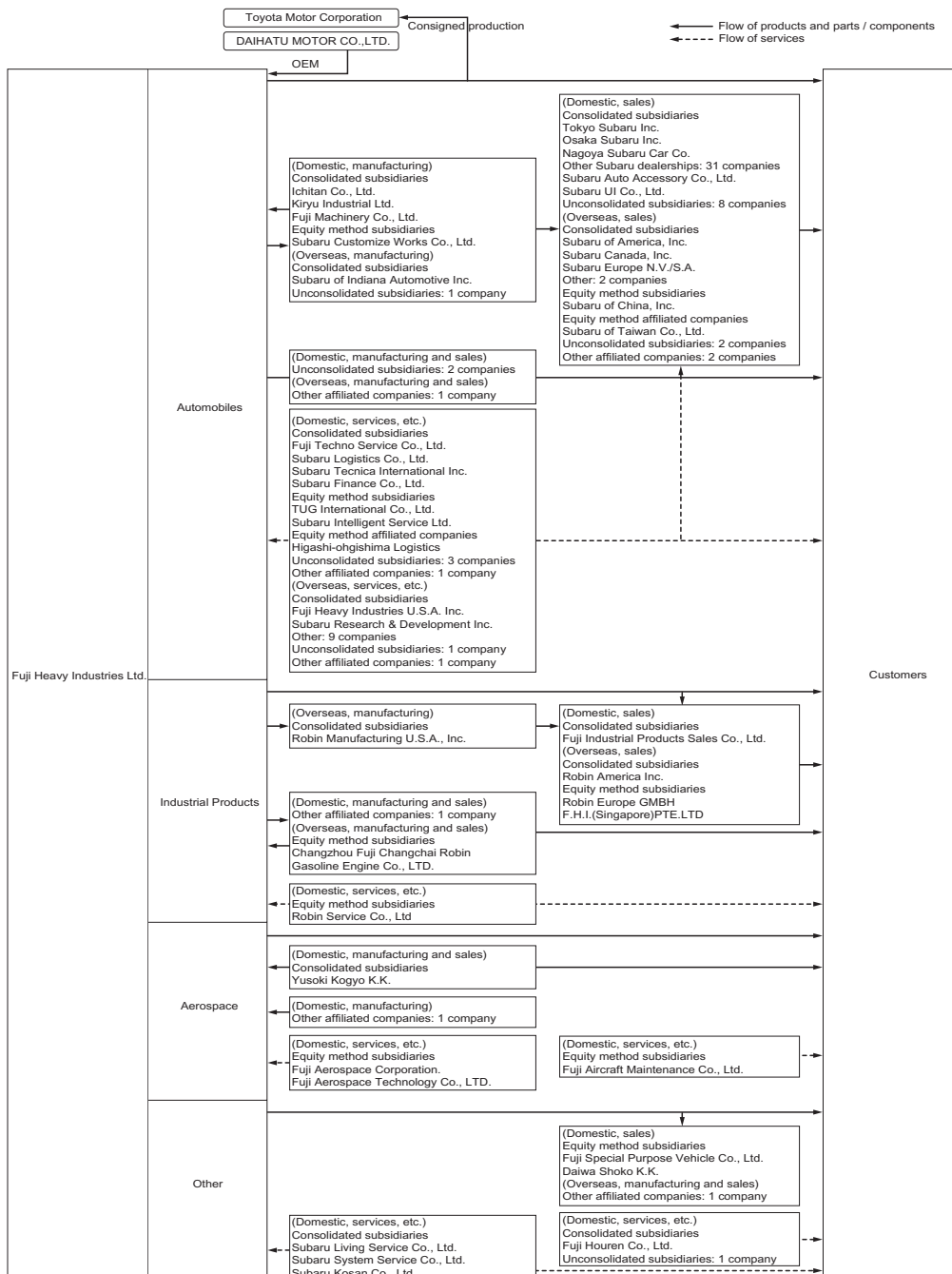
### 5.1. Main Business

Division	Contents of Main Business
Subaru Automotive Business	The manufacture, repair and sales of minicars, passenger cars and their components
Aerospace Company	The manufacture, repair, and sales of airplanes aerospace-related machinery and their components
Industrial Products Company	The manufacture, repair, and sales of generators, engine-equipped machinery, agricultural machinery, forestry machinery, construction machinery other machine tools and their components
Eco Technologies Company	The manufacture, sales, repair and service of sweeper, eco-related machinery

### 5.2. Main Subsidiaries and Affiliates

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.



## 5.3. Main Affiliates

### 5.3.1. Domestic Network

(As of July 1, 2009)

- Yusoki Kogyo K. K.
- Fuji Machinery Co., Ltd.
- Ichitan Co., Ltd.
- Kiryu Industrial Co., Ltd.
- Subaru Kosan Co., Ltd.
- H. B. C. Co., Ltd.
- Fuji Techno Services Co., Ltd.
- Subaru Logistics Co., Ltd.
- Subaru Auto Accessories Co., Ltd.
- Robin Omiya Service Co., Ltd.
- Subaru Used cars Sales & Marketing Co., Ltd.
- Subaru Living Service Co., Ltd.

- Subaru Tecnica International Inc.
- Subaru Finance Co., Ltd.
- Fuji Aircraft Maintenance Co., Ltd.
- Fuji Aerospace Corporation
- Fuji Special Purpose Vehicle Co., Ltd.
- Subaru System Service Co., Ltd.
- Fuji Aerospace Technology Co., Ltd.
- Subaru Customize Works Co., Ltd.
- Fuji Houren Co., Ltd.
- Daiwa Shoko., Ltd.
- Subaru Intelligent Service Ltd.
- Fuji Industrial Products Sales Co., Ltd.

### 5.3.2. Overseas Network

#### Automobile

- Subaru of America, Inc.
- Fuji Heavy Industries U.S.A., Inc.
- Subaru Research & Development, Inc.
- Subaru of Indiana Automotive, Inc.
- Subaru Canada, Inc.

- Subaru Europe N.V. / S.A.
- Subaru Vehicle Distribution B.V.
- Subaru of China, Ltd.
- Fuji Heavy Industries Ltd. China Office

#### Industrial products

- Robin America, Inc.
- Robin Manufacturing U.S.A., Inc.
- Robin Europe GmbH Industrial Engine and Equipment

- Fuji Heavy Industries (Singapore) Pte. Ltd.
- Changzhou Fuji Changchai Robin Gasoline Engine Co, Ltd.

## 6. Employees

### 6.1. Number of Employees

	Number of employees			Average age	Average years of employment
	Male	Female	Total		
FY2005	13,060	923	13,983	38.6	18.1
FY2006	12,215	896	13,111	38.5	18.1
FY2007	11,914	887	12,801	38.3	17.8
FY2008	11,929	872	12,801	38.7	18.0
FY2009	11,968	875	12,843	38.8	18.0

### 6.2. Labor Union

The Fuji Heavy Industries Workers' Union, an enterprise-based union, had 11,484 members as of April 1, 2009. It is part of the Federation of the Fuji Heavy Industries Workers' Unions, a groupwide organization, which belongs to the Confederation of Japan Automobile Workers' Unions (JAW), an industry-wide labor organization.

### 6.3. Hiring of New Employees

	Office staff	Engineers	Manufacturing staff	Total
FY2005	38	158	153	349
FY2006	34	90	95	219
FY2007	46	129	123	298
FY2008	43	176	174	393
FY2009	44	236	236	516

## 7. History

### ■ Pre-Fuji Heavy Industries

- May 1917 Chikuhei Nakajima sets up the Aircraft Research Laboratory
- Apr. 1918 The Aircraft Research Laboratory renamed as the Nakajima Aircraft Factory
- Dec. 1931 Nakajima Aircraft Co., Ltd., incorporated
- Aug. 1945 Nakajima Aircraft Co., Ltd., reorganized and renamed as Fuji Sangyo Co., Ltd.
- Jun. 1946 The first Rabbit motor scooter produced
- Jul. 1948 Tokyo Fuji Sangyo Co., Ltd., founded
- 1950 In accordance with the Corporate Reconstruction and Reorganization Law, Fuji Sangyo was disbanded, and Tokyo Fuji Sangyo and 11 other new companies were formed and recognized as *daini gaisha* (meaning *second company*).

### ■ Corporate Timeline

- Jul. 1953 Fuji Heavy Industries Ltd. (FHI), established
- Apr. 1954 FHI's corporate logo selected through an in-house logo design contest
- Mar. 1960 FHI's common stock listed on the Tokyo Stock Exchange
- Oct. 1965 Operational divisions created: Automobile, Machinery, Rolling Stock and Bus, and Aerospace
- Jan. 1966 Head Office moves to a newly built Subaru Building
- Oct. 1968 Business tie-up agreement with Nissan Motor Co., Ltd., concluded
- Oct. 1970 Rolling Stock and Bus Division divided into Rolling Stock Division and Bus Division
- Aug. 1997 Cargo trailer operations transferred to FHI's affiliated company, Yusoki Kogyo K.K.
- Apr. 1998 FHI establishes its Environmental policy
- Dec. 1999 FHI forms a strategic alliance with General Motors Corporation; and signs a agreement on business alliance with Suzuki Motor Corporation
- Apr. 2000 Business alliance with Nissan Motor Co., Ltd., dissolved
- Mar. 2001 The Gunma Plant achieves "Zero Emissions" goals
- Mar. 2002 The Utsunomiya Plant and Saitama Plant achieves "Zero Emission" goals
- May 2002 FHI and NEC to establish a Joint venture company, NEC Lamilion Energy, Ltd., to develop a manganese lithium-ion type rechargeable battery for automobiles
- May 2002 FHI announces the Fuji Dynamic Revolution-1 (FDR-1) medium-term business plan; and introduces a new management structure
- Jan. 2003 FHI makes Subaru-Isuzu Automotive, Inc. its fully owned subsidiary, changes its name to Subaru of Indiana Automotive, Inc.
- Feb. 2003 FHI and Toyota Motors Corporation sign a collaborative agreement on G-Book telematics services
- Apr. 2003 FHI and Saab reach an agreement on joint vehicle development and sales cooperation
- Jul. 2003 FHI adopts the 6-star (*mutsuraboshi*) Subaru automobile emblem design as its new corporate symbol
- Mar. 2004 FHI transfers the prefabricated housing operations to its affiliated company
- Aug. 2004 FHI makes Yusoki Kogyo K.K., a wholly owned subsidiary
- Oct. 2005 FHI dissolves alliance with General Motors, entering a new business collaboration with Toyota
- Feb. 2007 FHI Sets Mid-Term Management Plan for FY2008-2011
- Apr. 2007 FHI Starts Producing Toyota Camry in U.S.

### ■ Automobile Business Timeline

- Feb. 1954 P-1 passenger car prototype named *Subaru* developed
- Mar. 1958 Subaru 360 minicar introduced; Subaru trademark adopted
- Oct. 1960 The Gunma Main Plant established
- Feb. 1961 Subaru Sambar Truck introduced
- Oct. 1965 Subaru 1000, Japan's first mass-produced, front-wheel-drive car, introduced
- Feb. 1969 The Yajima Plant begins operations
- Mar. 1969 Subaru FF-1 1100 series introduced
- Aug. 1969 Subaru R-2 launched
- Oct. 1971 Subaru Leone coupe introduced
- Jul. 1972 Subaru Rex launched
- Sep. 1972 Subaru Leone AWD Station Wagon introduced
- Jul. 1974 Leone low-emissions models without catalytic converters pass the 1975 exhaust emission level tests set by the U.S. Environmental Protection Agency

Mar.	1977	FHI developed the Subaru Exhaust Emission Control-Thermal (SEEC-T) system to comply with 1978 Exhaust Emissions regulations
Feb.	1983	The Oizumi Plant begins operations
Oct.	1983	Subaru Domingo introduced
Feb.	1984	FHI announces the successful development of the world's first electro-continuously variable transmission (ECVT)
Jun.	1985	Subaru Alcyone (XT), a sports coupe, introduced
Feb.	1987	Subaru Justy ECVT, equipped with the world's first electro-continuously variable transmission, introduced
Mar.	1987	Subaru-Isuzu Automotive, Inc. (SIA), a joint venture with Isuzu Motors Ltd., established in the U.S.
May	1988	FHI signs an agreement with Volvo for domestic sales of Volvo vehicles through Subaru dealers
Jan.	1989	Subaru Legacy sets a new world speed record in the continuous 100,000-kilometer drive with an average speed of 223.345 km/h
Feb.	1989	Subaru Legacy, a strategically important, new global car, introduced
May	1989	Ta Ching Motors, a joint venture in Taiwan, begins production
Sep.	1989	SIA starts production
Apr.	1990	First participation in the FIA World Rally Championship
Sep.	1991	Subaru Alcyone SVX introduced
Mar.	1992	Subaru Vivio introduced
Oct.	1992	FHI concludes a technology transfer agreement with China Guizhou Aviation Industry Corporation for minicar production in China
Nov.	1992	FHI becomes the first in the automobile industry to recycle painted bumpers for use in interior and exterior parts
Apr.	1995	Subaru Sambar EV introduced
Dec.	1995	Subaru captures the Manufacturer's and Driver's titles in the World Rally Championship (WRC)
Apr.	1996	FHI begins collecting scrapped bumpers in Japan
Feb.	1997	Subaru Forester introduced
Oct.	1998	Subaru Pleo introduced
Aug.	2000	All-new Subaru Impreza series launched
May	2001	Subaru vehicles go on sale in the Philippines and Indonesia through GM Autoworld networks
Aug.	2001	Subaru Traviq introduced in Japan
Apr.	2002	Subaru Europe N.V./S.A. established
May	2003	All-new Subaru Legacy introduced
Nov.	2003	Subaru Legacy awarded the Car of the Year 2003-2004 in Japan
Dec.	2003	Subaru R2 introduced; Legacy production surpasses the 1-million mark in Japan; Subaru captures the Driver's title (Petter Solberg) in the World Rally Championship (WRC)
Apr.	2004	FHI signs exclusive distribution agreements with three companies in China, establishing a sales network for imported Subaru cars
Sep.	2004	Total sum of domestic sales of Subaru passenger cars achieved 3 million units.
Nov.	2004	Subaru R2 awarded the RJC car of the Year 2005 in the category of <i>Best mini car</i> .
Jan.	2005	Subaru R1 introduced
Mar.	2005	Total sum of domestic sales of Subaru new car achieved ten-million units.
May	2005	Total sum of Legacy production achieved 3 million units.
Jun.	2005	B9 Tribeca introduced in North America
Jun.	2006	Subaru Stella introduced
Jun.	2007	Subaru Impreza introduced
Sep.	2007	Subaru Justy introduced in Europe
Dec.	2007	Subaru Forester Introduced
Mar.	2008	Subaru Boxer Diesel Introduces in Europe
Apr.	2008	Subaru Impreza Awarded "JNCAP GRANDPRIX"
Jun.	2008	Subaru EXIGA Introduced
Oct.	2008	Anesis (4-door Impreza model) introduced
Nov.	2008	Subaru Dex introduced in Japan under OEM agreement with Daihatsu
Dec.	2008	FHI to withdraw from FIA WRC after 2008 season
Jan.	2009	Horizontally-Opposed Diesel Engine awarded the Japan Society for the Promotion of Machine Industry Chairman's Prize at the 6th Prizes for Promoting Machine Industry.
Jan.	2009	Completed transition of Japan Subaru dealers to a controlling company system.
May	2009	All-New Legacy Series Debut in Japan
Jun.	2009	FHI to Launch "Subaru Plug-in STELLA" EV in Japan

## ■ Non-Automotive Business Timeline

A: Aerospace, I: Industrial Products, E: Eco Technologies, B: Bus Manufacturing, H: Prefabricated Houses, T: Transportation

Aug.	1949	B	Japan's first frameless rear-engine bus, Fuji, completed
Nov.	1953	A	Licensed production of the T-34A Mentor trainer plane begins
Oct.	1955	T	Japan National Railways designates FHI as its diesel-powered railcar maker
May	1956	I	Robin engine KD11 model announced
Jun.	1956	B	Japan's first air-suspension bus completed
Jan.	1958	A	Successful first test flight of the T-1 jet trainer plane accomplished
Feb.	1960	I	Robin Tractor T-4 model introduced
Sep.	1960	I	The trademark Robin for the industrial engine series is adopted and registered
Nov.	1961	A	FHI supplies the empennage and main wing beams to the YS-11 prototype, a twin turboprop airplane
Mar.	1962	E	Production of LP-101 Roadpacker begins in Japan through a technology agreement with U.S.-based Garwood industries Inc.
Aug.	1963	A	Production of HU-1B turbine helicopter begins
Oct.	1964	E	FHI and Karlkesboler AG of Germany sign a technological collaboration agreement on trailer production
Aug.	1965	A	Aero Subaru FA-200, the first light airplane made in postwar Japan, successfully test-flown
Jun.	1968	I	Production of Robin EY18 engines starts
Jul.	1968	I	FHI starts supplying engines for Polaris snowmobiles (Polaris Industries)
Jul.	1969	A	The Utsunomiya Plant for aircraft production completed
Apr.	1973	E	FHI completes a factory specialized in the production of Fuji Mighty sanitation trucks
Mar.	1974	T	FHI develops catenary-wire maintenance vehicles for the Tokaido Shinkansen bullet train line
May	1975	I	Export of Robin RG generator series begins
Jul.	1975	T	The KRT system, a new transportation system developed by FHI, is used at the Okinawa Marine Expo
Sep.	1978	A	FHI receives a contract from Boeing Commercial Airplane Group to manufacture of Boeing 767 components
Sep.	1979	T	Ohzora Express railcars for Hokkaido completed and delivered
Feb.	1980	I	Robin EY15-20 engine series launched
Apr.	1982	T	FHI introduces LE-Car, a diesel engine-powered train car for local lines that runs like a city bus with a single driver
May	1982	A	FHI appointed as the prime contractor for AH-1S antitank helicopter
Oct.	1983	B	FHI develops the prototype of Japan's first double-decker bus
Jan.	1984	H	Small-sized prefabricated house unit, <i>Minihouse</i> developed; launching as Fuji <i>Minihouse</i> in March
May	1984	B	FHI completes the first articulated bus
Oct.	1987	B	ASTEROPE sightseeing bus developed in cooperation with Volvo Bus Corporation
Jan.	1989	T	The world's first, pendulum-type diesel-powered trains delivered to JR Shikoku
May	1991	A	FHI concludes an agreement with Boeing to participate in the development of the Boeing 777
Jul.	1992	A	The second plant at Utsunomiya completed
Oct.	1992	I	Subaru SGV generator series with OHV engine introduced
Dec.	1992	A	The Handa Plant starts assembly operations of the Boeing 777
Nov.	1993	I	Robin America, Inc., a sales subsidiary established
Oct.	1993	E	Operational trials of the <i>Huston</i> automated waste management system for high-rise buildings get under way
Sep.	1994	I	Robin Manufacturing U.S.A., Inc., established
Feb.	1995	I	The Saitama Plant completed; begins operations in April
		I	Fuji Heavy Industries Singapore Pte. Ltd. established
Feb.	1996	A	A high-performance, auto-piloted RPH2 helicopter successfully concludes the first test flight
Mar.	1996	A	A helicopter with a new main rotor system (FBR) developed by FHI achieves the successful first flight
Jul.	1996	A	A Successful first flight and automated landing of ALFLEX, small-scale automated landing experimental vehicle for HOPE, the H-II Orbit Plane, being developed by the National Space Development Agency of Japan (NASDA)
Nov.	1996	A	FHI recognized as a "Supplier of the Year" by Boeing, making FHI Japan's first supplier to receive that recognition
		A	FHI signs a contract with Raytheon Aircraft Company to participate in a project for the Hawker Horizon advanced business jet
Jun.	1997	E	FHI and three companies jointly develop an ash resource recovery plant using incinerated waste
Sep.	1997	E	The First <i>Huston</i> system delivered to JR East Head Office

		E	A beverage container recycling plant developed and delivered
May	1998	H	A new, gable-type <i>Minihouse</i> introduced
Jun.	1998	I	Robin Europe GmbH Industrial Engine and Equipment established in Germany
Sep.	1999	I	Changzhou Fuji Changchai Robin Gasoline Engine Co., Ltd., a joint venture in China established
Jan.	2000	H	FHI introduces <i>Tender family</i> , a prefabricated, extended house unit, developed as a nursing care room for family members
Mar.	2000	E	<i>Huston</i> system awarded “Local Bureau Chief Award” for recycling technology by Japan’s Ministry of International Trade and Industry
May	2000	A	FHI concludes a contract with Bell Helicopter to manufacture the body of a civilian tiltrotor, the BA609 model
Jan.	2001	A	FHI chosen as a prime contractor for Supersonic Transport (SST) for the National Aerospace Laboratory of Japan
May	2001	I	Four models of the Robin EX engine series (OHC) introduced; Production begins at Changzhou Fuji Changchai Robin Gasoline Engine Co., Ltd.
		B	FHI signs a technology transfer agreement on bus body production with China’s Tong Fing Hangzhou Motors
Jun.	2002	A	FHI receives a contract from Airbus to manufacture A-380 components
Apr.	2003	A	Boeing’s “Supplier of the Year” awarded
Jun.	2003	A	The first Airbus A380 delivered
Oct.	2003	A	FHI signs a strategic partnership with a U.S. maker, making an inroad into the light jet market
Jun.	2004	I	FHI concludes an OEM agreement with a German diesel engine manufacture
May	2005	E	New refuse collection vehicle Fujimighty LP71 series introduced
		A	Japan Aircraft Development Corporation (JADC), MHI, KHI and FHI signed the contract of participating B787 program
Jun.	2006	A	FHI delivers the first Eclipse 500 production wing to Eclipse Aviation
Jan.	2007	A	FHI Successfully Delivers First Center Wing Box for Boeing 787 Dreamliner
Jan.	2009	A	Subaru Robin Cutter, a new engine-powered brush cutter, introduced

# Business Results

## 1. Consolidated Sales and Profits

(Millions of yen)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Net sales	1,330,125	1,311,887	1,362,493	1,372,337	1,439,451	1,446,491	1,476,368	1,494,817	1,572,346	1,445,790
Operating income	91,400	81,673	88,480	67,521	50,324	42,017	58,339	47,906	45,680	△5,803
Ordinary income	87,071	71,531	78,288	58,566	56,614	43,572	46,768	42,215	45,437	△4,600
Net income	31,348	22,628	30,283	33,484	38,649	18,238	15,611	31,899	18,481	△69,933

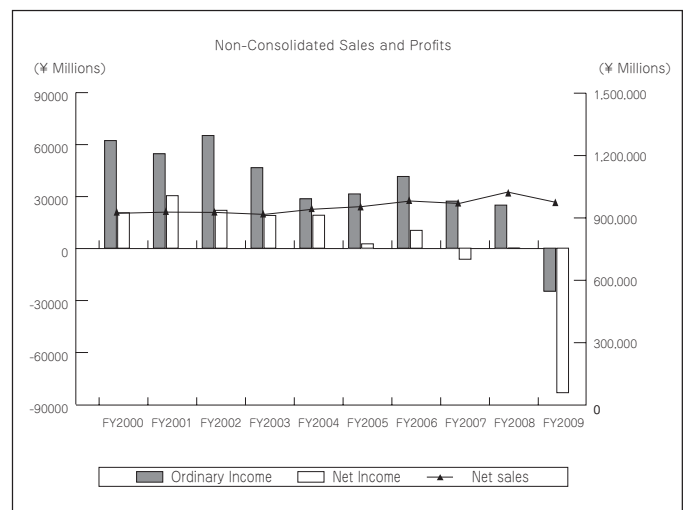
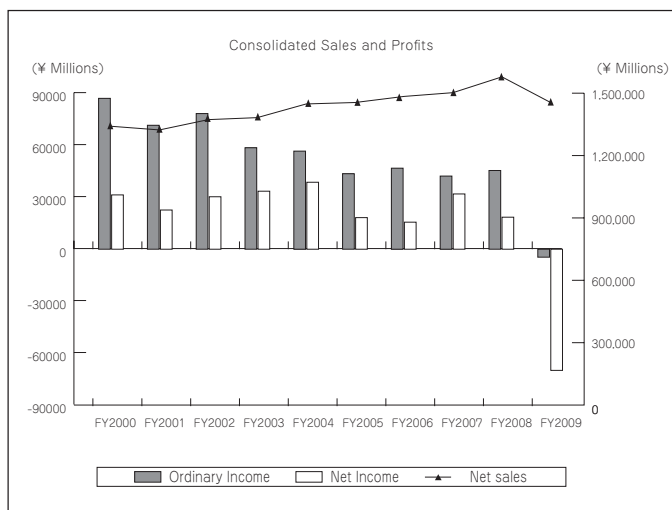
Note: Scope of consolidation and application of equity method (FY2009)

Consolidated subsidiaries...68: Ichitan Co., Ltd./Subaru Finance Co., Ltd./Subaru Kosan Co., Ltd./Yusoki Kogyo K.K./Fuji Machinery Co., Ltd./TOKYO SUBARU INC./Subaru of Indiana Automotive, Inc. (SIA)/Subaru of America, Inc. (SOA)/Fuji Heavy Industries U.S.A., Inc./Other consolidated subsidiaries-59 companies

Companies accounted for by the equity method...15: Subaru of China, Ltd. and 14 other companies

## 2. Non-Consolidated Sales and Profits

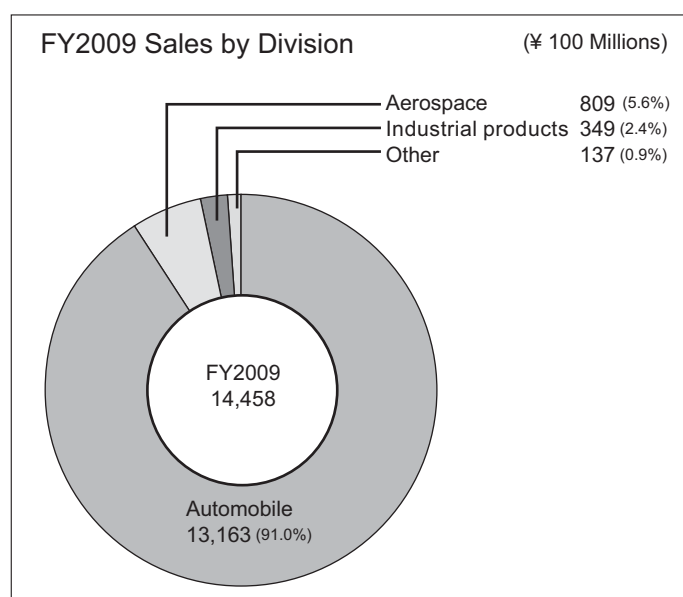
	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Sales (¥ Millions)	917,564	923,138	921,709	912,228	936,911	949,511	976,143	964,424	1,018,820	969,209
Operating income (¥ Millions)	54,275	56,420	63,698	50,161	30,143	35,436	52,123	33,507	25,830	△24,546
Ordinary income (¥ Millions)	62,093	54,490	65,015	46,453	28,496	31,304	41,379	27,135	24,847	△24,840
Net income (¥ Millions)	20,440	30,304	21,846	18,880	19,012	2,503	10,274	△6,391	△58	△83,404
Net income per share (¥)	33.56	40.60	29.37	25.24	24.86	3.14	13.60	—	—	—
Net assets per share (¥)	493.70	591.69	615.49	629.61	647.76	650.46	661.91	645.71	625.17	487.78
Dividend per share (¥)	9	9	9	9	9	9	9	9	9	4.5



### 3. Consolidated Sales by Division

(¥ 100 Millions)

	FY2004	FY2005	FY2006	FY2007	FY2008 ①	FY2009 ②	Increase/decrease	
							Amount②-①	Ratio ((②-①)/①)
Automobile	13,170 91.5%	13,196 91.2%	13,292 90.0%	13,393 89.6%	14,212 90.4%	13,163 91.0%	- 1,049	- 7.3%
Aerospace	566 3.9%	594 4.1%	818 5.5%	940 6.3%	997 6.3%	809 5.6%	- 188	- 18.8%
Industrial products	423 2.9%	468 3.2%	524 3.5%	497 3.3%	407 2.6%	349 2.4%	- 58	- 14.2%
Other	236 1.6%	206 1.4%	130 0.8%	118 0.8%	108 0.7%	137 0.9%	29	2.6%
<b>Total</b>	<b>14,395</b>	<b>14,465</b>	<b>14,764</b>	<b>14,948</b>	<b>15,723</b>	<b>14,458</b>	<b>- 1,265</b>	<b>- 8.0%</b>



## 4. Consolidated Statements of Income

(Millions of yen)

	2005	2006	2007	2008	2009
	(Ended March 31, 2005)	(Ended March 31, 2006)	(Ended March 31, 2007)	(Ended March 31, 2008)	(Ended March 31, 2009)
<b>Net sales</b>	1,446,491	1,476,368	1,494,817	1,572,346	1,445,790
<b>Cost of sales</b>	1,107,718	1,125,293	1,142,674	1,217,662	1,164,564
<b>Gross profit</b>	338,773	351,075	352,143	354,684	281,226
<b>Selling, general and administrative expenses</b>	296,756	292,736	304,237	309,004	287,029
Operating income (loss)	42,017	58,339	47,906	45,680	(5,803)
<b>Non-operating income</b>	14,096	12,356	17,805	15,029	14,803
Interest and dividend income	2,393	3,421	3,864	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
Amortization of negative goodwill (Amortization of consolidation adjustments)	6,868	3,296	2,175	—	—
Gain on revaluation of derivatives	—	—	4,268	4,921	—
Other	4,835	5,639	7,498	4,104	1,779
<b>Non-operating expenses</b>	12,541	23,927	23,496	15,272	13,600
Interest expenses	2,437	3,181	4,017	4,063	3,315
Foreign exchange losses	—	—	11,906	4,740	—
Loss on revaluation of derivatives	—	—	72	110	5,296
Other	10,104	20,746	7,501	6,359	4,989
<b>Ordinary income (loss)</b>	43,572	46,768	42,215	45,437	(4,600)
<b>Extraordinary income</b>	2,261	9,253	10,709	5,152	3,868
Gain on sales of noncurrent assets	1,417	3,872	6,673	1,480	357
Gain on sale of investment securities	541	5,274	58	1,502	673
Gain on prior period adjustment	—	—	1,451	1,539	—
Gain on transfer of the substitutional portion of the employees' pension fund	—	—	2,423	—	—
Other	303	107	104	631	2,838
<b>Extraordinary losses</b>	24,767	27,347	7,335	18,683	20,785
Loss on sales and retirement of noncurrent assets	6,169	4,273	4,774	5,489	3,809
Loss on sale of investment securities	—	2,253	18	—	468
Loss on valuation of investment securities	—	—	335	—	1,072
Impairment loss	—	4,064	550	13,174	1,045
Additional retirement payments	—	7,991	—	—	—
Loss on termination of the joint development projects	—	7,094	—	—	—
Provision of allowance for doubtful accounts	—	—	—	—	2,640
Provision for loss on construction contracts	—	—	—	—	2,901
Loss on devaluation of inventories	8,122	—	—	—	—
Loss on compensation to suppliers	4,174	—	—	—	—
Loss on discontinued operations	3,467	—	—	—	—
Other	2,835	1,672	1,658	20	8,850
<b>Income (loss) before income taxes and minority interest</b>	21,066	28,674	45,589	31,906	(21,517)
Income taxes	2,649	12,928	13,642	13,388	48,598
Minority interest in income (loss)	179	135	48	37	(182)
<b>Net income (loss)</b>	18,238	15,611	31,899	18,481	(69,933)

## 5. Consolidated Balance Sheets

(Millions of yen)

	2005	2006	2007	2008	2009
	(Ended March 31, 2005)	(Ended March 31, 2006)	(Ended March 31, 2007)	(Ended March 31, 2008)	(Ended March 31, 2009)
<b>(Assets)</b>					
<b>Current assets</b>	649,070	619,183	619,183	622,827	586,023
Cash and time deposits	40,742	65,524	65,524	67,053	78,151
Notes and accounts receivable, trade	116,278	104,972	104,972	96,017	82,352
Lease investment assets	—	—	—	—	27,074
Short-term investment securities	87,003	37,444	37,444	32,775	11,439
Inventories	175,087	216,396	216,396	261,009	—
Merchandise and finished goods	—	—	—	—	128,645
Work in process	—	—	—	—	96,425
Raw materials and supplies	—	—	—	—	34,249
Short-term loans receivables	128,202	118,414	118,414	78,329	59,434
Deferred tax assets	34,859	32,992	32,992	26,486	15,918
Other	68,158	45,604	45,604	62,504	53,845
Allowance for doubtful accounts	(1,259)	(2,163)	(2,163)	(1,346)	(1,509)
<b>Noncurrent Assets</b>	708,389	729,217	729,217	673,561	579,408
Property, plant and equipment	543,726	555,973	555,973	511,708	468,059
Buildings and structures, net	129,376	128,727	128,727	124,342	123,403
Machinery, equipment and vehicles, net	183,946	184,582	184,582	113,876	108,077
Land	170,809	172,338	172,338	181,974	183,741
Construction in progress	12,891	7,396	7,396	10,161	12,287
Leased assets, net	—	—	—	47,906	20,765
Other	46,704	62,930	62,930	33,449	19,786
Intangible assets	43,211	38,211	38,211	31,472	13,972
Investments and other assets	121,452	135,033	135,033	130,381	97,377
Investment securities	71,114	80,316	80,316	70,107	51,838
Long-term loans receivables	5,976	8,141	8,141	3,736	3,334
Deferred tax assets	24,481	23,612	23,612	27,256	10,702
Other	22,632	25,312	25,312	32,369	37,428
Allowance for devaluation of investments	(41)	—	—	—	—
Allowance for doubtful accounts	(2,710)	(2,348)	(2,348)	(3,087)	(5,925)
<b>Total assets</b>	<b>1,357,459</b>	<b>1,348,400</b>	<b>1,316,041</b>	<b>1,296,388</b>	<b>1,165,431</b>
<b>(Liabilities)</b>					
<b>Current liabilities</b>	610,311	628,113	563,667	598,042	561,248
Notes and accounts payable, trade	190,790	211,412	190,394	229,780	148,015
Short-term loans payable	220,295	195,507	172,454	165,886	225,149
Commercial paper	22,000	8,000	11,000	6,000	24,000
Current portion of bonds	10,300	20,500	10,000	30,000	—
Current portion of long-term loans payable	—	—	—	—	21956
Income taxes payable	8,872	11,472	4,572	8,091	2,062
Accrued expenses	74,326	61,744	55,789	61,954	50,524
Provision for bonuses	15,277	15,427	15,247	15,507	14,141
Provision for product warranties	20,490	23,496	23,934	22,563	17,934
Provision for loss on construction contracts	—	—	—	—	760
Other	47,961	80,555	80,277	58,261	56,707
<b>Noncurrent liabilities</b>	272,532	252,501	256,671	203,923	209,464
Bonds payable	100,500	80,000	90,000	60,000	60,000
Long-term loans payable	59,095	70,072	60,400	42,661	50,583
Deferred tax liabilities on revaluation of land	478	703	703	—	—
Deferred tax liabilities	—	—	—	—	7,448
Provision for retirement benefits	59,002	52,322	45,516	40,993	36,997
Provision for directors' retirement benefits	1,150	971	987	774	702
Provision for loss on guarantees	—	—	745	745	745
Negative goodwill (Consolidation adjustments)	12,352	2,995	821	—	—
Other	39,955	45,438	57,499	58,750	52,989
<b>Total liabilities</b>	<b>882,843</b>	<b>880,614</b>	<b>820,338</b>	<b>801,965</b>	<b>770,712</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>3,467</b>	<b>2,264</b>	<b>—</b>	<b>—</b>	<b>—</b>

(Millions of yen)

	2005	2006	2007	2008	2009
	(Ended March 31, 2005)	(Ended March 31, 2006)	(Ended March 31, 2007)	(Ended March 31, 2008)	(Ended March 31, 2009)
<b>(Shareholders' Equity)</b>					
Common stock	153,795	153,795	—	—	—
Capital surplus	160,071	160,071	—	—	—
Retained earnings	178,022	189,996	—	—	—
Revaluation reserve for land	421	290	—	—	—
Net unrealized holding gains on securities	16,945	21,145	—	—	—
Translation adjustments	(35,874)	(18,230)	—	—	—
Less treasury stock, at cost	(2,231)	(41,545)	—	—	—
<b>Total shareholders' equity</b>	<b>471,149</b>	<b>465,522</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,357,459</b>	<b>1,348,400</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>(Net Assets)</b>					
<b>Shareholders' capital:</b>					
Capital stock	—	—	153,795	153,795	153,795
Capital surplus	—	—	160,104	160,098	160,071
Retained earnings	—	—	214,831	227,789	126,593
Treasury stock	—	—	(40,511)	(40,538)	(2,086)
Total shareholders' capital	—	—	488,219	501,144	438,373
<b>Valuation, translation and other adjustments:</b>					
Valuation difference on available-for-sale securities	—	—	22,182	13,716	3,002
Revaluation reserve for land	—	—	290	—	—
Foreign currency translation adjustment	—	—	(16,687)	(21,463)	(47,429)
Total valuation and translation adjustments	—	—	5,785	(7,747)	(44,427)
<b>Minority interest</b>	<b>—</b>	<b>—</b>	<b>1,699</b>	<b>1,026</b>	<b>773</b>
<b>Total net assets</b>	<b>—</b>	<b>—</b>	<b>495,703</b>	<b>494,423</b>	<b>394,719</b>
<b>Total liabilities and net assets</b>	<b>—</b>	<b>—</b>	<b>1,316,041</b>	<b>1,296,388</b>	<b>1,165,431</b>

## 6. Consolidated Statements of Cash Flows

(Millions of yen)

	2005	2006	2007	2008	2009
	(Ended March 31, 2005)	(Ended March 31, 2006)	(Ended March 31, 2007)	(Ended March 31, 2008)	(Ended March 31, 2009)
<b>I Net cash provided by (used in) operating activities</b>					
Income (loss) before income taxes and minority interests	21,066	28,674	45,589	31,906	(21,517)
Depreciation and amortization	71,010	80,073	81,454	87,164	74,036
Increase (decrease) in allowance for doubtful accounts	732	542	425	(500)	2,956
Increase (decrease) in provision for bonuses	—	—	—	—	(2,037)
Increase (decrease) in provision for product warranties	(6,437)	1,040	284	(1,236)	(533)
Increase (decrease) in provision for loss on construction contracts	—	—	—	—	760
Increase (decrease) in provision for retirement benefits	(2,730)	(6,859)	(6,790)	(4,136)	(5,053)
Increase in allowance for losses on guarantees	—	—	745	—	—
Interest and dividends income	(2,393)	(3,421)	(3,864)	(5,503)	(3,743)
Amortization of negative goodwill (consolidation adjustments)	(31,675)	(3,296)	(2,175)	—	—
Loss (gain) on valuation of derivatives	—	—	—	—	5,296
Gain on revaluation of derivatives	—	—	(4,268)	(4,921)	—
Loss on revaluation of derivatives	3,132	2,983	72	110	—
Equity in (earnings) losses of affiliates	—	—	—	—	(926)
Equity income from affiliated companies	—	(1,446)	(1,549)	(501)	—
Equity loss from affiliated companies	378	—	—	—	—
Interest expenses	2,437	3,181	4,017	4,063	3,315
Loss (gain) on sales and retirement of noncurrent assets	—	—	—	—	3,452
Gain on sale of fixed assets	(1,417)	(3,872)	(6,673)	(1,480)	—
Loss on sale and disposal of fixed assets	6,169	4,273	4,774	5,489	—
Loss (gain) on sales and valuation of investment securities	—	—	—	—	867
Gain on sale of investment securities	(541)	(5,274)	(58)	(1,502)	—
Loss on sale of investment securities	—	2,253	18	—	—
Loss on devaluation of investment securities	—	—	335	—	—
Loss (gain) on sales of loans receivable	—	—	—	(548)	—
Decrease (increase) in notes and accounts receivable, trade	5,353	13,893	6,392	460	5,938
Decrease (increase) in inventories	(11,272)	(9,944)	(12,787)	(45,633)	(18,717)
Increase (decrease) in notes and accounts payable, trade	33	16,555	(20,520)	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	—	23,964	(825)	(11,111)	(4,757)
Gain on prior period adjustment	—	—	(1,451)	(88)	—
Impairment loss	—	4,064	550	13,174	1,045
Additional retirement payments	—	7,991	—	—	—
Loss on termination of the joint development projects	—	7,094	—	—	—
Loss on discontinued operations	3,467	—	—	—	—
Loss on compensation to suppliers	4,174	—	—	—	—
Other, net	2,225	(7,884)	(2,806)	7,721	12,819
<b>Sub Total</b>	<b>63,711</b>	<b>154,584</b>	<b>80,889</b>	<b>117,133</b>	<b>(12,787)</b>
Interest and dividends income received	2,406	3,126	4,334	5,864	3,738
Interest expenses paid	(2,432)	(2,920)	(3,945)	(4,135)	(3,062)
Additional retirement payments	—	(7,991)	—	—	—
Income taxes paid	(6,197)	(9,201)	(15,555)	(11,475)	(14,781)
Bonus paid to directors and statutory auditors	(161)	(113)	(107)	—	—
<b>Net cash provided by (used in) operating activities</b>	<b>57,327</b>	<b>137,485</b>	<b>65,616</b>	<b>107,387</b>	<b>(26,892)</b>

(Millions of yen)

	2005	2006	2007	2008	2009
	(Ended March 31, 2005)	(Ended March 31, 2006)	(Ended March 31, 2007)	(Ended March 31, 2008)	(Ended March 31, 2009)
<b>II Net cash provided by (used in) investing activities</b>					
Purchase of short-term investment securities	(37,119)	(9,489)	(3,517)	(4,700)	(2,265)
Proceeds from sale of short-term investment securities	50,474	21,908	8,472	6,020	5,326
Acquisition of shares of newly consolidated subsidiary	—	—	—	—	—
Increase due to acquisitions of Isuzu's Share of Subaru of Indiana Automotive, Inc.	—	—	—	—	—
Purchase of property, plant, and equipment	(137,998)	(120,875)	(57,388)	(59,430)	(58,415)
Proceeds from sale of property, plant and equipment	36,411	38,115	7,571	2,384	830
Purchase of property for lease	—	—	(64,100)	(60,048)	—
Proceeds from sale of leased assets	—	—	52,112	57,734	—
Purchase of intangible assets	(8,009)	(5,127)	(3,100)	(2,782)	(2,713)
Purchase of investment securities	(7,690)	(9,063)	(16,599)	(18,032)	(20,433)
Proceeds from sales of investment securities	5,395	13,092	11,430	15,911	11,848
Payments for investments in capital	—	—	—	—	(1,548)
Payments of loans receivable	(122,633)	(124,989)	(114,761)	(108,620)	(64,188)
Collection of loans receivable	101,195	127,450	138,280	128,476	60,155
Proceeds from withdrawal of restricted collateral cash	29,390	—	—	—	—
Price adjustment of investment in subsidiaries	—	(7,087)	—	—	—
Other, net	823	290	(1,828)	(1,833)	(982)
<b>Net cash used in investing activities</b>	<b>(89,761)</b>	<b>(75,775)</b>	<b>(43,428)</b>	<b>(44,920)</b>	<b>(72,385)</b>
<b>III Net cash provided by (used in) financing activities</b>					
Net increase (decrease) in short-term loans payable	(1,102)	(4,538)	(30,169)	(15,972)	51,517
Increase (decrease) in commercial papers	12,000	(14,000)	3,000	(5,000)	18,000
Proceeds from long-term loans payable	49,867	15,301	1,700	3,100	37,063
Repayment of long-term loans payable	(37,166)	(28,996)	(3,848)	(10,735)	(20,500)
Issuance of bonds	20,000	—	20,000	—	—
Redemption of bonds	(10,000)	(10,300)	(20,500)	(10,000)	(30,000)
Purchase of treasury stock	(399)	(39,352)	(62)	(60)	(50)
Proceeds from disposal of treasury stock	24	30	224	27	31,166
Cash dividends paid	(7,013)	(7,015)	(6,452)	(6,470)	(6,744)
Other, net	(12)	(15)	(102)	—	(3)
<b>Net cash used in financing activities</b>	<b>26,199</b>	<b>(88,885)</b>	<b>(36,209)</b>	<b>(45,110)</b>	<b>80,449</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>(1,481)</b>	<b>7,856</b>	<b>756</b>	<b>(1,968)</b>	<b>(15,614)</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>(7,716)</b>	<b>(19,319)</b>	<b>(13,265)</b>	<b>15,389</b>	<b>(34,442)</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>139,401</b>	<b>131,685</b>	<b>112,366</b>	<b>99,060</b>	<b>114,649</b>
<b>VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation</b>	<b>—</b>	<b>—</b>	<b>(41)</b>	<b>200</b>	<b>2,045</b>
<b>Increase (decrease) by change in accounting period of consolidated subsidiaries</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14,263</b>
<b>VIII Cash and cash equivalents at end of the year</b>	<b>131,685</b>	<b>112,366</b>	<b>99,060</b>	<b>114,649</b>	<b>96,515</b>

## 7. Capital Investment and Depreciation

### Consolidated

(¥ 100 Millions)

	FY2005	FY2006	FY2007	FY2008	FY2009
Capital investment	853	562	596	563	580
Depreciation and amortization	511	575	589	655	651
Research and development expenses	530	469	507	520	428

## 8. Consolidated Segment Information

### ■ Division

#### Net sales

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Net sales</b>					
Automobiles -					
Outside customers	¥1,329,161	¥1,339,291	¥1,421,179	¥1,316,305	\$13,396,143
Inter-segment	3,688	3,050	2,849	2,641	26,878
Subtotal	1,332,849	1,342,341	1,424,028	1,318,946	13,423,021
Industrial products -					
Outside customers	52,436	49,699	40,678	34,912	355,302
Inter-segment	116	20	13	18	183
Subtotal	52,552	49,719	40,691	34,930	355,485
Aerospace -					
Outside customers	81,787	94,012	99,673	80,872	823,041
Inter-segment	35	16	1	1	10
Subtotal	81,822	94,028	99,674	80,873	823,051
Other -					
Outside customers	12,984	11,815	10,816	13,701	139,436
Inter-segment	2,518	2,575	6,778	12,420	126,400
Subtotal	15,502	14,390	17,594	26,121	265,836
<b>Total</b>	1,482,725	1,500,478	1,581,987	1,460,870	14,867,393
Corporate and elimination	(6,357)	(5,661)	(9,641)	(15,080)	(153,471)
<b>Consolidated total</b>	¥1,476,368	¥1,494,817	¥1,572,346	¥1,445,790	\$14,713,922

#### Segment profit or loss

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Operating income (loss)</b>					
Automobiles	¥51,559	¥37,831	¥37,141	(¥9,201)	(\$93,639)
Industrial products	2,038	1,508	659	(1,643)	(16,721)
Aerospace	2,795	5,674	4,442	1,575	16,029
Other	1,231	2,257	2,525	3,118	31,732
<b>Total</b>	57,623	47,270	44,767	(6,151)	(62,599)
Corporate and elimination	716	636	913	348	3,542
<b>Consolidated total</b>	¥58,339	¥47,906	¥45,680	(¥5,803)	(\$59,057)

## Assets

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Total assets</b>					
Automobiles	¥1,110,445	¥1,058,957	¥1,041,057	¥910,250	\$9,263,688
Industrial products	56,621	55,450	45,528	39,856	405,618
Aerospace	147,557	165,177	172,410	174,062	1,771,443
Other	68,435	64,915	64,869	70,089	713,301
<b>Total</b>	1,383,058	1,344,499	1,323,864	1,194,257	12,154,050
Corporate and elimination	(34,658)	(28,458)	(27,476)	(28,826)	(293,364)
<b>Consolidated total</b>	¥1,348,400	¥1,316,041	¥1,296,388	¥1,165,431	\$11,860,686

## Other significant items

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Depreciation and amortization expenses</b>					
Automobiles	¥74,431	¥73,899	¥79,575	¥66,395	\$675,707
Industrial products	1,795	1,618	1,527	1,421	14,462
Aerospace	1,941	4,236	4,250	4,479	45,583
Other	1,906	1,701	1,812	1,741	17,718
<b>Total</b>	80,073	81,454	87,164	74,036	753,470
Corporate and elimination	—	—	—	—	—
<b>Consolidated total</b>	80,073	81,454	87,164	74,036	753,470
<b>Capital expenditures for segment assets</b>					
Automobiles	¥109,955	¥120,079	¥114,245	¥90,723	\$923,295
Industrial products	1,195	1,620	858	1,187	12,080
Aerospace	7,605	4,120	3,142	1,787	18,186
Other	534	669	624	1,480	15,063
<b>Total</b>	119,289	126,488	118,869	95,177	968,624
Corporate and elimination	—	(159)	—	(24)	(244)
<b>Consolidated total</b>	¥119,289	¥126,329	¥118,869	¥95,153	\$968,380

Notes: 1. Definition of business segments

Business segments are defined based on their product line and market.

2. Main products by each business segment

Business segments' main products:

Automobiles Legacy, Impreza, Forester, Tribeca, Stella, R1, R2, Pleo, Sambar

Industrial products Robin engine, 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. All figures in corporate and elimination represent elimination.

5. Changes in accounting policies

**(Fiscal 2006)**

Impairment loss on property, plant and equipment

The Company and domestic consolidated subsidiaries adopted the accounting standards for impairment of fixed assets in the fiscal year 2006. As a result of this change, the assets of the Automobiles segment decreased by ¥3,167 million (US\$26,960 thousand) and the assets of the Other segment decreased by ¥96 million (US\$817 thousand) in the fiscal year 2006.

**(Fiscal 2007)**

Directors' bonuses

The adoption of the accounting standard for directors' bonuses had no material effect on segment results.

**(Fiscal 2008)**

Depreciation method of fixed assets

The Company and domestic consolidated subsidiaries changed their depreciation method in the fiscal year 2008 as mentioned in "2. Summary of Significant Accounting Policies". The effect of this change was to decrease operating income of "Automobiles" by ¥2,158 million (US\$21,537 thousand). In addition, the change in the depreciation method for the residual book value during the fiscal year 2008 resulted in a decrease in operating income of "Automobiles" of ¥1,897 million (US\$18,932 thousand). The effects of these changes on other business segments were insignificant.

**(Fiscal 2009)****[1] Accounting standard for measurement of inventories**

As described in "2-[3] Inventories," in fiscal 2009 the Company and its domestic consolidated subsidiaries 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 (US\$31,152 thousand) in "Automobiles" and an increase in operating loss of ¥146 million (US\$1,486 thousand) in "Industrial products."

The effects of those changes on other business segments were immaterial.

**[2] Provision for loss on construction contracts**

As described in "2-[9] Provision for Loss on Construction Contracts," in fiscal 2009 the Company started accounting for the provision for losses on uncompleted construction of contracts in the Aerospace segment when substantial losses on the contracts were anticipated at the fiscal year-end for the next fiscal year and beyond and such losses can be reasonably estimated.

The Company recorded ¥2,901 million (US\$29,524 thousand) 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 were 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 (US\$4,407 thousand) in "Aerospace."

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

As described in "2-[21] Other Changes in Accounting Policy," in fiscal 2009 the Company's financial subsidiary 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 immaterial.

**[4] Accounting for lease transactions**

As described in "2-[13] Accounting for Lease Transactions," in fiscal 2009 the Company and its domestic consolidated subsidiaries 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 (US\$25,575 thousand) in "Automobiles."

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

As described in "2-[21] Other Changes in Accounting Policy," in fiscal 2009 the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial statements" (Practical Issues Task Force No. 18).

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

**[6] Alteration of estimated useful lives of fixed assets**

As described in "2-[4] Property, Plant and Equipment (Excluding Leased Assets)," in fiscal 2009 the Company and domestic consolidated subsidiaries revised the estimated useful lives of fixed assets (machinery) in accordance with the enacted revisions to the tax depreciation schedules under the Corporate Tax and Law and related tax regulations.

This change resulted in an increase in operating loss of ¥1,469 million (US\$14,950 thousand) in "Automobiles" and a decrease in operating income of ¥128 million (US\$1,302 thousand) in "Aerospace."

The impact of this change on other business segments is immaterial.

## ■ Geographic area

### Net sales

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Net sales</b>					
Japan - Outside customers	¥888,117	¥881,102	¥901,091	¥856,188	\$8,713,495
Inter-segment	257,456	244,896	270,514	280,623	2,855,923
Subtotal	1,145,573	1,125,998	1,171,605	1,136,811	11,569,418
North America - Outside customers	572,412	576,053	617,718	546,859	5,565,428
Inter-segment	2,298	14,222	20,860	15,380	156,524
Subtotal	574,710	590,275	638,578	562,239	5,721,952
Other -					
Outside customers	15,839	37,662	53,537	42,743	434,999
Inter-segment	313	283	501	622	6,330
Subtotal	16,152	37,945	54,038	43,365	441,329
<b>Total</b>	1,736,435	1,754,218	1,864,221	1,742,415	17,732,699
Corporate and elimination	(260,067)	(259,401)	(291,875)	(296,625)	(3,018,777)
<b>Consolidated total</b>	¥1,476,368	¥1,494,817	¥1,572,346	¥1,445,790	\$14,713,922

### Operating income or loss

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Operating income</b>					
Japan	¥56,989	¥40,622	¥34,188	(¥15,840)	(\$161,205)
North America	1,970	5,171	6,575	(1,964)	(19,988)
Other	309	831	1,402	1,933	19,673
<b>Total</b>	59,268	46,624	42,165	(15,871)	(161,520)
Corporate and elimination	(929)	1,282	3,515	10,068	102,463
<b>Consolidated total</b>	¥58,339	¥47,906	¥45,680	(¥5,803)	(\$59,057)

### Assets

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Assets</b>					
Japan	¥1,006,951	¥985,335	¥962,886	¥872,342	\$8,877,895
North America	368,541	347,770	347,205	297,801	3,030,745
Other	2,716	8,063	12,221	13,116	133,483
<b>Total</b>	1,378,208	1,341,168	1,322,312	1,183,259	12,042,123
Corporate and elimination	(29,808)	(25,127)	(25,924)	(17,828)	(181,437)
<b>Consolidated total</b>	¥1,348,400	¥1,316,041	¥1,296,388	¥1,165,431	\$11,860,686

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 expense are allocated to each segment.

4. All figures in corporate and elimination represent elimination.

5. Changes in accounting policies

#### (Fiscal 2006)

Impairment loss on property, plant and equipment

The Company and domestic consolidated subsidiaries adopted the accounting standards for impairment of fixed assets in the fiscal year 2006. As a result of this change, the assets of the Japan segment decreased by ¥3,263 million (US\$27,777 thousand).

#### (Fiscal 2007)

Directors' bonuses

The adoption of the accounting standard for directors' bonuses had no material effect on segment results.

#### (Fiscal 2008)

Depreciation method of fixed assets

The Company and domestic consolidated subsidiaries changed their depreciation method in the fiscal year 2008 as mentioned in "2. Summary of Significant Accounting Policies". The effect of this change was to decrease operating income of "Japan" by ¥2,308 million (US\$23,034 thousand). In addition, the change in the depreciation method for the residual book value during the fiscal year 2008 resulted in a decrease in operating income of "Japan" of ¥2,298 million (US\$22,934 thousand).

**(Fiscal 2009)****[1] Accounting standard for measurement of inventories**

As described in "2-[3] Inventories," in fiscal 2009, the Company and its domestic consolidated subsidiaries 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 (US\$32,770 thousand) in "Japan."

**[2] Provision for loss on construction contracts**

As described in "2-[9] Provision for Loss on Construction Contracts," in fiscal 2009 the Company started accounting for the provision for losses on uncompleted construction of contracts in the Aerospace segment when substantial losses on the contracts were anticipated at the fiscal year-end for the next fiscal year and beyond and such losses could be reasonably estimated.

The Company recorded ¥2,901 million (US\$29,524 thousand) 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 (US\$4,407 thousand) in "Japan."

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

As described in "2-[21] Other Changes in Accounting Policy," in fiscal 2009, the Company's financial subsidiary 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 immaterial.

**[4] Accounting for lease transactions**

As described in "2-[13] Accounting for Lease Transactions," in fiscal 2009 the Company and its domestic consolidated subsidiaries 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 (US\$25,575 thousand) in "Japan."

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

As described in "2-[21] Other Changes in Accounting Policy," in fiscal 2009 the Company adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force No. 18).

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

**[6] Alteration of service life of fixed assets**

As described in "2-[4] Property, Plant and Equipment (Excluding Leased Assets)", in fiscal 2009 the Company and its domestic consolidated subsidiaries revised the estimated useful lives 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 (US\$16,232 thousand) in "Japan."

**Overseas sales**

	(Millions of yen)				Thousands of U.S. dollars
	FY2006	FY2007	FY2008	FY2009	FY2009
<b>Overseas sales</b>					
North America	¥616,437 41.8%	¥662,149 41.6%	¥667,310 42.5%	¥582,979 40.3%	\$5,933,025
Europe	128,777 8.7	152,458 10.2%	181,333 11.5%	168,520 11.7%	\$1,715,042
Other	127,016 8.6	143,994 9.7%	179,716 11.4%	186,777 12.9%	\$1,900,844
<b>Total</b>	¥872,230 59.1	¥918,601 61.5%	¥1,028,359 65.4%	¥938,276 64.9%	\$9,548,911
<b>Consolidated net sales</b>	¥1,476,368 100.0%	¥1,494,817 100.0%	¥1,572,346 100.0%	¥1,445,790 100.0%	\$14,713,922

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 and the United Kingdom

Other: Australia

3. Overseas sales are sales outside of Japan by the Company and consolidated subsidiaries.

4. Changes of accounting policies:

**(Fiscal 2006)**

None.

**(Fiscal 2007)**

None.

**(Fiscal 2008)**

None.

**(Fiscal 2009)**

None.

## Fuji Heavy Industries Sets Mid-Term Management Plan for FY2008-2011

FHI's long-term management vision, is to become "a compelling company with strong market presence," and the mid-term plan places emphasis on developing fundamental corporate strengths to enable further growth and the plan also stipulates goals and measures to ensure long-term improvements in profitability.

- 1. Provide a distinctive Subaru experience for drivers and passengers**
- 2. Increase sales globally**
- 3. Strengthen competitiveness in quality and cost**
- 4. Grow through the business alliance with Toyota**
- 5. Grow level of employees competence and so enhance the organization**

For the Subaru vehicles that are our company's core products, we will ensure that all customers riding in these vehicles experience the enjoyment and the feeling of confidence and security that only Subaru can provide. At the same time, we will concentrate our technical development on achieving the top level of environmental performance in the industry, aiming for an advanced "fusion of comfortable and reliable driving with consideration for the global environment".

We will allocate our business resources so as to reinforce our position within the Japanese market while also shifting resources to the overseas divisions in North America and other markets where we are aiming for greater sales growth. We will strive to ensure that this allocation of business resources is linked to our future growth strategy.

### [Outline of the mid-term plan]

#### **1. Provide a distinctive Subaru experience for drivers and passengers**

FHI will work to satisfy customers by creating an exciting, enjoyable and dependable Subaru experience while taking environmental considerations fully into account.

#### **2. Increase sales globally**

##### The U.S. as a strategically important market

- Improve profitability and operational efficiency through integrated management of production and sales
- Improve information gathering and research capabilities through a branch office in Los Angeles under the organization of Subaru of America
- Ensure flexible U.S. production plans to meet market demands and improve on the system of supply and demand
- Expand sales network (target: 625 outlets by 2010)

##### Europe, Australia and other areas

- Reduce CO<sub>2</sub> emissions and increase sales through introductions of diesel-powered cars and subcompact cars
- Expand Subaru Europe's functions to involve direct sales activities and improve logistics in the distribution of vehicles and parts
- Bolster sales by further implementing the Subaru brand strategy and further improving the brand offering
- Strengthen sales networks and increase sales in Russia, Eastern and Northern Europe, China and other emerging markets
- Establish an overseas after-sales service system through which Subaru service people regularly visit distributors to collect requests and information
- Conduct feasibility studies on additional overseas production sites

##### Japan

- Improve profitability through enhancing sales of Legacy, Impreza and Forester
- Enhance dealer networks in large cities like Tokyo and Osaka
- Increase the sales force for better customer satisfaction

### **3. Strengthen competitiveness in quality and cost**

- Start a new cost reduction campaign, TSR-VC (Total Cost Structure Revolution – to maximize Value for Competitiveness & Customers)
- Flexible manufacturing, short lead-time manufacturing with variable type and quality  
In process quality assurance  
Succession of manufacturing skill & technology
- Reinforce business foundation of group companies by focusing on mission faithfulness

### **4. Grow through the business alliance with Toyota**

- Smooth start-up of Toyota Camry production at Subaru of Indiana Automotive (Early Spring 2007)
- OEM production agreement in place on a subcompact car for Europe
- Study development projects in consignment or joint development with Toyota

### **5. Grow level of employees competence and so enhance the organization**

- Instill the Customer First philosophy: devise and implement a new guideline, CCE (Customer, Company, Employee)
- Organizational changes in FHI headquarters: set up the Global Marketing Division, divide the Overseas Sales and Marketing Division into two separate divisions
- Clearly define responsibilities of divisions and departments and enhance management effectiveness
- Review and upgrade groupwide human resources policies and education/training programs

### **Other FHI companies**

- Aerospace Company will continue its defense-related work and enhance capacities in response to a growing demand for passenger planes. Company will cultivate next-generation business with its new products and technologies.
- Industrial Products Company will expand global production, including production consignment and licensing, and develop new products to meet customer needs.
- Eco Technologies Company will improve the profitability of its eco-friendly sanitation trucks by tapping business collaborations with other companies and plans to jump start an electricity-generating windmill business.

### Financial strategies

- Investment priorities: Focus capital expenditure to support global operations; Target R&D expense to enhance product appeal and features
- Effective allocation of business resources without increasing total assets
- 20% reduction in interest-bearing debt by FY2008 on a consolidated basis, from the end of FY2005

### Issues relating to shareholders

- Continue a steady dividend payment through FY2011

## Share Information

Shares (As of March 31, 2009)

### 1. Number of shares authorized: 1.5 billion shares

All issued stocks: 782,865,873 shares

### 2. Capital

	Apr. 1, 2004	Apr. 1, 2005	Apr. 1, 2006	Apr. 1, 2007	Apr. 1, 2008
	Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2009
Increase/decrease of the number of shares issued (shares)	0	0	0	0	0
Balance of the number of share issued (shares)	782,865,873	782,865,873	782,865,873	782,865,873	782,865,873
Increase/decrease of capital (¥ Millions)	0	0	0	0	0
Balance of capital (¥ Millions)	153,795	153,795	153,795	153,795	153,795
Increase/decrease of capital reserve (¥ Millions)	1	0	0	0	0
Balance of capital reserve issued (shares)	160,071	160,071	160,071	160,071	160,071

### 3. Shareholders

(As of March 31, 2009 / 1 unit = 1,000 shares)

	FY2005	FY2006	FY2007	FY2008	FY2009
<b>Government and local public agencies</b>					
Number of shareholders (Person)	0	0	0	0	0
Number of shares held (Units)	0	0	0	0	0
Ratio (%)	0.00	0.00	0.00	0.00	0.00
<b>Financial organizations</b>					
Number of shareholders (Person)	133	120	120	113	91
Number of shares held (Units)	285,458	259,731	237,435	229,564	255,089
Ratio (%)	36.59	33.28	30.43	29.42	32.58
<b>Securities companies</b>					
Number of shareholders (Person)	54	61	61	44	54
Number of shares held (Units)	5,340	11,084	13,987	11,131	6,545
Ratio (%)	0.68	1.42	1.79	1.43	0.83
<b>Other corporate bodies</b>					
Number of shareholders (Person)	570	658	629	621	724
Number of shares held (Units)	50,566	117,637	116,123	115,844	176,728
Ratio (%)	6.48	15.08	14.88	14.84	22.57
<b>Foreign corporations (Individual)</b>					
Number of shareholders (Person)	257(13)	262(13)	345(16)	399(19)	458(24)
Number of shares held (Units)	340,232(33)	195,644(35)	226,580(44)	228,838(51)	218,179(41)
Ratio (%)	43.61(0.00)	25.07(0.00)	29.04(0.00)	29.32(0.00)	27.86(0.00)
<b>Individual etc.</b>					
Number of shareholders (Person)	33,544	45,266	41,765	43,307	50,196
Number of shares held (Units)	98,649	196,274	186,160	195,036	123,041
Ratio (%)	12.64	25.15	23.86	24.99	15.71
<b>Total</b>					
Number of shareholders (Person)	34,558	46,367	42,920	44,484	51,523
Number of shares held (Units)	780,425	780,370	780,285	780,413	779,582
Ratio (%)	100.00	100.00	100.00	100.00	99.58

**Number of Odd Shares:** 2,313,557 shares

#### 4. Main Shareholders

















(As of March 31, 2009)

Name	Location	Number of sharholdings	Ratio of number of shares held to number of shares issued
Toyota Motor Corporation	1, Toyota-cho, Toyota-shi, Aichi	129,000,000	16.48%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3, Hamamatsu-cho, Minato-ku, Tokyo	35,947,000	4.59
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	1-8-11, Harumi, Chuo-ku, Tokyo	35,903,000	4.59
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11, Harumi, Chuo-ku, Tokyo	33,272,000	4.25
The Bank of New York Mellon as Depository Bank for Depository Receipt Holders	New York, U.S.A.	16,153,170	2.06
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	15,986,211	2.04
Suzuki Motor Corporation	300 Takatsuka-cho, Hamamatsu-shi, Shizuoka	13,690,000	1.75
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	12,361,739	1.58
Mizuho Bank, Ltd.	1-1-5, Uchisaiwai-cho, Chiyoda-ku, Tokyo	12,017,170	1.54
Sompo Japan Insurance Inc.	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	11,716,490	1.50
<b>Total</b>		<b>316,046,780</b>	<b>40.37</b>

# Subaru Automotive Business

## 1. Product Lineup

(As of July 1, 2009)

Model Name	Photo	Origin of the Name	Engine
<b>LEGACY</b>		Named after an English word, <i>legacy</i> , meaning to pass on heritage and values to the next generation.	Horizontally- Opposed 4-cylinder 2.0 ℓ 2.5 ℓ
<b>LEGACY B4</b>		Combines B for boxer engine and the 4 from four-wheel-drive, the core mechanisms of a sporty 4WD vehicle.	Horizontally- Opposed 6-cylinder 3.6 ℓ
<b>OUTBACK</b>		Deriving from Australian English, <i>outback</i> is associated with wildlife and unsettled territory.	Horizontally- Opposed 4-cylinder 2.0 ℓ diesel
<b>EXIGA</b>		A name created with our wish that all of the seven passengers, in the wide and open cabin, share the joy of driving and have "Exciting" and "Active" times.	Horizontally- Opposed 4-cylinder 2.0 ℓ
<b>IMPREZA</b>		A coined word, deriving from an English (originally Italian) word, <i>impresa</i> , meaning a badge or motto.	Horizontally-Opposed 4-cylinder 1.5 ℓ 2.0 ℓ 2.5 ℓ Horizontally-Opposed 4-cylinder 2.0 ℓ diesel
<b>IMPREZA ANESIS</b>		"Anesis" is a Greek word which signifies safety, comfort, reliability and relaxation.	Horizontally- Opposed 4-cylinder 1.5 ℓ 2.0 ℓ 2.5 ℓ
<b>IMPREZA STI</b>		This is the ultimate model from STI (Subaru Tecnica International), the specialized Subaru motor sports company, featuring the highest level of driving performance.	Horizontally- Opposed 4-cylinder 2.0 ℓ 2.5 ℓ
<b>FORESTER</b>		An English word, <i>forester</i> , meaning a guardian and protector of forests.	Horizontally-Opposed 4-cylinder 2.0 ℓ 2.5 ℓ Horizontally-Opposed 4-cylinder 2.0 ℓ diesel
<b>DEX</b>		This name was coined from the word "Dexterity", in order to express the sensitivity and agile handling of the vehicle.	Inline 4-cylinder 1.3 ℓ
<b>STELLA</b>		<i>Stella</i> means star in Italian. The name was chosen to reflect the commitment by FHI's development team to build a "star-quality" mini car that appeals to discerning users.	Inline 4-cylinder 0.66 ℓ
<b>R2</b>		The simple code represents a completely new value and a revolutionary concept for a minicar.	
<b>R1</b>		The simple code represents a completely new value and a revolutionary concept for a minicar. 1 and 2 describe the differences of concept and size between these R1 and R2.	
<b>PLEO</b>		A coined word, combining two Latin words meaning <i>rich</i> and <i>perfect</i> .	
<b>SAMBAR</b>		A big, strong deer.	
<b>TRIBECA</b>		<i>Tribeca</i> is a vibrant New York City neighborhood which creates cutting-edge trends.	Horizontally- Opposed 6-cylinder 3.6 ℓ
<b>JUSTY</b>		A coined word from <i>just</i> , which suggests just the right car.	Inline 3-cylinder 1.0 ℓ

- Notes: 1. DEX is supplied by DAIHATSU MOTOR CO., LTD. under an OEM agreement. (The Daihatsu version is branded as Coo.)  
2. Justy is supplied by DAIHATSU MOTOR CO., LTD. under an OEM agreement. (The DAIHATSU version is branded as the Sirion. It is branded as the Boon in Japan.)  
3. The table above includes engines which are installed in earlier models.  
4. The installed engine varies depending on the market.  
5. The photos show the Japan specification models. (The Tribeca photo shows the USA specification model. The Justy photo shows the Europe specification model.)

## 2. Domestic Production

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
<b>Minicars</b>										
Passenger cars	97,498	92,017	77,237	58,470	61,406	70,868	52,586	77,980	64,523	51,512
Commercial vehicles	83,022	80,604	93,073	86,446	85,533	91,442	83,388	79,911	68,310	60,059
<b>Registrations</b>										
Passenger cars	295,587	298,935	279,749	294,661	318,410	318,628	329,067	326,372	356,837	362,395
Subaru (Including Saab)	476,107	471,556	450,059	439,577	465,349	480,938	466,729	484,119	489,670	473,966
Saab	—	—	—	—	562	7,952	1,688	144	—	—
<b>Total</b>	<b>476,107</b>	<b>471,556</b>	<b>450,059</b>	<b>439,577</b>	<b>465,911</b>	<b>480,938</b>	<b>466,729</b>	<b>484,263</b>	<b>489,670</b>	<b>473,966</b>

Notes: 1. Minicars are calculated on a chassis basis. (including cars export with engine displacements exceeding 660cc)  
 2. Productivity in 2008 was 13,100 minicars and 30,300 registrations per month, assuming a two-shift day without overtime and weekend/holiday worked.

## AWD Production

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
<b>Minicars</b>	78,151	75,045	80,022	65,326	61,090	73,828	64,747	71,151	57,189	51,430
<b>Registrations</b>	281,036	282,314	265,586	293,537	274,890	303,219	310,206	306,513	335,014	341,715
<b>Total</b>	<b>359,187</b>	<b>357,359</b>	<b>345,608</b>	<b>358,863</b>	<b>335,980</b>	<b>377,747</b>	<b>374,953</b>	<b>377,664</b>	<b>392,203</b>	<b>393,145</b>

Note: 1. Minicars are calculated on a chassis basis. (including cars export with engine displacements exceeding 660cc)

**Cumulative Subaru Production: 17,667,812 units (As of March 31, 2009)**

## CVT Production

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Subaru domestic	92,832	87,334	75,922	58,921	56,987	68,323	50,798	78,860	64,534	49,561
Subaru overseas	—	—	—	—	—	—	—	—	—	—
Others	56,422	92,009	71,655	24,551	8,958	4,480	—	1,516	18,563	76,926
<b>Total</b>	<b>149,254</b>	<b>179,343</b>	<b>147,577</b>	<b>83,472</b>	<b>65,945</b>	<b>72,803</b>	<b>50,798</b>	<b>80,376</b>	<b>83,097</b>	<b>126,487</b>

Notes: "Others" is the total number of units supplied to Nissan, Fiat, Suzuki and Jatco.

**Cumulative Subaru Production: 2,358,941 units (As of March 31, 2009)**

### 3. Domestic Sales

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
<b>Minicars</b>										
Passenger cars	96,375	94,662	79,819	63,624	61,711	72,939	56,504	77,675	66,050	52,180
Commercial vehicles	81,653	80,440	86,738	85,366	81,620	89,945	84,216	79,875	69,993	59,660
<b>Registrations</b>										
Passenger cars	123,086	125,776	109,423	102,294	114,775	109,603	105,650	87,937	87,196	77,353
Commercial vehicles	355	299	9	—	—	—	—	—	—	—
Imported cars	—	—	3,839	4,452	2,561	1,466	30	—	—	—
<b>Total</b>	<b>301,469</b>	<b>301,177</b>	<b>279,828</b>	<b>255,736</b>	<b>260,667</b>	<b>273,953</b>	<b>246,400</b>	<b>245,487</b>	<b>223,239</b>	<b>189,193</b>

### AWD Domestic Sales

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Minicars	77,240	76,441	76,557	68,264	67,026	73,406	66,023	70,780	58,989	51,246
Registrations	112,038	115,249	99,203	93,063	105,031	97,959	91,547	72,927	71,535	60,349
<b>Total</b>	<b>189,278</b>	<b>191,690</b>	<b>175,760</b>	<b>161,327</b>	<b>172,057</b>	<b>171,365</b>	<b>157,570</b>	<b>143,707</b>	<b>130,524</b>	<b>111,595</b>

### Sales of Domestic Cars by Model

(Units)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2009 comparison with FY2008 (%)
<b>Minicars</b>						
Stella / Pleo / R2 / R1	81,289	64,706	84,240	70,722	55,100	84.0
Sambar	81,593	76,014	73,309	64,321	56,740	87.7
<b>Total</b>	<b>162,882</b>	<b>140,718</b>	<b>157,549</b>	<b>135,043</b>	<b>111,840</b>	<b>85.7</b>
<b>Registrations</b>						
Legacy	62,686	56,682	48,477	35,277	22,719	72.8
Impreza	27,453	29,537	26,224	33,617	22,216	128.2
Forester	19,464	19,431	13,236	18,302	17,852	138.3
Exiga	—	—	—	—	12,213	—
Dex	—	—	—	—	2,353	—
Other	1,466	30	—	—	—	—
<b>Total</b>	<b>111,069</b>	<b>105,680</b>	<b>87,937</b>	<b>87,196</b>	<b>77,353</b>	<b>99.2</b>
<b>Total of domestic sales</b>	<b>273,951</b>	<b>246,400</b>	<b>245,486</b>	<b>222,236</b>	<b>189,193</b>	<b>90.5</b>

#### 4. Export and Overseas Production

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
U.S.A.	74,848	81,554	95,042	102,052	95,989	91,699	91,455	90,385	96,060	124,086
Europe	57,419	36,616	29,711	38,983	48,571	54,077	58,323	65,987	72,238	72,735
Other	45,255	48,366	48,325	54,885	56,278	66,726	74,945	83,351	101,405	103,592
Sub Total (Minicars)	177,522 (760)	166,536 (108)	173,078 (22)	195,920 (0)	200,838 (0)	212,502 (0)	224,723 (16)	239,723 (395)	273,703 (579)	300,413 (111)
Overseas production										
U.S.A. (SIA)	98,861	107,842	100,946	106,076	87,358	115,317	119,784	100,972	110,363	77,871
Taiwan (Ta Ching)	2,640	3,141	888	0	0	—	—	—	—	—
China (Guizhou)	1,500	800	2,400	1,500	2,800	—	—	—	—	—
<b>Total</b> (Minicars)	280,523 (2,260)	278,319 (908)	277,312 (2,422)	303,496 (1,500)	290,996 (2,800)	327,819 (0)	344,507 (16)	340,695 (395)	384,066 (579)	378,284 (111)

Notes: Minicars are calculated on a chassis basis. (including cars with engine displacements exceeding 660cc)  
Sub Total and Total include the number of Minicars.

#### Exported AWD

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Export	173,059	161,172	169,001	194,122	197,556	208,961	218,985	235,240	260,712	290,690

#### ■ Overseas Business

##### Main Destination by Region (Exporting countries in 2006)

Region	Main Countries	Number of Countries
Asia	Taiwan, China, Singapore	14
Middle East	Israel, Oman, Kazakhstan	13
Europe	Germany, U.K., Switzerland	20
Africa	South Africa, Egypt, Kenya	9
North America	U.S.A., Canada	2
Latin America and Caribbean	Chile, Peru, Venezuela	27
Oceania	Australia, New Zealand	7
<b>Total</b>		92

##### Main Overseas Market and Outlets

(As of July 1, 2008)

Country	Importer/Distributors	Distributors	Dealers
U.S.A.	Subaru of America, Inc.	2	600
Canada	Subaru Canada, Inc.	—	89
Germany	Subaru Deutschland GmbH	—	208
Switzerland	Subaru Schweiz AG	—	175
U.K.	Subaru (UK) Ltd.	—	76
Benelux	N.V. Subaru Benelux S.A.	—	57
Russian	Subaru Motors (RUSSIA) LLC.	—	34
China	Subaru of China, Ltd.	3	85
Australia	Subaru Australia, Pty., LTD	—	109
Chile	Indumotora Automotriz S.A.	—	14

**Overseas Manufacturing**

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
U.S.A. (SIA)	96,684	106,255	100,365	102,194	88,881	114,556	121,505	103,415	110,979	83,239
Taiwan (Ta Ching)	2,890	3,202	1,266	—	—	—	—	—	—	—
China (Guizhou)	974	875	1,675	1,312	1,640	—	—	—	—	—
<b>Total</b>	100,548	110,332	103,306	103,506	90,521	114,556	121,505	103,415	110,979	83,239

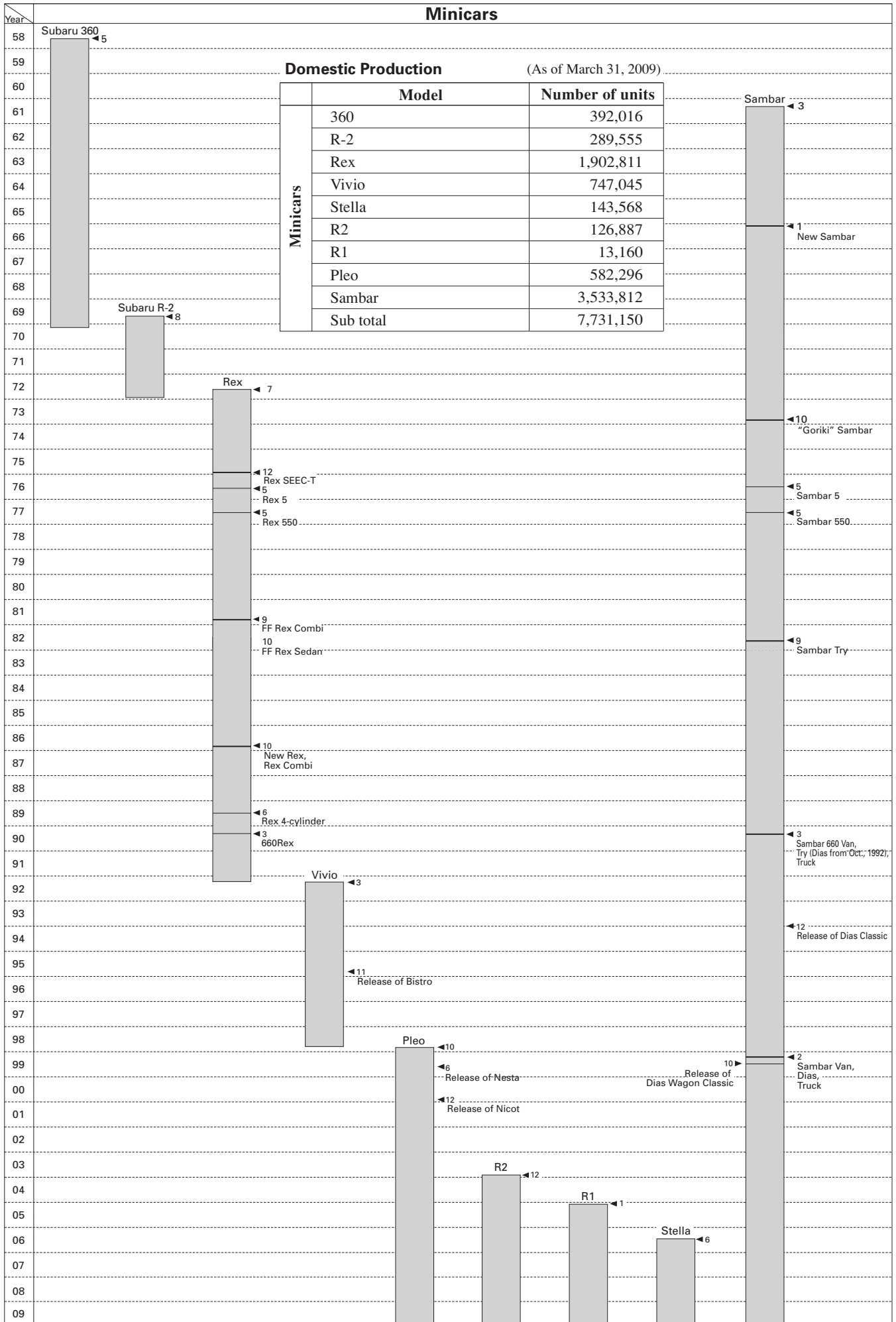
**5. Number of Vehicles Sold in US**

(on the calendar basis / 1,000 units)

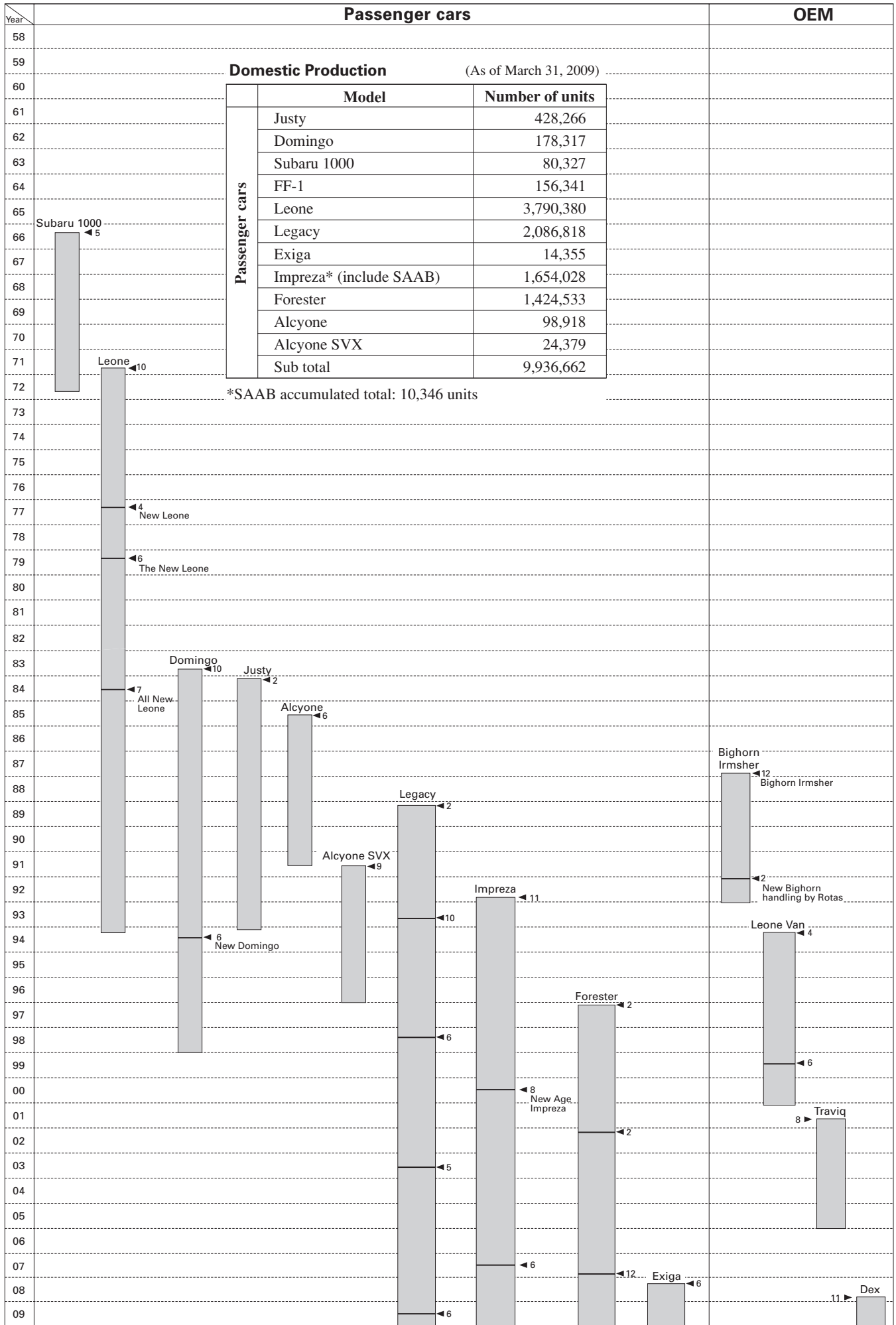
	FY2005	FY2006	FY2007	FY2008 ①	FY2009 ②	Increase/decrease	
						Amount②-①	Ratio (②-①)/①
Legacy	89.3	87.1	84.3	78.3	66.8	(11.5)	(14.7%)
Baja	7.2	6.2	5.2	1.1	—	(1.1)	—
Impreza	31.9	33.1	40.9	45.8	48.0	2.2	4.7%
Forester	57.9	52.9	51.0	44.1	60.4	16.2	36.8%
Tribeca	—	14.8	18.6	16.7	11.0	(5.8)	(34.5%)
<b>Total</b>	186.3	194.0	200.0	186.1	186.2	0.0	0.0%
<b>Total demand</b>	16,913	16,991	16,519	16,115	13,213	(2,902)	(18.0%)

# 6. Subaru Domestic Lineup

(As of July 1, 2009)



Note: Heavy lines in the bars in the above chart indicate full model changes.



Note: Heavy lines in the bars in the above chart indicate full model changes.

## 7. Subaru Core Technologies

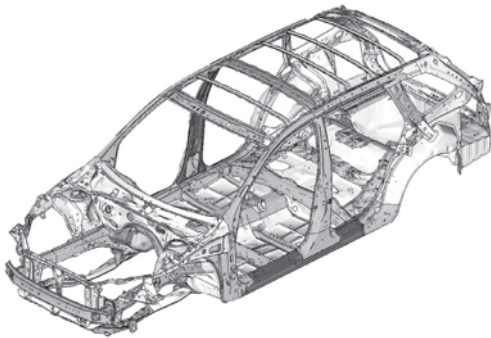
### ■ Horizontally-Opposed Boxer Engine

The Horizontally-Opposed Engine is an ideal power unit that Subaru has continually promoted to customers. Because the pistons in a Horizontally-Opposed Engine are arranged opposing one another on the left and right sides, the inertial force generated by the movement of each piston is cancelled out by the piston on the opposite side. As a result, this engine type provides superior operating balance, and a smooth feeling when revving all the way up to the high-rpm range. In addition, the unique design allows the engine to be more compact, lightweight and fitted deep in the chassis. This also contributes to lowering the center of gravity of the vehicle body. Excellent weight balance allows the vehicle to corner exactly as the driver wants it to.

### ■ Symmetrical AWD

The low center of gravity resulting from the use of a horizontally-opposed engine is combined with excellent weight balance in all four directions, achieved by collecting heavy items near the center of the vehicle body. This makes it possible to draw out the maximum capability of the AWD system, for unsurpassed driving performance under a wide range of conditions. The vehicle reacts linearly to operation of the steering wheel when cornering, and the high straight-line stability yields comfortable high-speed driving that instills a feeling of confidence and security in the driver. Subaru continues to refine and perfect our symmetrical AWD system as the core of a mechanism that can earn drivers' trust during all types of driving, from everyday city driving to high-speed driving.

### ■ Subaru's New Ring-shaped Reinforcement Frames

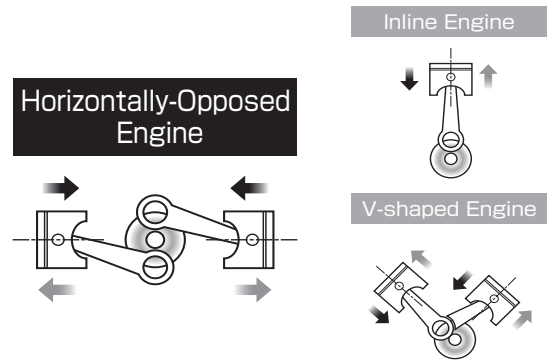


“Subaru’s new ring-shaped reinforcement frames” are intended to prevent cabin deformation under impact by joining strong pillars and frames together in such a way that they surround the cabin. Due to the use of a frame structure with superior ability to absorb impact, reinforcement of all joints and other improvements, this body provides effective impact absorption for front-end collisions. In order to ensure effective impact absorption for rear-end collisions, reinforcement is provided by the rear bumper beam, and the rear frame has also been changed to a straight shape, ensuring sufficient crushable space. This contributes to the safety of rear seat occupants in the event of a collision. For side collisions, the center pillar strength balance has been optimized, yielding excellent collision safety performance in all directions.

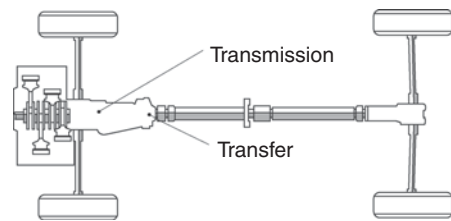
For instances of collisions with pedestrians, the impact absorption capacity of the front bumper has been improved, the front hood framework has been reviewed, and other sweeping steps have been taken to lessen the impact to a pedestrian.

The safety performance of Subaru vehicles has been highly evaluated in safety assessments in many countries around the world. In Japan, the Japan New Car Assessment Program (JNCAP), which is conducted by the Ministry of Land, Infrastructure and Transport and by the National Agency for Automotive Safety & Victims' Aid (NASVA), awarded the “JNCAP Grandprix” to the Impreza for fiscal 2007 and the top rating to two models, the Forester and Exiga, for fiscal 2008.

Overseas, the US New Car Assessment Program awarded its highest rating of five stars for collision performance to the Forester in 2008. The Australasian New Car Assessment Program (covering the Australia and New Zealand regions) also awarded the Forester its top rating of five stars for occupant protection performance, and three stars for pedestrian protection performance.



Unlike in the inline and V-shaped engines, pistons in a horizontally-opposed engine are placed horizontally and symmetrically with the crankshaft in the center, which allows the pistons to offset their respective vibrations.



**AWD System with a Horizontally-Opposed Engine**

# Aerospace Company

## 1. Aerospace Company

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Small-Size Airplane for the Japan Defense Ministry										
T-5 (Primary Trainer)	—	—	—	—	—	—	—	—	1	4
T-7 (Primary Trainer)	—	—	—	2	11	10	9	11	3	3
Rotary Wing Aircraft for the Japan Defense Ministry										
AH-64D (Fighter Helicopter)							2	2	2	2
UH-1J (Utility Helicopter)	3	5	4	7	6	3	6	2	3	4
AH-1S (Anti-Tank Helicopter)	1	—	1	—	—	—	—	—	—	—
Unmanned Aerial Vehicle										
BQM34AJ Fire Bee (Kai) (High-Speed Target Drone)	11	1	1	1	1	1	1	1	—	—
J/AQM-1 (Target Drone)	10	12	21	41	42	21	21	13	26	12
FFOS (Remotely Controlled Observation System)	—	—	—	—	1	1	1	1	1	11
Commercial Unmanned Aerial Vehicle										
RPH2 (Unmanned Helicopter)	4	3	5	2	3	—	—	—	—	—
Subcontract Programs										
US-1 (Search and Rescue Amphibian)	1	—	1	—	—	1	—	—	—	—
T-4 (Intermediate Jet Trainer)	13	7	9	7	—	—	—	—	—	—
CHUKAR-III (Small Target Drone)	11	10	14	12	14	32	12	12	18	35
U-125A (Search and Rescue Plane)	4	3	2	2	1	—	1	1	1	1
F-2 (Supporting Fighter)	13	8	9	13	10	10	6	4	4	5
OH-1 (New Small Observation Helicopter)	2	4	2	3	2	2	2	2	2	2
International Collaboration										
BOEING 777	59	62	60	35	39	41	50	74	82	68
BOEING 767	44	40	41	30	12	11	10	13	12	10
BOEING 757	58	46	38	18	12	4	—	—	—	—
BOEING 747	27	31	27	22	18	12	14	14	18	12
BOEING 737	285	291	273	183	165	144	207	318	351	282
MD-11	6	—	—	—	—	—	—	—	—	—
H4000	1	1	1	1	1	1	6	7	14	27
A380	—	—	—	—	—	9	8	6	12	12

## 2. Product Lineup

(As of July 1, 2009)

Category	Products
Defense Sector	<ul style="list-style-type: none"> <li>• AH-64D Fighter Helicopter</li> <li>• UH-1J Utility Helicopter</li> <li>• T-5 Primary Trainer</li> <li>• J/AQM-1 Target Drone</li> <li>• Remotely Controlled Observation System</li> <li>• Flight Simulator, etc.</li> </ul> <hr/> Subcontract Programs <ul style="list-style-type: none"> <li>• F-2 Support Jet Fighter (Wing*, Empennage*, etc.)</li> <li>• OH-1 Light Observation Helicopter (Empennage*, Canopy, etc.)</li> <li>• Maritime Patrol Aircraft (XP-1), Cargo Transport Aircraft (CX) (Wing, Vertical tail)</li> <li>• U-125A Search and Rescue Plane (Equipment installation, pre-delivery maintenance, etc.)</li> </ul>
Commercial Sector	Subcontract Programs <ul style="list-style-type: none"> <li>• BOEING 787 (Center Wing*)</li> <li>• BOEING 777 (Center Wing, Main Landing Gear Doors*, Wing to Body Fairings*)</li> <li>• BOEING 767 (Wing to Body Fairings*, Main Landing Gear Doors*)</li> <li>• BOEING 737 (Elevator*)</li> <li>• H4000 (Development and Manufacturing of Wing Systems)</li> <li>• A380 (Vertical Tail Structure*)</li> <li>• Space Systems*, etc.</li> </ul>

\* Composite Material ••••• Material in which a superior or completely new character is given by an artificial combination of different kinds of materials.

1. Glass fiber reinforced plastics (GFRP)
2. Carbon fiber reinforced plastics (CFRP)
3. Kevlar fiber reinforced plastics (KFRP)

# Industrial Products Company

## 1. Sales of General-Purpose Engines

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Destination										
Domestic	238,777	233,337	219,857	229,693	233,243	213,822	233,498	246,873	231,703	189,090
Export	621,131	555,497	461,237	566,049	575,838	743,274	878,371	819,895	904,432	794,386
Fuel Type										
Gasoline	847,584	776,145	671,166	786,265	798,464	948,077	1,099,972	1,053,873	1,121,144	969,713
Diesel	12,324	12,689	9,928	9,477	10,617	9,019	11,897	12,895	14,991	13,763
<b>Total</b>	<b>859,908</b>	<b>788,834</b>	<b>681,094</b>	<b>795,742</b>	<b>809,081</b>	<b>957,096</b>	<b>1,111,869</b>	<b>1,066,768</b>	<b>1,136,135</b>	<b>983,476</b>

## 2. Production of General-Purpose Engines

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Destination										
Domestic	335,406	320,533	359,809	361,831	315,338	337,422	452,672	448,088	191,527	156,014
Export	745,516	629,551	653,426	623,863	693,420	891,168	1,066,277	1,031,922	955,528	663,311
Fuel Type										
Gasoline	1,062,657	933,995	999,159	971,365	993,129	1,215,149	1,501,113	1,462,821	1,126,823	796,933
Diesel	18,265	16,089	14,076	14,329	15,629	13,441	17,836	17,189	20,232	22,392
<b>Total</b>	<b>1,080,922</b>	<b>950,084</b>	<b>1,013,235</b>	<b>985,694</b>	<b>1,008,758</b>	<b>1,228,590</b>	<b>1,518,949</b>	<b>1,480,010</b>	<b>1,147,055</b>	<b>819,325</b>

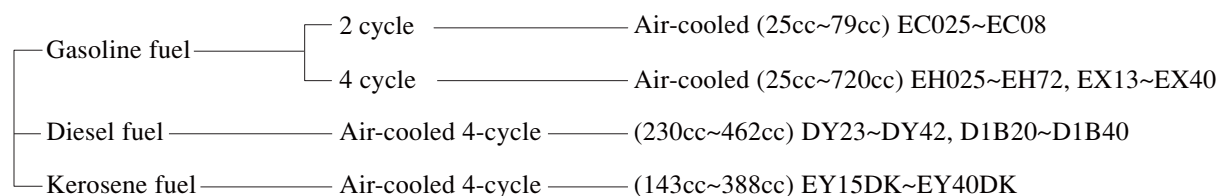
Note: Total figures until FY2007 include of production by Fuji Robin (current: Makita Numazu)

## 3. Product Lineup

(As of July 1, 2009)

### 3.1. Robin Engines

#### <Classification>



#### <Uses>

Agricultural	Tractors, Tillers/Cultivators, Harvesters, Agricultural Carriers, Bush cutters/Trimmers, Edger, Chainsaws, Sprayers, Clear water pumps	
Construction	Large	Air compressors
	Small	Excavators, Rollers, Plate compactors, Tampers/Rammers, Concrete saws, Conveyors, Vibrators, Welders
	General Industrial	Generators, Compressors, Utility vehicles, Pressure washers, Trush pumps, Sweepers, Compressors, Light tower
Recreational Products	Snowmobiles, Recreational vehicles, Golf carts, Go-karts, Pocket bikes, Mower, Snow blower	

### 3.2. Other Products (Engine Equipped)

- Generators (900w~13kw)
- Pumps (Bore: from 1in.~4in.)
- Snowmobiles
- Rechargeable brush cutter with Lithium ion battery
- Gasoline-driven Bush cutters/Trimmers
- Light tower

# Eco Technologies Company

## 1. Eco Technology Production

(Units)

	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
Fuji Mighty (Units)	1,346	1,557	1,407	1,626	1,896	1,383	1,480	1,551	1,641	1,433
Refuse Management System Power Loader	24	30	39	46	95	52	43	52	41	33
Sweeper (Units)	112	159	86	62	64	72	37	9	2	1
Motoruc (Units)	310	361	334	289	235	186	210	184	242	187
Wind-Power Generator Systems	—	—	—	3	4	0	5	4	2	3

## 2. Product Lineup

(As of July 1, 2009)

Fuji Mighty	Nonburnable waste collection vehicles, Burnable waste collection vehicles, Bulky waste collection vehicles, Recyclable waste collection vehicles, Large item transfer vehicles, Onboard Weighing system
Motoruc	Battery-driven transporters, Gasoline-driven transporters
Specially Equipped Vehicles	Swap Body Vehicles (Power Loader), Refuse Containers
Wind-Power Generator Systems	Subaru wind-power generator system 40kw, 100kw, 2MW
Sweepers and Scrubbers	Cleaning robot systems, Garbage measuring systems, Ozonos deodorizing equipment
Transport Machinery	Autonomous Robot System Towing the Container

Fuji Heavy Industries Ltd.

Corporate Communications Dept.

1-7-2 Nishishinjuku, Shinjuku-ku, Tokyo 160-8316 Japan

URL: <http://www.fhi.co.jp/english>