

<Reference for the First Half of FY2004(Apr. 2003 to Sep. 2003) Consolidated Financial Results>

(Nov. 17, 2003)

Fuji Heavy Industries Ltd.

(in 100 millions of yen)
(in thousands of units)

| | RESULTS 1st HALF of FY2003 | RESULTS 1st HALF of FY2004 | | RESULTS FY2003 | FORECAST FY2004 | | FORECAST FY2004 (May 2003) | |
|--|----------------------------|---|----------|------------------------|--|----------|---|-----|
| | Apr. to Sep. 2002 | Apr. to Sep. 2003 | | Apr. 2002 to Mar. 2003 | Apr. 2003 to Mar. 2004 | | Apr. 2003 to Mar. 2004 | |
| Net Sales | 6,484 | 6,653 | 2.6 % | 13,723 | 14,300 | 4.2 % | 14,500 | |
| Domestic | 2,865 | 2,921 | 2.0 % | 5,992 | 6,500 | 8.5 % | 6,440 | |
| Overseas | 3,619 | 3,732 | 3.1 % | 7,730 | 7,800 | 0.9 % | 8,060 | |
| Margin Percentage | 5.7% | 2.8% | | 4.9% | 3.7% | | 4.3% | |
| Operating Income | 369 | 183 | (50.4) % | 675 | 530 | (21.5) % | 620 | |
| Margin Percentage | 4.8% | 3.7% | | 4.3% | 4.1% | | 4.1% | |
| Ordinary Income | 312 | 244 | (21.6) % | 585 | 580 | (1.0) % | 600 | |
| Margin Percentage | 2.6% | 2.9% | | 2.4% | 2.5% | | 2.4% | |
| Net Income | 167 | 194 | 16.2 % | 334 | 360 | 7.5 % | 350 | |
| Factors of Change in Operating Income | / | Gain factors Reduction in cost 85 Increase in sales mix 30 Loss factors Increase of expenses and others 239 Foreign exchange 52 Increase in R&D expenses 10 | | / | Gain factors Reduction in cost 175 Increase in sales mix 111 Decrease in R&D expenses 11 Loss factors Increase of expenses and others 301 Foreign exchange 141 | | Gain factors Increase in sales mix 190 Reduction in costs 160 Loss factors Increase of expenses and others 246 Foreign exchange 130 Increase in R&D expenses 29 | |
| Capital Investment | | 270 | 357 | | | 646 | 870 | |
| Depreciation and Amortization | 223 | 272 | | 488 | 530 | | 540 | |
| R&D Expenses | 294 | 304 | | 601 | 590 | | 630 | |
| Interest bearing debt | 3,873 | 3,966 | | 3,891 | 4,000 | | 4,000 | |
| Performance of Operation | / | Net sales to increase Net income to increase Best Net Sales Best Net Income | | / | Net sales to increase Net income to increase Best Net Sales | | / | |
| Domestic Sales | | 119 | 113 | | (5.3) % | 246 | | 259 |
| Small Cars | 48 | 52 | 7.2 % | 103 | 115 | 11.9 % | 122 | |
| Minicars | 71 | 61 | (13.9) % | 143 | 145 | 1.2 % | 139 | |
| Overseas Sales | 134 | 135 | 1.2 % | 295 | 300 | 1.9 % | 307 | |
| Units Total | 253 | 248 | (1.9) % | 540 | 560 | 3.6 % | 568 | |
| SIA Isuzu SUV s | / | 13 | - | / | 25 | - | 30 | |