



<Reference for the First Half of FY2006(Apr. 2005 to Sep. 2005) Non-Consolidated Financial Results>

(Nov. 8, 2005)

Fuji Heavy Industries Ltd.

| (in 100 millions of yen)<br>(in thousands of units) | RESULTS                                      | RESULTS   |          | RESULTS                          | FORECAST   |          | FORECAST  |
|---|--|---|----------|----------------------------------|--|----------|---|
|   | 1st HALF of FY2005<br>Apr. 2004 to Sep. 2004 | 1st HALF of FY2006<br>Apr. 2005 to Sep. 2005  |          | FY2005<br>Apr. 2004 to Mar. 2005 | FY2006<br>Apr. 2005 to Mar. 2006   |          | FY2006<br>(May 2005)<br>Apr. 2005 to Mar. 2006  |
| <b>Net Sales</b>                                    | 4,864  | 4,759   | (2.2) %  | 9,495                            | 9,600  | 1.1 %    | 9,440   |
| Domestic  | 2,183  | 2,155   | (1.3) %  | 4,524                            | 4,400  | (2.7) %  | 4,610   |
| Overseas  | 2,681  | 2,604   | (2.9) %  | 4,971                            | 5,200  | 4.6 %    | 4,830   |
| Margin Percentage                                   | 4.1%   | 5.6%  |          | 3.7%                             | 4.5%   |          | 3.2%  |
| <b>Operating Income</b>                             | 200  | 268   | 34.1 %   | 354                              | 430  | 21.3 %   | 300   |
| Margin Percentage                                   | 3.5%   | 4.7%  |          | 3.3%                             | 3.5%   |          | 3.1%  |
| <b>Ordinary Income</b>                              | 169  | 222   | 31.1 %   | 313                              | 340  | 8.6 %    | 290   |
| Margin Percentage                                   | 1.4%   | 2.8%  |          | 0.3%                             | 0.9%   |          | 1.1%  |
| <b>Net Income</b>                                   | 67   | 132   | 97.1 %   | 25                               | 90   | 259.6 %  | 100   |
| <b>Factors of Change in Operating Income</b>        |  | <b>Gain factors</b><br>Decrease in R&D expenses 62<br>Decrease of expenses and others 51<br>Reduction in cost 51<br><b>Loss factors</b><br>Decrease in sales mix 91<br>Foreign exchange 5 |          |                                  | <b>Gain factors</b><br>Decrease of expenses and others 92<br>Reduction in cost 88<br>Decrease in R&D expenses 42<br>Foreign exchange 5<br><b>Loss factors</b><br>Decrease in sales mix 151 |          | <b>Gain factors</b><br>Reduction in cost 93<br>Decrease of expenses and others 81<br><b>Loss factors</b><br>Decrease in sales mix 119<br>Foreign exchange 88<br>Increase in R&D expenses 21 |
| <b>Foreign Exchange Rate YEN/US\$</b>               | 110  |   | 109      | 108                              |  | 108      | 105   |
| <b>Capital Investment</b>                           | 108  |   | 85       | 256                              |  | 280      | 320   |
| <b>Depreciation and Amortization</b>                | 132  |   | 122      | 276                              |  | 250      | 260   |
| <b>R&amp;D Expenses</b>                             | 277  |   | 215      | 528                              |  | 486      | 549   |
| <b>Interest bearing debt</b>                        | 1,468  |   | 1,248    | 1,403                            |  | 1,400    | 1,400   |
| <b>Performance of operation</b>                     |  | Net Sales to decrease<br>Operation Income to increase   |          |                                  | Net Sales to increase<br>Operation Income to increase<br>Best Net Sales  |          |   |
| <b>Domestic Production Volume</b>                   | 253  | 230   | (8.9) %  | 481                              | 459  | (4.5) %  | 462   |
| <b>Domestic Sales</b>                               | 133  | 123   | (7.8) %  | 273                              | 245  | (10.3) % | 263   |
| Small Cars  | 52   | 54  | 4.0 %    | 108                              | 107  | (0.6) %  | 110   |
| Minicars  | 82   | 69  | (15.3) % | 165                              | 137  | (16.6) % | 153   |
| <b>Export</b>                                       | 114  | 106   | (7.4) %  | 213                              | 214  | 0.6 %    | 197   |
| North America                                       | 60   | 47  | (20.9) % | 102                              | 97   | (4.6) %  | 93  |
| Europe  | 27   | 27  | (0.1) %  | 54                               | 56   | 3.0 %    | 51  |
| Other   | 27   | 31  | 15.2 %   | 57                               | 61   | 7.6 %    | 54  |
| <b>Knock Down Parts</b>                             | 58   | 63  | 8.2 %    | 115                              | 125  | 8.7 %    | 138   |