

Revision of Performance Projection for Fiscal Year Ending March 31, 2006

Fuji Heavy Industries Ltd. (FHI) has announced the revision of performance projection for Fiscal Year Ending March 31, 2006 (From April 1, 2005 to March 31, 2006) which was released at the timing of consolidated and non-consolidated basis financial results announcement on May 12, 2005.

1. (1) Consolidated Basis Revision of Performance Projection for 1st Half of Fiscal 2006
(From April 1, 2005 to September 30, 2005)

(Unit: Millions of yen)

	Net sales	Ordinary income	Net income
Previous projection (A)	670,000	2,000	0
Revised projection (B)	670,000	10,000	5,000
Increase and decrease (B-A)	0	+8,000	+5,000
Change of percentage (%)	0	+400.0	—
Actual results of the previous fiscal year (Ended March 31, 2005)	690,791	15,061	8,275

(2) Non-consolidated Basis Revision of Performance Projection for 1st Half of Fiscal 2006
(From April 1, 2005 to September 30, 2005)

(Unit: Millions of yen)

	Net sales	Ordinary income	Net income
Previous projection (A)	450,000	10,000	7,000
Revised projection (B)	470,000	20,000	12,000
Increase and decrease (B-A)	+20,000	+10,000	+5,000
Change of percentage (%)	+4.4	+100.0	+71.4
Actual results of the previous fiscal year (Ended March 31, 2005)	486,402	16,896	6,706

2. (1) Consolidated Basis Revision of Performance Projection for Fiscal Year Ending March 31, 2006

(From April 1, 2005 to March 31, 2006)

(Unit: Millions of yen)

	Net sales	Ordinary income	Net income
Previous projection (A)	1,470,000	27,000	15,000
Revised projection (B)	1,480,000	29,000	12,000
Increase and decrease (B-A)	+10,000	+2,000	-3,000
Change of percentage (%)	+0.7	+7.4	-20.0
Actual results of the previous fiscal year (Ended March 31, 2005)	1,446,491	43,572	18,238

(2) Non-consolidated Basis Revision of Performance Projection for Fiscal Year Ending March 31, 2006

(From April 1, 2005 to March 31, 2006)

(Unit: Millions of yen)

	Net sales	Ordinary income	Net income
Previous projection (A)	944,000	29,000	10,000
Revised projection (B)	950,000	32,000	9,000
Increase and decrease (B-A)	+6,000	+3,000	-1,000
Change of percentage (%)	+0.6	+10.3	-10.0
Actual results of the previous fiscal year (Ended March 31, 2005)	949,511	31,304	2,503

3. Reason of revisions

We have revised ordinary income and net income due to the following factors. With regard to net sales, we keep as same.

(Unit: 100 Millions of yen)

	Reason of Revisions	1st Half of Fiscal 2006		Fiscal 2006	
		Consolidated basis	Non-consolidated basis	Consolidated basis	Non-consolidated basis
Ordinary income	Reduction of the R&D expenses by the improvement of efficiency in some activities	+40	+40	+60	+60
	Decrease in direct material cost by pulling forward the cost reduction programs	+20	—	—	—
	Improvement and deterioration in automobile sales volume and mixture	-60	+40	-130	-50
	Decrease in SG&A expenses and others	+50	+20	+60	+20
	Increase in amortization of consolidation adjustments	+30	—	+30	—
Net income	Extraordinary loss from discontinuation of the joint development	-50	-50	-50	-50

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