



SUBARU

Presentation of Business Results for the term ended March 2008



Fuji Heavy Industries Ltd.
April 28, 2008

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



SUBARU

A Summary of Business Results

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

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Full Year: Consolidated Automobile Sales

(Thousand Units)

	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease
Passenger car	81.2	78.1	-3.1
Minicar	145.6	130.6	-15.0
Domestic Total	226.8	208.7	-18.1
U.S.	190.3	192.8	+2.5
Canada	16.2	17.6	+1.3
Europe	71.4	86.0	+14.6
Australia	38.1	40.2	+2.1
Others	35.1	51.4	+16.4
Overseas Total	351.1	388.0	+36.8
Grand Total	577.9	596.7	+18.7

(U.S. and Canada figures are the calendar year basis from Jan. to Dec.)

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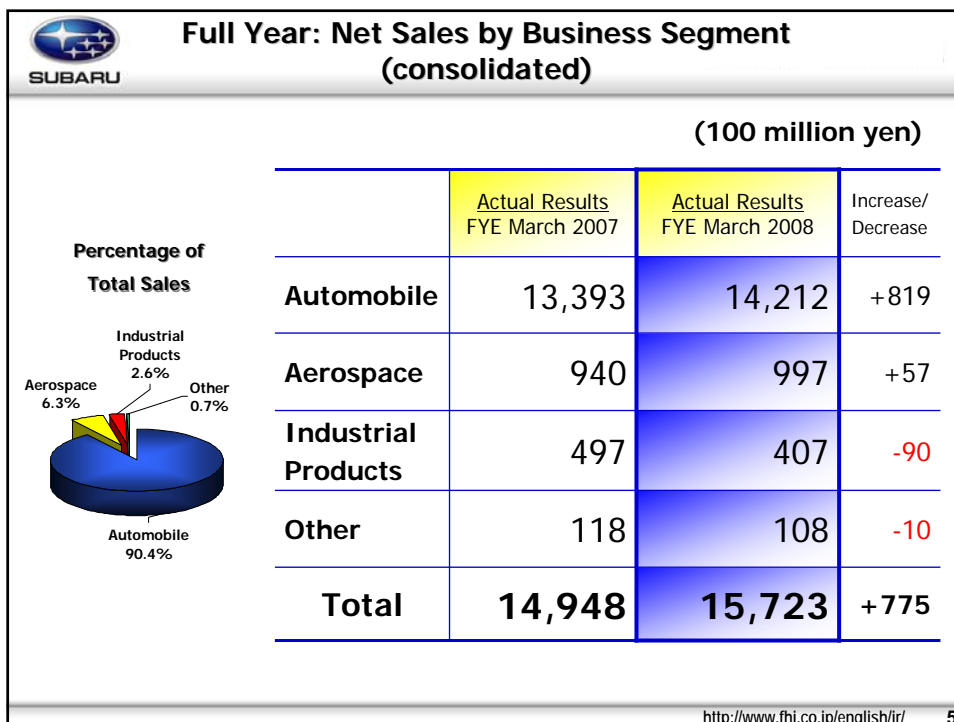
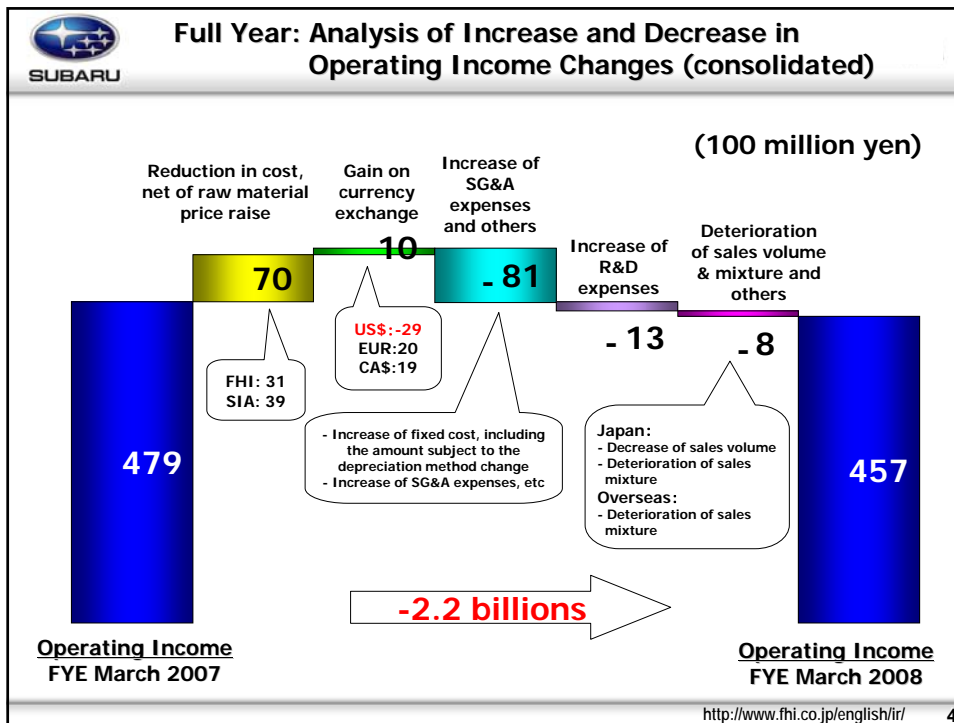
Full Year: Consolidated Statements of Income

(100 million yen)

	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase/ Decrease
Net Sales	14,948	15,723	+775
Domestic	5,762	5,440	-322
Overseas	9,186	10,284	+1,098
Operating Income	479	457	-22
Ordinary Income	422	454	+32
Net Income	319	185	-134
FHI Exchange Rate	¥117/\$	¥116/\$	-¥1/\$

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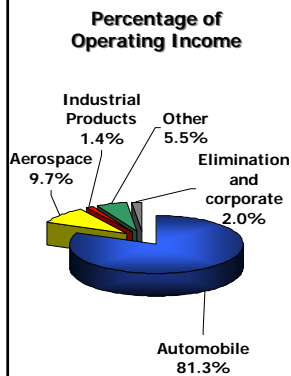
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Full Year: Operating Income by Business Segment (consolidated)

(100 million yen)



	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease
Automobile	378	371	-7
Aerospace	57	44	-12
Industrial Products	15	7	-8
Other	23	25	+3
Elimination and corporate	6	9	+3
Total	479	457	-22

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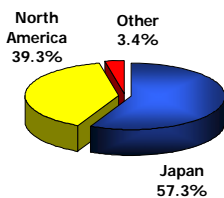
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Full Year: Net Sales by Geographic Area (consolidated)

(100 million yen)

Percentage of Total Sales



	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease
Japan	8,811	9,011	+200
North America	5,761	6,177	+417
Other	377	535	+159
Total	14,948	15,723	+775

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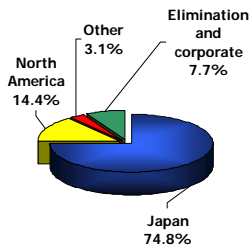
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Full Year: Operating Income by Geographic Area (consolidated)

(100 million yen)

Percentage of Operating Income



	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease
Japan	406	342	-64
North America	52	66	+14
Other	8	14	+6
Elimination and corporate	13	35	+22
Total	479	457	-22

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Operating Results of Subsidiaries in U.S.

(million US\$)

SOA (Jan to Dec)	Actual Results CY 2006	Actual Results CY 2007	Increase /Decrease
Net Sales	\$4,408	\$4,501	+93
Operating Income/Loss	-8	38	+46
Net Income/Loss	-5	33	+38
Retail Sales (Thousand units)	200.0	186.1	-13.9
SIA (Jan to Dec)	Actual Results CY 2006	Actual Results CY 2007	Increase /Decrease
Net Sales	\$2,258	\$2,597	+339
Operating Income	31	60	+29
Net Income	12	34	+22
Subaru Production (Thousand units)	110.4	109.2	-1.2

(U.S. subsidiaries were consolidated on calendar year basis.)

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Analysis of Non-Operating Income and Expenses

(100 million yen)

	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease	
Non-Operating Income	178	150	-28	
Interest and dividend income	39	55	+16	
Equity Income from affiliated companies	15	5	-10	
Amortization of Negative Goodwill	22	0	-22	Operating expenses of SIA etc.
Other	59	41	-18	
Non-Operating Expenses	235	153	-82	
Interest expenses	40	41	-0	
Other	75	64	-11	
Net	-57	-2	+54	
FOREX effects	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease	
Net of gain and loss on revaluation of derivatives	42	48	+6	
Net of FOREX gain and loss	-119	-47	+72	
Total	-77	+1	+78	

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Analysis of Extraordinary Gains and Losses

(100 million yen)

	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease	
Extraordinary Gains	107	52	-56	
Gain on sale of property, plant and equipment	67	15	-52	FYE2007 Gain on lands sales of a subsidiary, etc
Gain on sale of investment securities	1	15	+14	Gain on stock sales of Fuji Robin
Prior period adjustment	15	15	+1	
Gain on transfer of the substitutional portion of the employees' pension fund	24	0	-24	FYE2007 Consolidated subsidiaries
Extraordinary Losses	73	187	+113	
Loss on sale and disposal of property, plant and equipment	48	55	+7	Disposal of paint equipment of Yajima plant, etc
Impairment loss of property, plant and equipment	6	132	+126	Machinery and equipment of Main plant, etc
Loss on liquidation of affiliated companies	9	0	-9	FYE2007 Termination of JV

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Consolidated Balance Sheets

(100 million yen)

	As of March 31, 2007	As of March 31, 2008	Increase /Decrease
Total Assets	13,160	12,964	-197
Current Assets	5,947	6,228	+282
Fixed Assets	7,214	6,736	-478
Leased Assets	599	479	-120
Interest Bearing Debt	3,439	3,045	-393
Net Assets	4,957	4,944	-13
Less treasury stock, at cost	-405	-405	0
Shareholders' Equity to Total Assets	37.5%	38.1%	+0.6%
D/E ratio	0.70	0.62	-0.08

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Consolidated Statements of Cash Flows

(100 million yen)

	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease
Cash Flows from Operating Activities	656	1,074	+418
Cash Flows from Investing Activities	-434	-449	-15
Free Cash Flows	222	625	+403
Cash Flows from Financing Activities	-362	-451	-89
Effect of exchange rate changes on Cash and Cash Equivalents	8	-20	-27
Net Increase (Decrease) in Cash and Cash Equivalents	-133	154	+287
Cash and Cash Equivalents at the end of the period	991	1,146	+156

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4th Quarter: Consolidated Automobile Sales

(Thousand Units)

	<u>Actual Results</u> 4Q FYE March 2007	<u>Actual Results</u> 4Q FYE March 2008	Increase /Decrease
Passenger car	25.4	27.1	+1.7
Minicar	41.1	37.5	-3.7
Domestic Total	66.5	64.6	-2.0
U.S.	60.3	56.5	-3.7
Canada	5.5	4.4	-1.1
Europe	19.3	28.2	+8.9
Australia	9.3	10.2	+0.9
Others	10.9	16.1	+5.2
Overseas Total	105.2	115.4	+10.1
Grand Total	171.8	180.0	+8.2

(U.S. and Canada figures are the calendar year basis from Oct. to Dec.)

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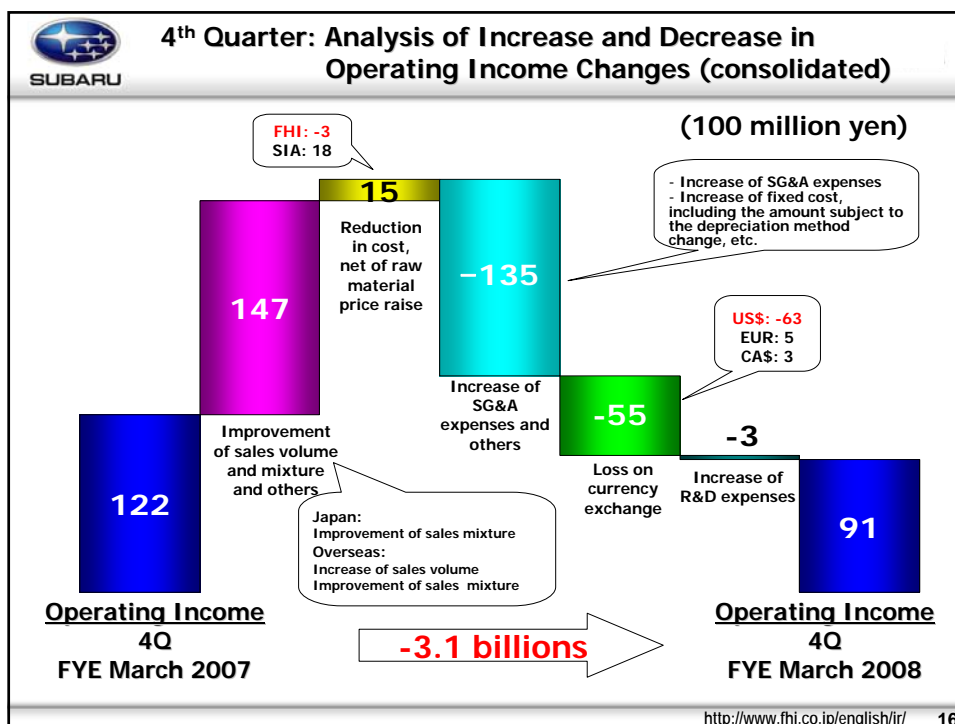


4th Quarter: Consolidated Statements of Income

(100 million yen)

	<u>Actual Results</u> 4Q FYE March 2007	<u>Actual Results</u> 4Q FYE March 2008	Increase /Decrease
Net Sales	4,361	4,670	+310
Domestic	1,585	1,746	+160
Overseas	2,775	2,925	+149
Operating Income	122	91	-31
Ordinary Income	120	127	+7
Net Income	72	6	-66
FHI Exchange Rate	¥119/\$	¥109/\$	-¥11/\$

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<Appendix> Capex, Depreciation and R&D
(100 million yen)

	<u>Actual Results</u> FYE March 2007	<u>Actual Results</u> FYE March 2008	Increase /Decrease
Capital Expenditures	596	563	-33
Depreciation	589	655	+66
R&D expenses	507	520	+13
Interest Bearing Debt	3,439	3,045	-393

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<Appendix> Full Year: Automobile Sales (non-consolidated)

(Thousand Units)

	Actual Results FYE March 2007	Actual Results FYE March 2008	Increase /Decrease
Domestic Production	484.3	489.7	+5.4
For Saab	0.1	0	-0.1
Domestic Sales	243.7	219.1	-24.6
Passenger Car	86.3	86.2	-0.0
Minicar	157.5	132.9	-24.6
Number of Vehicles Exported	239.7	273.7	+34.0
Components for Overseas Production	101.0	110.4	+9.4
Total	584.4	603.2	+18.8

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*Outlook for the Term
Ending March 2009*

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1st Half: Consolidated Automobile Sales Plan

(Thousand Units)

	Actual Results 1 st Half FYE March 2008	Plan 1 st Half FYE March 2009	Increase /Decrease
Passenger car	35.0	44.2	+9.1
Minicar	64.2	57.8	-6.4
Domestic Total	99.2	102.0	+2.7
U.S.	81.8	85.9	+4.1
Canada	8.1	7.9	-0.2
Europe	38.4	47.7	+9.3
Australia	19.7	22.3	+2.6
Others	24.2	24.5	+0.3
Overseas Total	172.2	188.4	+16.2
Grand Total	271.4	290.3	+18.9

(U.S. and Canada figures are the calendar year basis from Jan. to Jun.)

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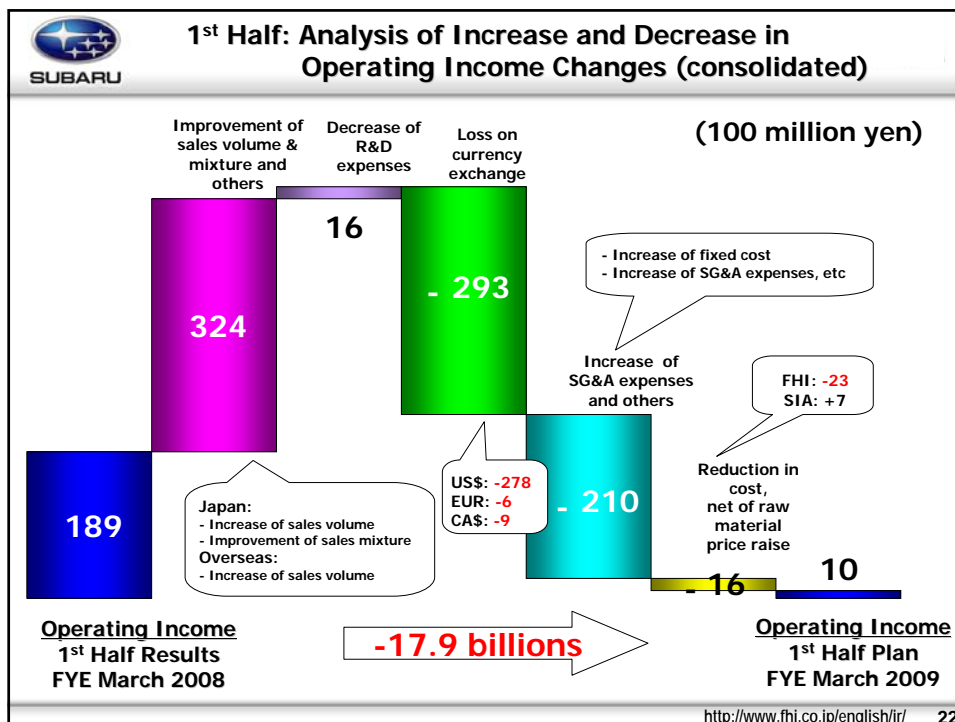


1st Half: Consolidated Operating Plan

(100 million yen)

	Actual Results 1 st Half FYE March 2008	Plan 1 st Half FYE March 2009	Increase /Decrease
Net Sales	7,088	7,400	+312
Operating Income	189	10	-179
Ordinary Income	142	5	-137
Net Income	78	0	-78
FHI Exchange Rate	¥120/\$	¥ 100/\$	-¥20/\$

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Full Year: Consolidated Automobile Sales Plan

(Thousand Units)

	<u>Actual Results</u> FYE March 2008	<u>Plan</u> FYE March 2009	Increase /Decrease
Passenger car	78.1	98.1	+20.0
Minicar	130.6	114.6	-16.1
Domestic Total	208.7	212.6	+3.9
U.S.	192.8	204.6	+11.8
Canada	17.6	18.0	+0.4
Europe	86.0	101.7	+15.7
Australia	40.2	46.2	+5.9
Others	51.4	52.9	+1.5
Overseas Total	388.0	423.3	+35.4
Grand Total	596.7	636.0	+39.3

(U.S. and Canada figures are the calendar year basis from Jan. to Dec.)

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Full Year: Consolidated Operating Plan

(100 million yen)

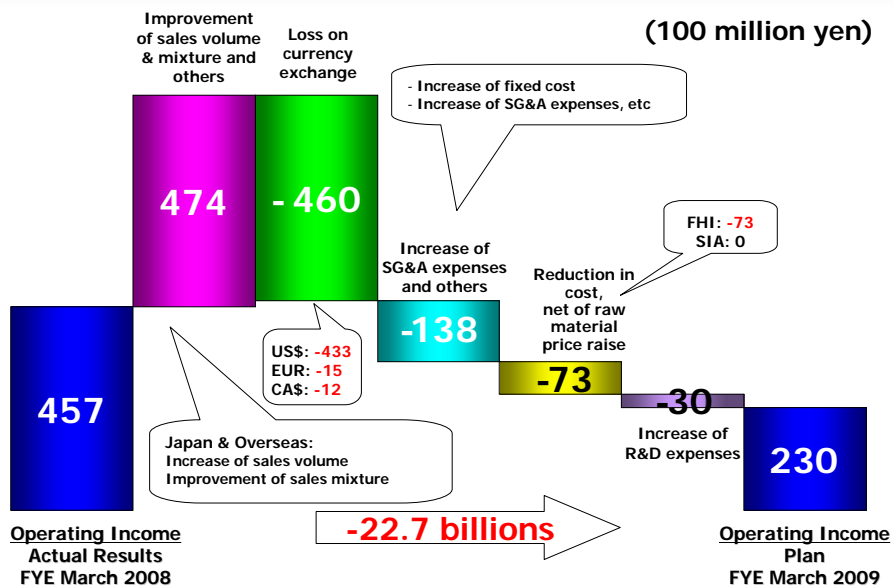
	Actual Results FYE March 2008	Plan FYE March 2009	Increase /Decrease
Net Sales	15,723	16,000	+277
Domestic	5,440	5,600	+160
Overseas	10,284	10,400	+116
Operating Income	457	230	-227
Ordinary Income	454	200	-254
Net Income	185	100	-85
FHI Exchange Rate	¥116/\$	¥100/\$	-¥16/\$

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Full Year: Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 million yen)



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Operating Plan of Subsidiaries in U.S.

(million US\$)

SOA (Jan. to Dec.)	<u>Actual Results</u> CY 2007	<u>Plan</u> CY 2008	Increase /Decrease
Net Sales	\$4,501	\$4,812	+311
Operating Income	38	45	+7
Net Income	33	34	+1
Retail Sales (Thousand units)	186.1	201.0	+14.9

SIA (Jan. to Dec.)	<u>Actual Results</u> CY 2007	<u>Plan</u> CY 2008	Increase /Decrease
Net Sales	\$2,597	\$2,479	-118
Operating Income	60	34	-26
Net Income	34	18	-16
Subaru Production (Thousand units)	109.2	105.9	-3.3

(U.S. subsidiaries are consolidated on calendar year basis.)

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<Appendix> Capex, Depreciation and R&D

(100 million yen)

	<u>Actual Results</u> FYE March 2008	<u>Plan</u> FYE March 2009	Increase /Decrease
Capital Expenditures	563	700	+137
Depreciation	655	660	+5
R&D expenses	520	550	+30
Interest Bearing Debt	3,045	3,045	±0

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<Appendix> Automobile Sales Plan (non-consolidated)

(Thousand Units)

	Actual Results FYE March 2008	Plan FYE March 2009	Increase /Decrease
Domestic Production	489.7	539.7	+50.0
Domestic Sales	219.1	217.2	-1.9
Passenger Car	86.2	102.3	+16.1
Minicar	132.9	114.9	-18.0
Number of Vehicles Exported	273.7	328.9	+55.2
Components for Overseas Production	110.4	104.2	-6.2
Total	603.2	650.3	+47.1