Consolidated Financial Results
for the second Quarter of the Fiscal Year Ending March 31, 2009

October 31, 2008

Company Name	:	**Fuji Heavy Industries Ltd.** (Tokyo Stock Exchange First Section, Code No.: 7270)
URL	:	http://www.fhi.co.jp/english/ir/
Representative	:	Ikuo Mori, President and CEO
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Scheduled date to file quarterly report	:	November 12, 2008
Payment of dividends	:	Scheduled for December 1, 2008

(All amounts have been rounded off to the nearest million yen, unless otherwise specified)

1. Consolidated results for The second quarter of fiscal year 2009 (from April 1, 2008 to September 30, 2008)

(1) Consolidated operating results (cumulative)

(Unit: Millions of yen, except for per share figures)

	Net sales		Operating income		Ordinary income		Net income	
2nd Quarter of FY2009	744,201	-	18,346	-	18,184	-	4,396	-
2nd Quarter of FY2008	708,817	1.5%	18,905	4.3%	14,162	2.0%	7,832	(32.5%)

	Net income per share, basic (Yen)	Net income per share, diluted (Yen)
2nd Quarter of FY2009	5.91	5.91
2nd Quarter of FY2008	10.91	10.90

Note: Percentage figures in the net sales, operating income, ordinary income and net income columns represent the changes from the same second quarter period of previous fiscal year

(2) Consolidated financial position

(Unit: Millions of yen, except for per share figures)

	Total assets	Net assets	Shareholders' equity to total assets (%)	Net assets per share (Yen)
As of September 30, 2008	1,251,933	500,941	39.9%	641.55
As of March 31, 2008	1,296,388	494,423	38.1%	687.02

Note: Shareholders' equity As of September 30, 2008: 499,897 million yen As of March 31, 2008: 493,397 million yen

2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2008	-	4.50	-	4.50	9.00
FY 2009	-	4.50			9.00
FY 2009 (Forecast)			-	4.50	

Note: Revision of the forecasts in the second quarter of the fiscal year ending March 31, 2009: No

3. Projection of consolidated results for fiscal year 2009 (from April 1, 2008 to March 31, 2009)

(In Japanese yen rounded to million, except for per share figures, percentage figures indicate a change from the previous fiscal year / period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share, basic (Yen)
Full year	1,600,000	1.8%	23,000	(49.6%)	20,000	(56.0%)	10,000	(45.9%)	12.83

Note: Revision of the forecasts at the timing of announcement of the results of second quarter of the fiscal year ending March 31, 2009: No

4. Others

(1) Changes of significant subsidiaries in the second quarter of fiscal year 2009 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)

(2) Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements : Yes

Note: Please refer to the section of "4. Others" of [Qualitative Information, Financial Statements etc.] on page 6.

(3) Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of "Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements")

[1] Changes due to revisions of accounting standards : Yes

[2] Changes due to other reasons : Yes

Note: Please refer to the section of "4. Others" of [Qualitative Information, Financial Statements etc.] on page 6.

(4) Number of outstanding shares (Common Stock)

[1] Number of outstanding shares (including treasury stock)	As of September 30, 2008:	782,865,873 shares	As of March 31, 2008:	782,865,873 shares
[2] Number of treasury stock	As of September 30, 2008:	3,669,150 shares	As of March 31, 2008:	64,698,395 shares
[3] Average number of shares (1st half period, 6 months)	2nd Quarter of FY2009 :	744,314,787shares	2nd Quarter of FY 2008 :	718,223,780shares

Proper use of forecasts of business results (disclaimer), and other special information

1. The above projections are made based on available information and assumptions as of October 31, 2008, and are subject to the uncertainties of future operations. Therefore, actual results could differ materially from those anticipated.
About the assumptions used for the above projections, please refer to page 4, “3. Qualitative Information on Projection for Fiscal 2009 (From April 1, 2008 to March 31, 2009)” of [Qualitative Information, Financial Statements etc.] for more details.
The forecasts of net sales, operating income, ordinary income and net income are not revised at the second quarter of fiscal 2009, excluding the per share net income revision by the change of the number of stocks.

2. From the current consolidated fiscal year, the Company has adopted “Accounting Standard for quarterly financial statements” (ASBJ Statement No.12) and “Implementation Guidance for accounting standards for quarterly financial statements” (ASBJ Guidance No.14).
Moreover, the quarterly consolidated financial statements are made in accordance with rules for quarterly consolidated financial statements.

[Qualitative Information, Financial Statements, etc.]

1. Qualitative Information on Consolidated Operating Performance

(1) Earnings Performance

Net sales of the first half of the fiscal year 2009, in spite of foreign exchange loss from a strong yen, included an increased overseas sales volume in the Automobile Division resulting in a ¥35.4 billion increase over the same period of the previous fiscal year, to a total of ¥744.2 billion.

Operating income was down ¥0.6 billion over the same period of the previous fiscal year to ¥18.3 billion. Though the oversea sales volume in the Automobile Division increased SG&A and other expenses and loss on currency exchange due to strong yen offset this profit. However, ordinary income increased ¥4.0 billion over the same period of the previous fiscal year to ¥18.2 billion owing to the gains on forward exchange contracts. Net income was down ¥3.4 billion from the same period of the previous fiscal year to ¥4.4 billion due to the increase of tax expense.

(2) Results by Business Segment

The performance by each business segment of the first half of the fiscal year 2009 is as described below.

(Automobile Division)

The number of domestic passenger cars sold was 36 thousand (a one thousand unit or 3.5% increase from the same period of the previous fiscal year), due to strong sales of the new "Forester" models (which underwent a full model change in December, 2007) and the brand new seven-passenger "Exiga" was introduced in June.

On the other hand, the number of domestic Minicars sold was 58 thousand (a decrease of 6 thousand units or 9.8% from the same period of the previous fiscal year)

As a result, the sales in Japan were 94 thousand (a 5 thousand or 5.1% decrease from the same period of the previous fiscal year).

In the North American market, the sales volume reached 91 thousand (an increase of 1 thousand units or 0.8% over the same period of the previous fiscal year), which showed the steady growth due to the effectiveness of new models such as the "Forester" despite the decrease in total demand of the market.

In Europe, amidst a deteriorating market due to factors such as a recessionary economy, a sudden increase in fuel prices, and tightening CO2 regulations, sales of the "Legacy and Outback", introduced in March of this year equipped with the world's first Boxer Diesel engine for passenger vehicle and new "Forester" models continued on a positive trend. Sales in Russia have also remained strong with a sales volume of 50 thousand (an 11 thousand unit or 29.8% increase over the same period of the previous fiscal year).

Also, in Australia, sales volume increased to 21 thousand (a one thousand unit or 5.0% increase over the same period of the previous fiscal year).

As a result, the total number of overseas sales was 188 thousand (a 16 thousand unit or 9.3% increase over the same period of the previous fiscal year) with strong contributions from the increase in units exported to China, and Latin America where sales are buoyant.

The combined sales volume for Japan and overseas markets amounted to 282 thousand, an increase of 11 thousand (4.0%) over the same period of the previous fiscal year, and the overall net sales was up ¥33.7 billion over the same period of the previous fiscal year to ¥675.1 billion. In addition, operating income was up ¥1.9 billion to ¥15.1 billion.

(Industrial Products Division)

Although engine sales in Europe and Southeast Asia were steady, total demand in the Japanese market for electrical machinery engines has declined and this, together with reduced sales in the North American market of engines equipped to power generators, has resulted in overall net sales that were down ¥1.3 billion from the same period of the previous fiscal year to ¥20.5 billion. In addition, operating income was down ¥1.1 billion f to a loss of ¥0.3 billion.

(Aerospace Division)

Factors such as the delivery of an unmanned system for the Japan Ministry of Defense, and an increase in the number of deliveries of main wings for the private-sector small business jet "Eclipse 500" and the medium business jet "H4000" contributed to an increase in overall net sales of ¥2.0 billion over the same period of the previous fiscal year to ¥42.3 billion. However, operating income was down ¥1.0 billion to ¥2.1 billion due to the loss on currency exchange from a strong yen.

(Other Businesses)

Taking two subsidiaries as consolidated companies and other factors, net sales was up ¥0.9 billion from the same period of the previous fiscal year to ¥6.2 billion. In addition, operating income was also up ¥0.5 billion from the same period of the previous fiscal year to ¥1.1 billion.

(3) Results by Geographic Region

The performance by each geographic region segment of the first half of the fiscal year 2009 is as described below.

(Japan)

Due to an increase in units exported to the regions including Russia and China, net sales was up ¥53.5 billion from the same period of the previous fiscal year to ¥463.7 billion. However, operating income was down ¥6.0 billion to ¥12.8 billion mainly due to foreign exchange losses from a strong yen.

(North America)

Owing to factors such as foreign exchange losses from a strong yen in our local subsidiaries, net sales was down ¥19.0 billion from the same period of the previous fiscal year to ¥254.8 billion. However, operating income increased by ¥4.2 billion to ¥3.3 billion, due to decrease of SG&A expenses and others.

(Other Regions)

In Europe, net sales was up ¥0.9 billion over the same period of the previous fiscal year to ¥25.7 billion thanks to the increase of sales volume by Subaru Europe N.V./S.A. Operating income was also up ¥0.4 billion to ¥1.0 billion.

* The figures for the same period of the previous fiscal year under "Qualitative Information on Consolidated Operating Performance" are provided for reference only.

2. Qualitative Information on Consolidated Financial Results

Total assets at the end of the second quarterly period were ¥1,251.9 billion, a ¥ 44.5 billion decrease from the end of the previous fiscal year, and liabilities were down to ¥751.0 billion, a ¥51.0 billion decrease from the end of the previous fiscal year. In addition, net assets were ¥500.9 billion, a ¥6.5 billion increase from the end of the previous fiscal year.

3. Qualitative Information on Projection for Fiscal 2009 (From April 1, 2008 to March 31 2009)

As described above, net sales, operating income, ordinary income, and net income of the first half of this fiscal year all surpassed the previous projections. However, the Company has to consider the negative impact from the current economy situation such as volatility in currency exchange rate and the slowdown of new car sales demand resulting from the worsening real economy though the urgent actions for global credit crunch are craved. In light of the fact that current market conditions, changing suddenly from one day to the next, make it rather difficult to predict the accurate outlook, the Company has decided to remain the Forecast of Consolidated Results for FY 2009 announced on April 28, 2008, taking into account with the risks of deterioration in corporate earnings from this October onwards.

(Consolidated forecast for the whole fiscal year)

Net sales	¥1,600 billion	(up 1.8% year-on-year)
Operating income	¥23 billion	(down 49.6% year-on-year)
Ordinary income	¥20 billion	(down 56.0% year-on-year)
Net income	¥10 billion	(down 45.9% year-on-year)

4. Others

(1)Changes of significant subsidiaries in the second quarter of fiscal year 2009

(Transfer of subsidiaries resulting in changes in the scope of consolidation)

Not Applicable

(2)Application of simple accounting as well as specific accounting for preparing the quarterly consolidated financial statements

[Application of simple accounting]

Not Applicable

[specific accounting for preparing the quarterly consolidated financial statements]

(Income taxes)

Income tax expenses is calculated as multiplying income before income taxes and minority interest by reasonably estimated annual effective tax rate. This annual tax rate is reasonably estimated after applying the differed tax to the annual income before income taxes and minority interest which includes the amounts of this second quarter results ended September 30, 2008.

"Income taxes-deferred" was included in "Total income taxes."

(3)Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements

From the current consolidated fiscal year, the Company has adopted “Accounting Standard for quarterly financial statements” (ASBJ Statement No.12) and “Implementation Guidance for accounting standards for quarterly financial statements” (ASBJ Guidance No.14).

Moreover, the quarterly consolidated financial statements are made in accordance with rules for quarterly consolidated financial statements.

Changes in the standard and method for evaluation of material assets

[Appraisal of inventories]

Inventories for the purpose of usual sales have been stated mainly using the moving average cost method. As the Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9) is applied from the first quarter period, the Company mainly and continuously employs the moving average cost method (for the value stated on the balance sheet, the lower of cost or market value method).

This change resulted in a decrease in operating income, ordinary income and income before income taxes and minority interests of 819 million yen in this first half period.

The impacts of this change on operating income for segment information are as follows.

[1]Business segment information

Automobiles: 723 million yen

Industrial products: 77 million yen

The impacts of this change on other business segments were insignificant.

[2]Geographical segment

Japan: 819 million yen

[Accounting for lease transactions]

Previously, the Company and its domestic consolidated subsidiaries applied the accounting treatment for finance lease transactions not involving the transfer of ownership rights to the method for operating lease transactions. However, since the first quarter period, as “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13), and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16) is applicable, the accounting treatment for finance lease transactions not involving the transfer of ownership rights is followed to the method for usual sales transactions. The impacts of this change are increase on operating income, ordinary income and income before income taxes and minority interests of 3,210 million yen respectively.

The impact of this change on operating income given to segment information in this first half period is as follows.

[1]Business segment information

Automobiles: 3,210 million yen

[2]Geographical segment

Japan: 3,210 million yen

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

From the first quarter period, the Company's financial subsidiary has changed the recognition of sales or interest revenue on credit from the equal installment method to the seven-eight allocation method. The reason of this change is that it could manage the interest revenue strictly by improving the credit system and reflect the result more accurately.

The impact of this change on net sales, operating income and ordinary income in this first half period is insignificant. However this impact on income before income taxes and minority interests is 1,095 million yen increase.

[Provision for loss on construction contracts]

From the current consolidated fiscal year, the Company has taken "provision for loss on contracts" in order to cover the loss on undelivered construction of aerospace business which occurs reliably and could be reasonably estimated. The reason is that its estimated loss has become more significant, reflect it accurately on the financial statements and disclose it timely on quarterly basis.

The impact of this change is increase on operating income and ordinary income of 966 million yen respectively in this first half period. However, this impact on income before income taxes and minority interests is 1,935 million yen decrease.

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

[1]Business segment information

Aerospace: 966 million yen

[2]Geographical segment

Japan: 966 million yen

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

From the first quarter of the current consolidated fiscal year, the Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial statements" (the Practical Issues Task Force No.18) and made the necessary revisions to its consolidated accounts. The impact of this change on income before income taxes and minority interests is insignificant.

The impact of this change on shareholders' equity refers to the section of [(5) Notes on significant changes in the amount of shareholders' equity] on page 13.

[Changes in the scope of consolidation]

From the first quarter of the current consolidated fiscal year, as a result of our reevaluation of their significance to the consolidated financial statements, newly scope of consolidation includes Subaru Tecnica International Inc. and 6 other companies.

[Changes in the application of the equity method]

From the first quarter of the current consolidated fiscal year, Subaru of China LTD. (“SOC”, old name: Subaru of China Inc.) enhances its finance significance, so the Company has applied the equity method to SOC.

As a result of our reevaluation of their significance to the consolidated financial statements, Subaru Tecnica International Inc. and 6 other companies are transferred from equity method companies to consolidated subsidiaries.

【Additional information】

(Alteration of service life of fixed assets)

The Company and domestic consolidated subsidiaries revised service life of fixed assets machineries to the enacted revisions to the tax depreciation schedules.

This change resulted in a decrease in operating income of 714 million yen, and a decrease in both ordinary income and income before income taxes and minority interest of 718 millions yen in this first half period.

The impact of this change on operating income given to segment information is as follows.

[1]Business segment information

Automobiles: 650 million yen

Aerospace: 61 million yen

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

[2]Geographical segment

Japan: 714 million yen

5. Quarterly Consolidated Financial Statements

(1)Quarterly consolidated balance sheets

(Unit: Millions of yen)

	2nd Quarter of FY2009 (as of September 30, 2008) Amount	FY2008 (as of March 31, 2008) Amount
ASSETS		
I Current assets		
Cash and deposits	61,758	67,053
Notes and accounts receivable-trade	92,895	96,017
Lease investment assets	26,133	-
Short-term investment securities	25,586	32,775
Merchandise and finished goods	135,683	133,175
Work in process	101,939	100,133
Raw materials and supplies	38,885	27,701
Deferred tax assets	23,633	26,486
Short-term loans receivable	69,739	78,329
Other	51,549	62,504
Allowance for doubtful accounts	(1,393)	(1,346)
Total current assets	**626,407**	**622,827**
II Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	123,335	124,342
Machinery, equipment and vehicles, net	111,829	113,876
Land	182,021	181,974
Lease assets, net	33,062	47,906
Construction in progress	17,062	10,161
Other, net	25,316	33,449
Total property, plant and equipment	**492,625**	**511,708**
2. Intangible assets		
Goodwill	4,107	18,500
Other	10,852	12,972
Total intangible assets	**14,959**	**31,472**
3. Investments and other assets		
Investment securities	60,174	70,107
Long-term loans receivable	4,015	3,736
Deferred tax assets	23,210	27,256
Other	33,620	32,369
Allowance for doubtful accounts	(3,077)	(3,087)
Total investments and other assets	**117,942**	**130,381**
Total noncurrent assets	**625,526**	**673,561**
Total assets	**1,251,933**	**1,296,388**

(Unit: Millions of yen)

	2nd Quarter of FY2009 (as of September 30, 2008) Amount	FY2008 (as of March 31, 2008) Amount
LIABILITIES		
I Current liabilities		
Notes and accounts payable-trade	213,040	229,780
Short-term loans payable	175,047	165,886
Commercial papers	10,000	6,000
Current portion of bonds	-	30,000
Income taxes payable	2,626	8,091
Accrued expenses	53,949	61,954
Provision for bonuses	16,525	15,507
Provision for product warranties	20,748	22,563
Provision for loss on construction contracts	1,935	-
Other	65,369	58,261
Total current liabilities	**559,239**	**598,042**
II Noncurrent liabilities		
Bonds payable	60,000	60,000
Long-term loans payable	31,852	42,661
Provision for retirement benefits	42,255	40,993
Provision for directors' retirement benefits	674	774
Provision for loss on guarantees	745	745
Other	56,227	58,750
Total noncurrent liabilities	**191,753**	**203,923**
Total liabilities	**750,992**	**801,965**
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus	160,071	160,098
Retained earnings	209,381	227,789
Treasury stock	(2,092)	(40,538)
Total shareholders' equity	**521,155**	**501,144**
II Valuation and translation adjustments		
Valuation difference on available-for-sale securities	10,449	13,716
Foreign currency translation adjustment	(31,707)	(21,463)
Total valuation and translation adjustments	**(21,258)**	**(7,747)**
Minority interests	1,044	1,026
Total net assets	**500,941**	**494,423**
Total liabilities and net assets	**1,251,933**	**1,296,388**

(2)Quarterly consolidated statements of income

(Unit: Millions of yen)

	2nd Quarter of FY2009 (from April 1, 2008 to September 30, 2008)
	Amount
I Net sales	744,201
II Cost of sales	577,025
Gross profit	167,176
III Selling, general and administrative expenses	148,830
Operating income	**18,346**
IV Non-operating income	
Interest income	1,546
Dividends income	483
Real estate rent	298
Gain on valuation of derivatives	151
Foreign exchange gains	305
Equity in earnings of affiliates	494
Other	1,001
Total non-operating income	4,278
V Non-operating expenses	
Interest expenses	1,696
Loss on valuation of derivatives	649
Other	2,095
Total non-operating expenses	4,440
Ordinary income	**18,184**
VI Extraordinary income	
Gain on sales of noncurrent assets	169
Gain on revision of retirement benefit plan	654
Gain on sale of loans receivable	285
Other	1,113
Total extraordinary income	2,221
VII Extraordinary loss	
Loss on sales and retirement of noncurrent assets	2,134
Impairment loss	961
Provision for loss on construction contracts	2,901
Other	55
Total extraordinary losses	6,051
Income before income taxes and minority interests	14,354
Total income taxes	9,917
Minority interests in income	41
Net income	**4,396**

Note: Other 1,113 million yen in VI Extraordinary income includes 1,001 million yen, the impact of "Change in recognition of sales or interest revenue on credit" from the equal installment method to the seven-eight allocation method.

From the current consolidated fiscal year, the Company has adopted "Accounting Standard for quarterly financial statements" (ASBJ Statement No.12) and "Implementation Guidance for accounting standards for quarterly financial statements" (ASBJ Guidance No.14). Moreover, the quarterly consolidated financial statements are made in accordance with rules for quarterly consolidated financial statements.

(3) Notes on premise of going concern

Not Applicable

(4) Segment Information

[Business segment information]

The second quarter of fiscal year 2009 (from April 1, 2008 to September 30, 2008) (Unit: Millions of yen)

	Automobiles	Industrial products	Aerospace	Other	Total	Elimination and corporate	Consolidated total
Net sales							
(1) Outside customer	675,145	20,518	42,297	6,241	744,201	-	744,201
(2) Inter-segment	1,485	7	-	6,410	7,902	(7,902)	-
Total sales	676,630	20,525	42,297	12,651	752,103	(7,902)	744,201
Operating income (loss)	15,129	(337)	2,100	1,084	17,976	370	18,346

[Geographical segment information]

The second quarter of fiscal year 2009 (from April 1, 2008 to September 30, 2008) (Unit: Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated total
Net sales						
(1) Outside customer	463,702	254,847	25,652	744,201	-	744,201
(2) Inter-segment	157,856	10,481	269	168,606	(168,606)	-
Total sales	621,558	265,328	25,921	912,807	(168,606)	744,201
Operating income (loss)	12,754	3,306	1,038	17,098	1,248	18,346

[Overseas net sales]

The second quarter of fiscal year 2009 (from April 1, 2008 to September 30, 2008)

(Unit: Millions of yen)

	North America	Europe	Other	Total
Overseas net sales	273,615	111,467	98,946	484,028
Consolidated net sales				744,201
Percentage of overseas net sales over consolidated sales (%)	36.8%	15.0%	13.2%	65.0%

(5) Notes on significant changes in the amount of shareholders' equity

As noted in [Qualitative Information, Financial Statements, etc.] 4. Others (3) Change in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements on page 6, from the first quarter period, the Company has adopted the practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements (PITF Practical Solution No. 18). Accordingly, the retained earnings at the end of this first half decreased by 12,298 million yen compared to the beginning of the year.
The major reason is to write off Goodwill of foreign subsidiaries which was not accepted to amortize.

In addition, FHI transferred the treasury stock to Toyota Motor Corporation on July 14, 2008.
(number of shares : 61 million shares, sales value: 31,110 million yen)
As a result, 38,424 million yen decreases of the treasury stock, and 25 million yen of loss on sale of treasury stocks is decrease the capital surplus, and 7,289 million yen is decrease the retained earnings.

【Subsequent Event】

Not Applicable

<Reference for The second Quarter of Fiscal Year 2008 Consolidated Financial Results>

(1)Consolidated quarterly statements of income

(Unit: Millions of yen)

	2nd Quarter of FY 2008 (from April 1, 2007 to September 30, 2007) Amount
I Net sales	708,817
II Cost of sales	538,442
Gross profit	170,375
III Selling, general and administrative expenses	151,470
Operating income	**18,905**
IV Non-operating income	
Interest and dividend income	2,533
Gain on revaluation of derivatives	702
Equity income from affiliated companies	14
Other	2,206
Total non-operating income	5,455
V Non-operating expenses	
Interest expenses	2,088
Foreign exchange losses	5,304
Loss on revaluation of derivatives	17
Other	2,789
Total non-operating expenses	10,198
Ordinary income	**14,162**
VI Extraordinary gains	
Gain on sale of property, plant and equipment	1,024
Gain on sale of securities	1,412
Prior period adjustment	1,567
Gain on sale of loans receivable	280
Other	107
Total extraordinary gains	4,390
VII Extraordinary losses	
Loss on sale and disposal of property, plant and equipment	1,207
Impairment loss on property, plant and equipment	1,593
Total extraordinary losses	2,800
Income before income taxes and minority interest	15,752
Total income taxes	7,926
Minority interest in loss of consolidated subsidiaries	6
Net income	**7,832**

(2) Segment Information

[Business segment information]

The second quarter of fiscal year 2008 (from April 1, 2007 to September 30, 2007) (Unit: Millions of yen)

	Automobiles	Industrial products	Aerospace	Other	Total	Elimination and corporate	Consolidated total
Net sales							
(1) Outside customers	641,408	21,782	40,321	5,306	708,817	-	708,817
(2) Inter-segment	1,539	8	1	3,500	5,048	(5,048)	-
Total sales	642,947	21,790	40,322	8,806	713,865	(5,048)	708,817
Operating cost and expense	629,737	21,005	37,235	8,250	696,227	(6,315)	689,912
Operating income (loss)	13,210	785	3,087	556	17,638	1,267	18,905

[Geographical segment information]

The second quarter of fiscal year 2008 (from April 1, 2007 to September 30, 2007) (Unit: Millions of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated total
Net sales						
(1) Outside customers	410,222	273,891	24,704	708,817	-	708,817
(2) Inter-segment	143,102	7,698	202	151,002	(151,002)	-
Total sales	553,324	281,589	24,906	859,819	(151,002)	708,817
Operating cost and expense	534,582	282,438	24,275	841,295	(151,383)	689,912
Operating income (loss)	18,742	(849)	631	18,524	381	18,905

[Overseas net sales]

The second quarter of fiscal year 2008 (from April 1, 2007 to September 30, 2007) (Unit: Millions of yen)

	North America	Europe	Other	Total
Overseas net sales	296,756	80,173	86,145	463,074
Consolidated net sales				708,817
Percentage of overseas net sales over consolidated sales (%)	41.9 %	11.3 %	12.1 %	65.3 %

SUBARU

<Reference for the First Half of FY2009(Apr. 2008 to Sep. 2008) Consolidated Financial Results>

（Oct 31, 2008）

Fuji Heavy Industries Ltd.

(in 100 millions of yen) (in thousands of units)	ACTUAL RESULTS 1st HALF of FY2008 Apr. 2007 to Sep. 2007	ACTUAL RESULTS 1st HALF of FY2009 Apr. 2008 to Sep. 2008		ACTUAL RESULTS FY2008 Apr. 2007 to Mar. 2008	FORECAST FY2009 Apr. 2008 to Mar. 2009		FORECAST FY2009 (August 2008) Apr. 2008 to Mar. 2009
Net Sales	7,088	7,442	5.0 %	15,723	16,000	1.8 %	16,000
Domestic	2,457	2,602	5.9 %	5,440	5,600	2.9 %	5,600
Overseas	4,631	4,840	4.5 %	10,284	10,400	1.1 %	10,400
Margin Percentage	2.7%	2.5%		2.9%	1.4%		1.4%
Operating Income	189	183	(3.0) %	457	230	(49.6) %	230
Margin Percentage	2.0%	2.4%		2.9%	1.3%		1.3%
Ordinary Income	142	182	28.4 %	454	200	(56.0) %	200
Margin Percentage	1.1%	0.6%		1.2%	0.6%		0.6%
Net Income	78	44	(43.9) %	185	100	(45.9) %	100
Analysis of increase/decrease in operating income		Gain factors			Gain factors		Gain factors
		Improvement of sales volume & mixture and others	375		Improvement of sales volume & mixture and others	382	Improvement of sales volume & mixture and others 474
		Decrease of R&D expenses	38		Decrease of R&D expenses	20	
		Loss factors			Loss factors		Loss factors
		Foreign exchange	200		Foreign exchange	400	Foreign exchange 410
		Increase of SG&A expenses and others	194		Increase of SG&A expenses and others	172	Increase of SG&A expenses and others 158
		Reduction in cost & Net of raw material price raise	25		Reduction in cost & Net of raw material price raise	57	Reduction in cost & Net of raw material price raise 93
							Increase of R&D expenses 40
Foreign Exchange Rate YEN/US$	120	105		116	103		102
Capital Expenditures	279	317		563	620		700
Depreciation and Amortization	307	312		655	640		660
R&D Expenses	266	228		520	500		560
Interest bearing debt	3,168	2,769		3,045	2,800		3,045
Performance of Operation		Net Sales to increase Net Income to decrease Recorded high net sales			Net Sales to increase Net Income to decrease Recorded high net sales		
Domestic Sales	99	94	(5.1) %	209	201	(3.7) %	213
Passenger Cars	35	36	3.5 %	78	83	6.9 %	98
Minicars	64	58	(9.8) %	131	118	(10.0) %	115
Overseas Sales	172	188	9.3 %	388	415	6.9 %	423
North America	90	91	0.8 %	210	212	0.8 %	223
Europe	38	50	29.8 %	86	97	13.0 %	102
Others	44	48	8.9 %	92	105	15.0 %	99
Total sales units	271	282	4.0 %	597	616	3.2 %	636

* Figures of Total Sales are the sum of retail sales units of the Japanese subsidiary dealers,
wholesale units of the overseas subsidiary distributors, and wholesale units of FHI to other distributors/dealers.

* Exchange rate is the non-consolidated base of Fuji Heavy Industries Ltd..