

Consolidated Financial Results

For the Second Quarter of the Fiscal Year Ending March 31, 2010



November 2, 2009

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

1. Consolidated Results for the Second Quarter of Fiscal Year 2010(April 1, 2009 to September 30, 2009)

(1)Consolidated Results of Operations

(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 (loss)		Ordinary income (loss)		Net income (loss)	
2nd Quarter of FY2010	635,550	(14.6%)	(11,437)	—	(11,835)	—	(21,732)	—
2nd Quarter of FY2009	744,201	—	18,346	—	18,184	—	4,396	—

	Net income (loss) per share, basic (Yen)	Net income per share, diluted (Yen)
2nd Quarter of FY2010	(27.89)	—
2nd Quarter of FY2009	5.91	5.91

(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)
2nd Quarter of FY2010	1,176,148	370,574	31.4%	474.66
FY2009	1,165,431	394,719	33.8%	505.59

Note: Shareholders' equity As of September 30, 2009: 369,840 million yen As of March 31, 2009: 393,946 million yen

2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2009	—	4.50	—	0.00	4.50
FY 2010	—	0.00			
FY 2010 (Forecast)			—	—	—

Note: Revision of the forecasts in the second quarter of the fiscal year ending March 31, 2010 : No

Note: A decision regarding the payment of dividends for the end of the term has not yet been made.

3. Projection of Consolidated Results for Fiscal Year 2010 (April 1, 2009 to March 31, 2010)

(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(loss)		Ordinary income(loss)		Net income(loss)		Net income(loss) per share,basic(Yen)	
Full year	1,360,000	(5.9%)	1,000	—	(5,000)	—	(25,000)	—	(32.09)	

Note: Revision of the forecasts at the timing of announcement of the results of second quarter of the fiscal year ending March 31, 2010 : Yes

4. Others

- (1) Changes of significant subsidiaries in the second quarter of fiscal year 2010 : 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] 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] on page 6.

(4) Number of outstanding shares (Common Stock)

[1] Number of outstanding shares (including treasury stock)	As of September 30,2009:	782,865,873 shares	As of March 31,2009:	782,865,873 shares
[2] Number of treasury stock	As of September 30,2009:	3,696,658 shares	As of March 31,2009:	3,682,316 shares
[3] Average number of shares (first half period,six months)	2nd Quarter of FY2010:	779,175,440 shares	2nd Quarter of FY2009:	744,314,787shares

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

1.The above performance projections were made based on the information available as of the date when this document was released. Therefore, actual results may differ considerably due to various factors that might occur in the future.

For assumptions and other information on which the performance projections were based, please refer to "Qualitative Information on Projection for Current Fiscal Year " on page 5 under [Qualitative Information, Financial Statements].

2. At the current moment, a decision regarding the payment of dividends for the end of the term has not yet been made. Regarding the dividends for the end of the term, we will make a decision based on a consideration of all factors, including performance and dividend payout ratio, and will promptly announce the estimated value as soon as possible.

Qualitative Information/Financial Statements

1. Qualitative Information on Consolidated Operating Performance

(1) Business Performance

For the current first half period, net sales were down ¥108.7 billion, or 14.6% over the same period of the previous fiscal year, to ¥635.6 billion due to declining sales in Japan, Europe and other markets and the strong yen in currency exchange on a year-on-year basis even though automobile sales in North America and China surpassed our target.

Regarding the profit, operating income was down ¥29.8 billion over the same period of the previous fiscal year resulting in an operating loss of ¥11.4 billion as a result of the decreases in the automobile sales volume and losses on currency exchange generated by the strong yen, even though cost reductions such as SG & A and other expenses resulted large profitable contributions. Ordinary income was also down ¥30 billion over the same period of the previous fiscal year, resulting in the loss of ¥11.8 billion, while net income was down ¥26.1 billion for a net loss of ¥21.7 billion.

(2) Results by Business Segment

Results for the first half period by business segment are as described below.

[1] Automobile Division

Total car sales in Japan were 3 thousand or 7.6% less over the same period of the previous fiscal year to 33 thousand total units, even though the Legacy, underwent a full-model change in May of this year for the first time in six years, enjoyed a good amount of popularity but the sales of the new Legacy could not cover the drops in sales of other models.

In addition, the number of minicars sold was 46 thousand, a decrease of 12 thousand or 20.7% less over the same period of the previous fiscal year even though the Sambar was given a big facelift in September of this year.

As a result, a total of 79 thousand vehicles were sold in Japan for a decrease of 15 thousand or 15.7% over the same period of the previous fiscal year.

Although total demand is down in North America, sales trends are positive with a total of 108 thousand vehicles sold for an increase of 17 thousand or 19.2% over the same period of the previous fiscal year, due to factors such as the scrap incentive programs (cash for clunkers) and the new car effect of the Legacy model, fully introduced in August of this year.

Europe is experiencing a worsening market environment due to the economic recession, resulting in a total of 16 thousand units sold for a massive decrease of 34 thousand, or 68.3% over the same period of the previous fiscal year due to a sudden decline in total demand in the Russian market, which had provided strong sales until the previous year, even though some markets experienced a momentary return of demand due to the effect of scrap incentive programs.

In Australia, 15 thousand units were sold for a decrease of 5 thousand, or 26.3% over the same period of the previous fiscal year, due to the decrease in total demand resulting from the economic depression.

Conversely, total demand in China continues to expand resulting in 17 thousand vehicles sold for an increase of 7 thousand, or 68.2% over the same period of the previous fiscal year, due to the continued strong sales of the Forester.

Sales for other regions were 7 thousand for a decrease of 10 thousand, or 57.4% over the same period of the previous fiscal year.

The cumulative result of overseas sales equaled a total of 163 thousand vehicles sold for a decrease of 25 thousand, or 13.2% over the same period of the previous fiscal year.

All of the above resulted in a combined sales volume for Japan and overseas markets of 243 thousand, a decrease of 40 thousand, or 14.0% over the same period of the previous fiscal year, and overall net sales were down ¥100.7 billion, or 14.9% over the same period of the previous fiscal year, to ¥574.4 billion. Operating income was also down ¥29.4 billion over the same period of the previous fiscal year, resulting in an operating loss of ¥14.3 billion.

[2] Aerospace Division

Net sales to the Japan Ministry of Defense improved over the same period of the previous fiscal year due to increased sales of the UH-1J multi-purpose helicopter, and the development and trial manufacture of "Forward Field Observation System".

In the commercial sector, net sales were less than the same period of the previous fiscal year, even though mass-production sales to Boeing increased, due to losses on currency exchange generated by the strong yen, the discontinuation of production of the compact Eclipse 500 business jet, and the decrease of the number of deliveries of main wings for the medium-size H4000 business jet.

As a result, overall net sales were up ¥0.2 billion, or 0.4% over the same period of the previous fiscal year to ¥42.5 billion, and operating income was up ¥0.3 billion or 16.3% over the same period of the previous fiscal year to ¥2.4 billion.

[3] Industrial Products Division

Although net sales increased due to two new subsidiaries being included in the consolidation, engine sales massively decreased not only in Japan but also in Europe and South East Asia, where they had been healthy until the previous period, due to the sluggish demand following the financial crisis.

As a result, net sales decreased ¥8.4 billion, or 40.9% over the same period of the previous fiscal year to ¥12.1 billion, and operating income also suffered a loss of ¥0.8 billion over the same period of the previous fiscal year, resulting in an operating loss of ¥1.2 billion.

[4] Other Businesses

Although sales of the "Fuji Mighty" sanitation truck decreased, overall sales increased by ¥0.3 billion, or 4.7% over the same period of the previous fiscal year to ¥6.5 billion, due to the delivery of five large-scale wind-power systems as well as one new subsidiary being included in the consolidation. However, operating income was down ¥0.2 billion, or 14.1% over the same period of the previous fiscal year to ¥0.9 billion.

(3) Results by Geographic Region

Results for the current first half period by geographic region are as described below.

[1] Japan

Net sales in Japan were down ¥97.2 billion, or 21.0% from over the same period of the previous fiscal year to ¥366.5 billion due to the reduction in domestic sales volume and a massive reduction in overseas export volume, as well as losses on currency exchange generated by the strong yen. Operating income was down ¥27.1 billion over the same period of the previous fiscal year, resulting in an operating loss of ¥14.3 billion.

[2] North America

Net sales in North America increased ¥3.4 billion, or 1.3% from over the same period of the previous fiscal year to ¥258.2 billion due to continued strong sales by Subaru of America, Inc., our US distributor and other subsidiaries in the United States and despite losses on currency exchange generated by the strong yen. Operating income increased by ¥4.1 billion, or 123.6% over the same period of the previous fiscal year to ¥7.4 billion.

[3] Other Regions

Net sales were down ¥14.8 billion, or 57.6% over the same period of the previous fiscal year to ¥10.9 billion due to a decrease in sales at Subaru Europe, a subsidiary in the European Union, and losses on currency exchange generated by the strong yen. Operating income was down ¥0.8 billion, or 73.1% over the same period of the previous fiscal year, for a total of ¥0.3 billion.

2. Qualitative Information on Consolidated Financial Position

Total assets at the end of this second quarter were ¥1,176.1 billion, which was an increase of ¥10.7 billion over the end of the previous fiscal year. Main factors for this included a decrease in inventories of ¥41.1 billion, and an increase in cash and deposits of ¥46.2 billion due to the decrease in inventories resulting from the healthy vehicle sales in the US.

Liabilities were ¥805.6 billion, which was an increase of ¥34.9 billion over the end of the previous fiscal year. Main factors for this include an increase in long-term loans payable of ¥60.7 billion and a decrease in short-term loans payable of ¥42.8 billion due to the financing for the purpose of securing stable financial resources.

Net assets were ¥370.6 billion, which was a decrease of ¥24.1 billion over the end of the previous fiscal year. Main factors for this include a decrease in retained earnings of ¥21.7 billion due to the posting of a net loss.

3. Qualitative Information on Projection for Current Fiscal Year

We have revised our performance projection for the fiscal year 2010 (from April 2009 to March 2010) as follows. This is because we expect the increase of sales volume and the cost reduction including SG&A expenses will contribute to our profits following the first half of the year, in spite of stronger yen compared with our plan at the beginning of the fiscal year.

The foreign exchange rates of the second half of the year will be 88 yen per US\$ (previous estimate rate was 95 yen per US\$) and 130 yen per euro (125 yen per euro).

Revised Projection Figures for the fiscal year ending March 2010 (April 1, 2009 to March 31, 2010)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous projection (A)	Million yen 1,320,000	Million yen (35,000)	Million yen (40,000)	Million yen (55,000)	Yen (72.33)
Current revised projection (this statement) (B)	1,360,000	1,000	(5,000)	(25,000)	(32.09)
Increase and decrease (B-A)	40,000	36,000	35,000	30,000	
Change of percentage (%)	3.0	-	-	-	
(Ref.) Results of prior period (Ending March 2009)	1,445,790	(5,803)	(4,600)	(69,933)	(91.97)

4. Others

- (1) Changes of significant subsidiaries in the second quarter of fiscal year 2010
(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 expense was calculated as multiplying income before income taxes and minority interests by reasonably estimated annual effective tax rate. This annual tax rate was reasonably estimated after applying the differed tax to the annual income before income taxes and minority interests which included the amounts of this second quarter period ended September 30, 2009.

"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

[Changes in the scope of consolidation]

Since 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 "Robin Europe Gmbh Industrial Engine And Equipment (old name : Robin Europe Gmbh)" and 3 other companies. Since the first quarter of the current consolidated fiscal year, one subsidiary company of "Subaru of America,Inc." was excluded from scope of consolidation as a result of liquidation of the subsidiary.

[Changes in the application of the equity method]

Since the first quarter of the current consolidated fiscal year, as a result of our reevaluation of their significance to the consolidated financial statements, "Robin Europe Gmbh Industrial Engine And Equipment (old name : Robin Europe Gmbh)" and 3 other companies were transferred from equity method companies to consolidated subsidiaries.

In addition, the number of equity-method companies decreased from the second quarter of fiscal 2010, because "Tug International Co., Ltd" was merged into "Fuji Techno-service Co.,Ltd.(one of consolidated companies)" on July 1, 2009.

[Change in accounting standard for construction revenue and cost]

The Company previously used the percentage-of-completion method for accounting revenues associated with construction contracts with a contract amount of five billion yen or more and a construction period of over one year, and other construction works were accounted for with the completed-contract method. However since the beginning of fiscal 2010, in conjunction with adoption of the Accounting Standard for Construction Contracts (ASBJ Statement No.15, December 27, 2007) and its accompanying Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No.18, December 27, 2007), the percentage-of-completion method was applied to construction contracts that were started during the first quarter of fiscal 2010, for which certain elements were determinable with certainty at the end of the second quarter. (The percentage of completion is estimated with the proportion-of-cost method). The completed-contract method was applied to other works.

This impact of this change on profit and loss was insignificant.

5. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Unit: Million of yen)

	2nd Quarter of FY2010 (as of September 30, 2009)	FY2009 (as of March 31, 2009)
	Amount	Amount
ASSETS		
I Current assets		
Cash and deposits	124,301	78,151
Notes and accounts receivable-trade	81,091	82,352
Lease investment assets	27,388	27,074
Short-term investment securities	32,454	11,439
Merchandise and finished goods	87,758	128,645
Work in process	94,017	96,425
Raw materials and supplies	36,429	34,249
Deferred tax assets	14,763	15,918
Short-term loans receivable	56,558	59,434
Other	38,484	53,845
Allowance for doubtful accounts	(1,571)	(1,509)
Total current assets	591,672	586,023
II Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	120,813	123,403
Machinery, equipment and vehicles, net	100,119	108,077
Land	183,311	183,741
Lease assets, net	—	20,765
Vehicles and equipment on operating leases, net	23,922	—
Construction in progress	8,256	12,287
Other, net	31,458	19,786
Total property, plant and equipment	467,879	468,059
2. Intangible assets		
Other	12,508	13,972
Total intangible assets	12,508	13,972
3. Investments and other assets		
Investment securities	59,355	51,838
Long-term loans receivable	3,289	3,334
Deferred tax assets	9,611	10,702
Other	37,558	37,428
Allowance for doubtful accounts	(5,724)	(5,925)
Total investments and other assets	104,089	97,377
Total noncurrent assets	584,476	579,408
Total assets	1,176,148	1,165,431

(Unit: Million of yen)

	2nd Quarter of FY2010 (as of September 30, 2009)	FY2009 (as of March 31, 2009)
	Amount	Amount
LIABILITIES		
I Current liabilities		
Notes and accounts payable-trade	172,258	148,015
Short-term loans payable	182,308	225,149
Commercial papers	6,000	24,000
Current portion of long-term loans payable	19,599	21,956
Current portion of bonds	20,000	—
Income taxes payable	3,839	2,062
Accrued expenses	51,309	50,524
Provision for bonuses	14,120	14,141
Provision for product warranties	17,548	17,934
Provision for loss on construction contracts	906	760
Other	59,665	56,707
Total current liabilities	547,552	561,248
II Noncurrent liabilities		
Bonds payable	44,000	60,000
Long-term loans payable	111,259	50,583
Deferred tax liabilities	10,404	7,448
Provision for retirement benefits	38,919	36,997
Provision for directors' retirement benefits	628	702
Provision for loss on guarantees	745	745
Other	52,067	52,989
Total noncurrent liabilities	258,022	209,464
Total liabilities	805,574	770,712
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus	160,071	160,071
Retained earnings	104,864	126,593
Treasury stock	(2,090)	(2,086)
Total shareholders' equity	416,640	438,373
II Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,066	3,002
Foreign currency translation adjustment	(54,866)	(47,429)
Total valuation and translation adjustments	(46,800)	(44,427)
Minority interests	734	773
Total net assets	370,574	394,719
Total liabilities and net assets	1,176,148	1,165,431

(2) Quarterly Consolidated Statements of Income

(Unit: Million of yen)

	FY2009 (April 1, 2008 to September 30, 2008) Amount	FY2010 (April 1, 2009 to September 30, 2009) Amount
I Net sales	744,201	635,550
II Cost of sales	577,025	522,836
Gross profit	167,176	112,714
III Selling, general and administrative expenses	148,830	124,151
Operating income (loss)	18,346	(11,437)
IV Non-operating income		
Interest income	1,546	420
Dividends income	483	365
Equity in earnings of affiliates	494	633
Real estate rent	298	294
Foreign exchange gains	305	—
Gain on valuation of derivatives	151	4,121
Other	1,001	791
Total non-operating income	4,278	6,624
V Non-operating expenses		
Interest expenses	1,696	2,380
Foreign exchange losses	—	2,913
Loss on valuation of derivatives	649	—
Other	2,095	1,729
Total non-operating expenses	4,440	7,022
Ordinary income (loss)	18,184	(11,835)
VI Extraordinary income		
Gain on sales of noncurrent assets	169	41
Gain on revision of retirement benefit plan	654	—
Gain on sale of loans receivable	285	294
Other	1,113	102
Total extraordinary income	2,221	437
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	2,134	1,339
Impairment loss	961	3,162
Provision for loss on construction contracts	2,901	—
Loss on abandonment of inventories	—	1,191
Other	55	336
Total extraordinary losses	6,051	6,028
Income (loss) before income taxes and minority interests	14,354	(17,426)
Income taxes	9,917	4,362
Minority interests in income (loss)	41	(56)
Net income (loss)	4,396	(21,732)

(Explanatory Note)

[2nd Quarter of FY 2009 (April 1, 2008 to September 30, 2008)]

(Extraordinary income)

“Other” 1,113 million yen in VI Extraordinary income in the first half period of the fiscal 2009 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.

[2nd Quarter of FY 2010 (April 1, 2009 to September 30, 2009)]

(Extraordinary loss)

1) After assessing the severe business environment for domestic distributors, such as the sluggish automobile market caused by a business slowdown, and the response to sophisticated and diversified customer needs, we have determined that it was necessary to quickly implement regional business activities while simultaneously establishing a rational management system. Therefore, the transition to the integrated system was performed from Subaru distributors sequentially after October, 2008. As a part of the rationalization, the company is performing restructuring of dealership network in Japan gradually. And related to dealerships which the Company has closed (or, has decided to close) by the end of second quarter fiscal 2010, it recorded an extraordinary loss in this fiscal year as follows.

Loss on sales and retirement of noncurrent assets	72	million yen
Impairment loss	556	million yen
Other	111	million yen
Total	739	million yen

2) The Company recorded an impairment loss with regard to the following asset groups in the first half period of the fiscal 2010. (Impairment loss related to restructuring of dealership network in Japan above-mentioned 1 is included)

Use	Location	Category
Assets for dealership business	Nagasaki Prefecture and 2 other location	Buildings and structures, land and other
Idle assets	Osaka Prefecture and 5 other location	Buildings and structures, and land

The assets on which impairment was recognized are grouped as follows:

The operating assets for dealership are grouped by each company, and the idle assets are grouped on a property by property basis.

The impairment loss by each category of property, plant and equipment was as follows:

Account	Amount
Buildings and structures, net	1,898 million yen
Machinery, equipment and vehicles, net	96 million yen
Land	1,143 million yen
Other	25 million yen
Total	3,162 million yen

3) Loss on abandonment of inventories

The Company conducted a review of business field in the industrial products segment in the first half period of the fiscal 2010. As a result, the Company abandoned obsolete inventories and recorded an extraordinary loss of 1,191 million yen in the first half period of the fiscal 2010.

(Changes in Presentation of Quarterly Financial Statements)

[Quarterly consolidated balance sheets]

Vehicles and equipment on operating leases included in “Lease assets,net” in fiscal 2009 is presented in “Vehicles and equipment on operating leases, net” since the first quarter of the current consolidated fiscal year. The amount of vehicles and equipment on operating leases included in “Lease assets,net” in fiscal year 2009 was 20,421 million yen.

In addition, other lease assets (lease assets obtained by finance lease transactions) is included in “Other, net” because of its materiality.

(3)Notes on Premise of Going Concern

Not Applicable

(4) Segment Information

[Business Segment Information]

2nd Quarter of FY 2009 (April 1, 2008 to September 30, 2008)

(Unit: Million of yen)

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

2nd Quarter of FY 2010 (April 1, 2009 to September 30, 2009)

(Unit: Million of yen)

	Automobiles	Aerospace	Industrial products	Other	Total	Elimination and corporate	Consolidated total
Net sales							
(1) Outside customers	574,413	42,472	12,133	6,532	635,550	—	635,550
(2) Inter-segment	1,170	—	27	5,558	6,755	(6,755)	—
Total sales	575,583	42,472	12,160	12,090	642,305	(6,755)	635,550
Operating income (loss)	(14,283)	2,442	(1,164)	931	(12,074)	637	(11,437)

[Geographic Segment Information]

2nd Quarter of FY 2009 (April 1, 2008 to September 30, 2008)

(Unit: Million of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated total
Net sales						
(1) Outside customers	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

2nd Quarter of FY 2010 (April 1, 2009 to September 30, 2009)

(Unit: Million of yen)

	Japan	North America	Other	Total	Elimination and corporate	Consolidated total
Net sales						
(1) Outside customers	366,477	258,205	10,868	635,550	—	635,550
(2) Inter-segment	126,653	1,198	260	128,111	(128,111)	—
Total sales	493,130	259,403	11,128	763,661	(128,111)	635,550
Operating income (loss)	(14,304)	7,391	279	(6,634)	(4,803)	(11,437)

[Overseas Net Sales]

2nd Quarter of FY 2009 (April 1, 2008 to September 30, 2008)

(Unit: Million 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%

2nd Quarter of FY 2010 (April 1, 2009 to September 30, 2009)

(Unit: Million of yen)

	North America	Europe	Asia	Other	Total
Overseas net sales	279,834	34,330	35,651	41,852	391,667
Consolidated net sales					635,550
Percentage of overseas net sales over consolidated sales	44.0%	5.4%	5.6%	6.6%	61.6%

Note; Overseas net sales of “Asia” was included in “Other” in the first half period of the fiscal 2009. However, overseas net sales of “Asia” is presented separately because of its increased materiality since the first half period of the fiscal 2010. In addition, overseas net sales of “Asia” included in “Other” in the first half period of the fiscal 2009 was 28,471 million yen.

(5) Notes on Significant Changes in the Amount of Shareholders' Equity

Not Applicable



<Reference for the First Half of FY2010 (Apr. 1, 2009 to Sep. 30, 2009) Consolidated Financial Results>

(in 100 millions of yen) (in thousands of units)	ACTUAL RESULTS		ACTUAL RESULTS			ACTUAL RESULTS		FORECAST		
	1st HALF of FY2009		1st HALF of FY2010			FY2009		FY2010		
	Apr. 2008 to Sep. 2008		Apr. 2009 to Sep. 2009			Apr. 2008 to Mar. 2009		Apr. 2009 to Mar. 2010		
			Difference	Ratio			Difference	Ratio		
									Apr. 2009 to Mar. 2010	
Net Sales		7,442	6,356	(1,087)	(14.6)	14,458	13,600	(858)	(5.9)	13,200
	Domestic	2,602	2,439	(163)	(6.3)	5,075	5,100	25	0.5	5,100
	Overseas	4,840	3,917	(924)	(19.1)	9,383	8,500	(883)	(9.4)	8,100
Operating Income/Loss		183	(114)	(298)	—	(58)	10	68	—	(350)
	Margin Percentage	2.5	—	—	—	—	0.1	—	—	—
Ordinary Income/Loss		182	(118)	(300)	—	(46)	(50)	(4)	—	(400)
	Margin Percentage	2.4	—	—	—	—	—	—	—	—
Net Income/Loss		44	(217)	(261)	—	(699)	(250)	449	—	(550)
	Margin Percentage	0.6	—	—	—	—	—	—	—	—
Change of operating income by factors										
			Decrease of SG&A expenses and others	124			Reduction in cost	242		
			Reduction in cost	115			Decrease of SG&A expenses and others	180		
			Decrease of R&D expenses	56			Decrease of R&D expenses	28		
			Deterioration of sales volume & mixture and others	(411)			Loss on currency exchange	(297)		
			Loss on currency exchange	(182)			Deterioration of sales volume & mixture and others	(85)		
Exchange rates	YEN/US\$	YEN105/US\$	YEN96/US\$			YEN102/US\$	YEN92/US\$			YEN95/US\$
	YEN/EURO	YEN164/EURO	YEN133/EURO			YEN147/EURO	YEN132/EURO			YEN125/EURO
Capital expenditures		317	320			580	560			590
Depreciation and amortization		312	288			651	560			590
R&D expenses		228	171			428	400			430
Interest bearing debts		2,769	3,832			3,817	3,700			4,000
Performance of operation			Net Sales to decrease				Net Sales to decrease			
			Net Income to decrease				Net Income to decrease			
Domestic sales		94	79	(15)	(15.7)	179	166	(12)	(7.0)	160
	Passenger Cars	36	33	(3)	(7.6)	70	71	1	1.9	73
	Minicars	58	46	(12)	(20.7)	109	95	(14)	(12.7)	87
Overseas sales		188	163	(25)	(13.2)	377	379	3	0.7	348
	North America	91	108	17	19.2	207	238	31	14.9	215
	Europe	50	16	(34)	(68.3)	77	39	(39)	(50.3)	56
	Others	48	40	(8)	(17.3)	92	103	11	11.7	77
Total sales		282	243	(40)	(14.0)	555	545	(10)	(1.8)	508
Production Units Total		320	233	(86)	(27)	566	537	(28)	(5.0)	490
	Japan	268	197	(71)	(26)	474	444	(30)	(6.4)	404
	U.S.	52	36	(16)	(31)	92	93	2	1.9	85
Net sales by business segment	Automobile	6,751	5,744	(1,007)	(15)	13,163				
	Aerospace	423	425	2	0	809				
	Industrial Products	205	121	(84)	(41)	349				
	Other	62	65	3	5	137				
Operating income by business segment	Automobile	151	(143)	(294)	—	(92)				
	Aerospace	21	24	3	16	16				
	Industrial Products	(3)	(12)	(8)	—	(16)				
	Other	11	9	(2)	(14)	31				
	Elimination and Corporate	4	6	3	72	3				
Net sales by geographic area	Japan	4,637	3,665	(972)	(21)	8,562				
	North America	2,548	2,582	34	1	5,469				
	Other	257	109	(148)	(58)	427				
Operating income by geographic area	Japan	128	(143)	(271)	—	(158)				
	North America	33	74	41	124	(20)				
	Other	10	3	(8)	73	19				
	Elimination and Corporate	12	(48)	(61)	—	101				

* 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 sales rate of FHI.