



**SUBARU**

# Presentation of Business Results for the 2<sup>nd</sup> Quarter of FYE 2011 Fuji Heavy Industries Ltd.

November 2, 2010

# A Summary of Business Results



# 1<sup>st</sup> Half : Consolidated Automobile Sales

(Thousand Units)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
Passenger Car	33.5	37.7	+4.2
Minicar	45.9	50.8	+4.9
<b>Domestic Total</b>	<b>79.4</b>	<b>88.5</b>	<b>+9.1</b>
U.S.	98.3	129.1	+30.8
Canada	9.7	15.0	+5.3
Russia	0.2	4.7	+4.5
Europe	15.5	24.6	+9.1
Australia	15.2	21.5	+6.2
China	17.0	32.0	+14.9
Others	7.2	15.8	+8.6
<b>Overseas Total</b>	<b>163.3</b>	<b>242.7</b>	<b>+79.3</b>
<b>Total</b>	<b>242.7</b>	<b>331.2</b>	<b>+88.4</b>

# 1<sup>st</sup> Half : Consolidated Statements of Income

(100 million yen)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
<b>Net Sales</b>	<b>6,356</b>	<b>8,040</b>	+1,684
Domestic	2,439	2,520	+81
Overseas	3,917	5,520	1,604
<b>Operating Income /Loss</b>	<b>-114</b>	<b>573</b>	+688
<b>Ordinary Income /Loss</b>	<b>-118</b>	<b>588</b>	+707
Income/Loss Before Income Taxes and Minority Interests	<b>-174</b>	<b>557</b>	+731
<b>Net Income/Loss</b>	<b>-217</b>	<b>446</b>	+663
FHI Exchange Rate	¥96/\$	¥90/\$	-¥7/\$

# 1<sup>st</sup> Half : Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 million yen)

Decrease of fixed cost, warranty claims and others

Improvement of sales volume & mixture and others

Decrease of SG&A expenses and others  
**81**

Reduction in cost  
**63**

FHI: +62  
SIA: +1

Loss on currency exchange  
**-159**

US\$: -126  
Euro: -35  
CA\$: +9  
Currency exchange adjustment : -7

**-31**

Increase of R&D expenses

**573**

Japan: Increase of sales volume  
Overseas: Improvement of sales volume and mixture, etc

**-114**

**734**

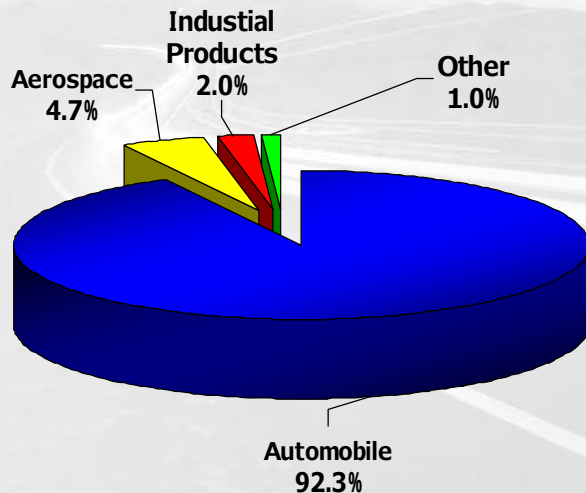
Operating Loss  
1<sup>st</sup> Half  
FYE March 2010

**+68.8 billion**

Operating Income  
1<sup>st</sup> Half  
FYE March 2011

# 1<sup>st</sup> Half : Net Sales by Business Segment (consolidated)

## Percentage of Total Sales



(100 million yen)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
<b>Automobile</b>	<b>5,744</b>	<b>7,420</b>	+1,676
<b>Aerospace</b>	<b>425</b>	<b>374</b>	-50
<b>Industrial Products</b>	<b>121</b>	<b>164</b>	+43
<b>Other</b>	<b>65</b>	<b>81</b>	+15
<b>Total</b>	<b>6,356</b>	<b>8,040</b>	+1,684

# 1<sup>st</sup> Half : Operating Income by Business Segment (consolidated)

(100 million yen)

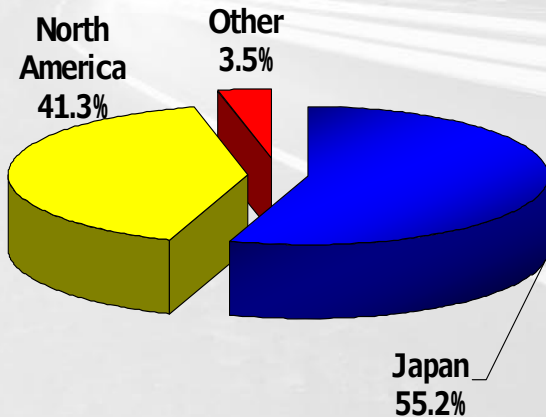
	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
<b>Automobile</b>	<b>-143</b>	<b>555</b>	+698
<b>Aerospace</b>	<b>24</b>	<b>5</b>	<b>-19</b>
<b>Industrial Products</b>	<b>-12</b>	<b>1</b>	+13
<b>Other</b>	<b>9</b>	<b>12</b>	+3
<b>Elimination and Corporate</b>	<b>6</b>	<b>-0</b>	<b>-6</b>
<b>Total</b>	<b>-114</b>	<b>573</b>	<b>+688</b>

# 1<sup>st</sup> Half : Net Sales by Geographic Area

(consolidated) <Appendix>

(100 million yen)

Percentage of Total Sales



	Actual Results 1 <sup>st</sup> Half FYE March 2010	Actual Results 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
Japan	3,665	4,434	+770
North America	2,582	3,324	+742
Other	109	281	+173
<b>Total</b>	<b>6,356</b>	<b>8,040</b>	<b>+1,684</b>



# 1<sup>st</sup> Half : Operating Income by Geographic Area (consolidated) <Appendix>

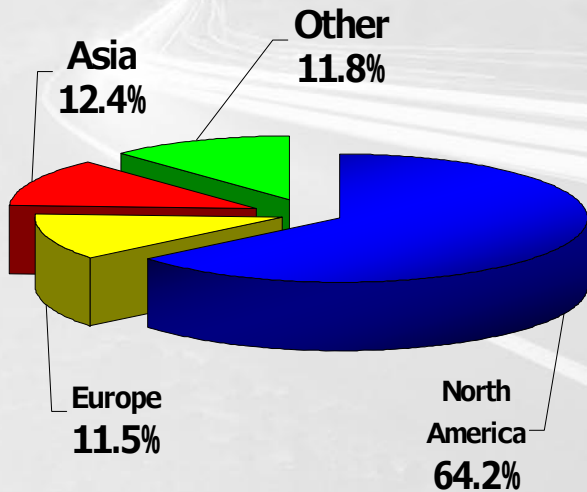
(100 million yen)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
Japan	<b>-143</b>	<b>350</b>	+493
North America	<b>74</b>	<b>241</b>	+168
Other	<b>3</b>	<b>4</b>	+1
Elimination and Corporate	<b>-48</b>	<b>-21</b>	+27
<b>Total</b>	<b>-114</b>	<b>573</b>	<b>+688</b>

# 1<sup>st</sup> Half : Overseas Net Sales <Appendix>

(100 million yen)

## Percentage of Total Sales



	Actual Results 1 <sup>st</sup> Half FYE March 2010	Actual Results 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
North America	2,798	3,546	+748
Europe	343	635	+292
Asia	357	686	+330
Other	419	652	+234
<b>Total</b>	<b>3,917</b>	<b>5,520</b>	<b>+1,604</b>



# Operating Results of Subsidiaries in U.S.

(million US\$)

<b>SOA</b>	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase/ Decrease
Net Sales	<b>\$2,327</b>	<b>\$3,122</b>	+795
Operating Income	<b>79</b>	<b>163</b>	+84
Net Income	<b>49</b>	<b>99</b>	+50
Retail Sales (Thousand units)	<b>116.7</b>	<b>135.9</b>	+19.2
<b>SIA</b>	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase/ Decrease
Net Sales	<b>\$811</b>	<b>\$1,706</b>	+895
Operating Income / Loss	<b>-1</b>	<b>78</b>	+79
Net Income / Loss	<b>-2</b>	<b>47</b>	+49
Subaru Production (Thousand units)	<b>35.9</b>	<b>77.8</b>	+41.9

# Analysis of Non-Operating Income and Expenses

(100 million yen)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
<b>Non-Operating Income</b>	<b>66</b>	<b>79</b>	<b>+12</b>
Interest and Dividends Income	8	9	+1
Equity in Earnings of Affiliates	6	21	+15
<b>Non-Operating Expenses</b>	<b>70</b>	<b>64</b>	<b>-6</b>
Interest Expenses	24	26	+2
<b>Net</b>	<b>-4</b>	<b>15</b>	<b>+19</b>
<b>Financial Revenue and Expenditure</b>	<b>-16</b>	<b>-17</b>	<b>-1</b>
<b>FOREX Effects</b>	<b>12</b>	<b>14</b>	<b>+2</b>
Net of Gain and Loss on Valuation of Derivatives	41	34	-8
Net of FOREX Gains and Losses	-29	-20	+10

# Analysis of Extraordinary Income and Loss

(100 million yen)

	Actual Results 1 <sup>st</sup> Half FYE March 2010	Actual Results 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
<b>Extraordinary Income</b>	<b>4</b>	<b>10</b>	<b>+6</b>
<b>Extraordinary Loss</b>	<b>60</b>	<b>41</b>	<b>-19</b>
Loss on Sales and Retirement of Noncurrent Assets	13	5	-8
Impairment Loss	32	8	-23
Loss on Prior Periods Adjustment	-	13	+13
Loss on Abandonment of Inventories	12	-	-12
Loss on Adjustment for Changes of Accounting Standard for Asset Retirement Obligation	-	4	+4
Loss on Reconstruction of Office Building	-	7	+7
Other	3	4	+1
<b>Net</b>	<b>-56</b>	<b>-31</b>	<b>+25</b>

# Consolidated Balance Sheets

(100 million yen)

	As of Mar. 31, 2010	As of Sep. 30, 2010	Increase /Decrease
<b>Total Assets</b>	<b>12,314</b>	<b>12,148</b>	<b>-166</b>
Current Assets	6,389	6,355	-34
Noncurrent Assets	5,925	5,793	-132
<b>Interest Bearing Debts</b>	<b>3,676</b>	<b>3,367</b>	<b>-310</b>
<b>Net Assets</b>	<b>3,819</b>	<b>4,096</b>	<b>+277</b>
Retained Earnings	1,102	1,546	+445
Shareholders' Equity	3,806	4,082	+277
<b>Shareholders' Equity to Total Assets</b>	<b>30.9%</b>	<b>33.6%</b>	<b>+2.7%</b>
<b>D/E ratio</b>	<b>0.97</b>	<b>0.82</b>	<b>-0.14</b>

# 1<sup>st</sup> Half : Consolidated Statements of Cash Flows

(100 million yen)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>1,015</b>	<b>905</b>	<b>-110</b>
<b>Net Cash Provided by (used in ) Investing Activities</b>	<b>-332</b>	<b>-265</b>	<b>+67</b>
<b>Free Cash Flows</b>	<b>683</b>	<b>640</b>	<b>-43</b>
<b>Net Cash Provided by (used in) Financing Activities</b>	<b>35</b>	<b>-292</b>	<b>-327</b>
Effect of Exchange Rate Change on Cash and Cash Equivalents	-50	-121	-71
Net Increase (Decrease) in Cash and Cash Equivalents	668	227	-441
Increase (Decrease) in Cash and Cash Equivalents Resulting from Change of Scope of Consolidation	2	-	-2
<b>Cash and Cash Equivalents at End of Period</b>	<b>1,635</b>	<b>2,142</b>	<b>+507</b>

# 1<sup>st</sup> Half : Non-Consolidated Automobile Sales

<Appendix>

(100 million yen)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2010	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase /Decrease
<b>Domestic Production</b>	<b>197.3</b>	<b>244.6</b>	<b>+47.3</b>
<b>Domestic Sales</b>	<b>83.1</b>	<b>92.3</b>	<b>+9.2</b>
Passenger Car	37.0	40.0	+3.0
Minicar	46.1	52.3	+6.2
<b>Number of Vehicles exported</b>	<b>117.6</b>	<b>164.8</b>	<b>+47.1</b>
<b>Components for Overseas Production</b>	<b>41.3</b>	<b>77.1</b>	<b>+35.9</b>
<b>Total</b>	<b>242.0</b>	<b>334.2</b>	<b>+92.2</b>





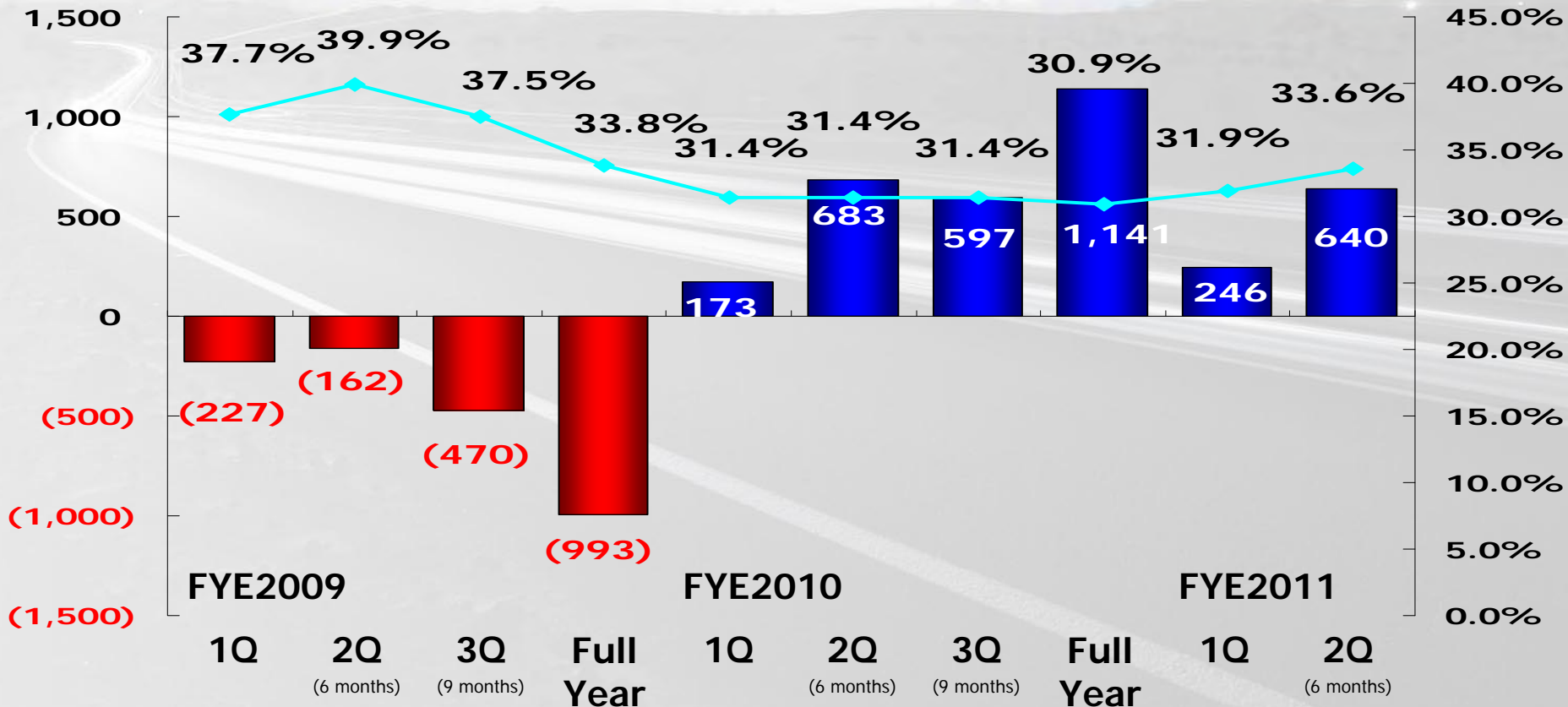
# Free Cash Flows & Shareholders' Equity to Total Assets <Appendix>

**FCF**

(100 million yen)

**Shareholders' Equity to Total Assets**

Jun. 2008    Sep. 2008    Dec. 2008    Mar. 2009    Jun. 2009    Sep. 2009    Dec. 2009    Mar. 2010    Jun. 2010    Sep. 2010

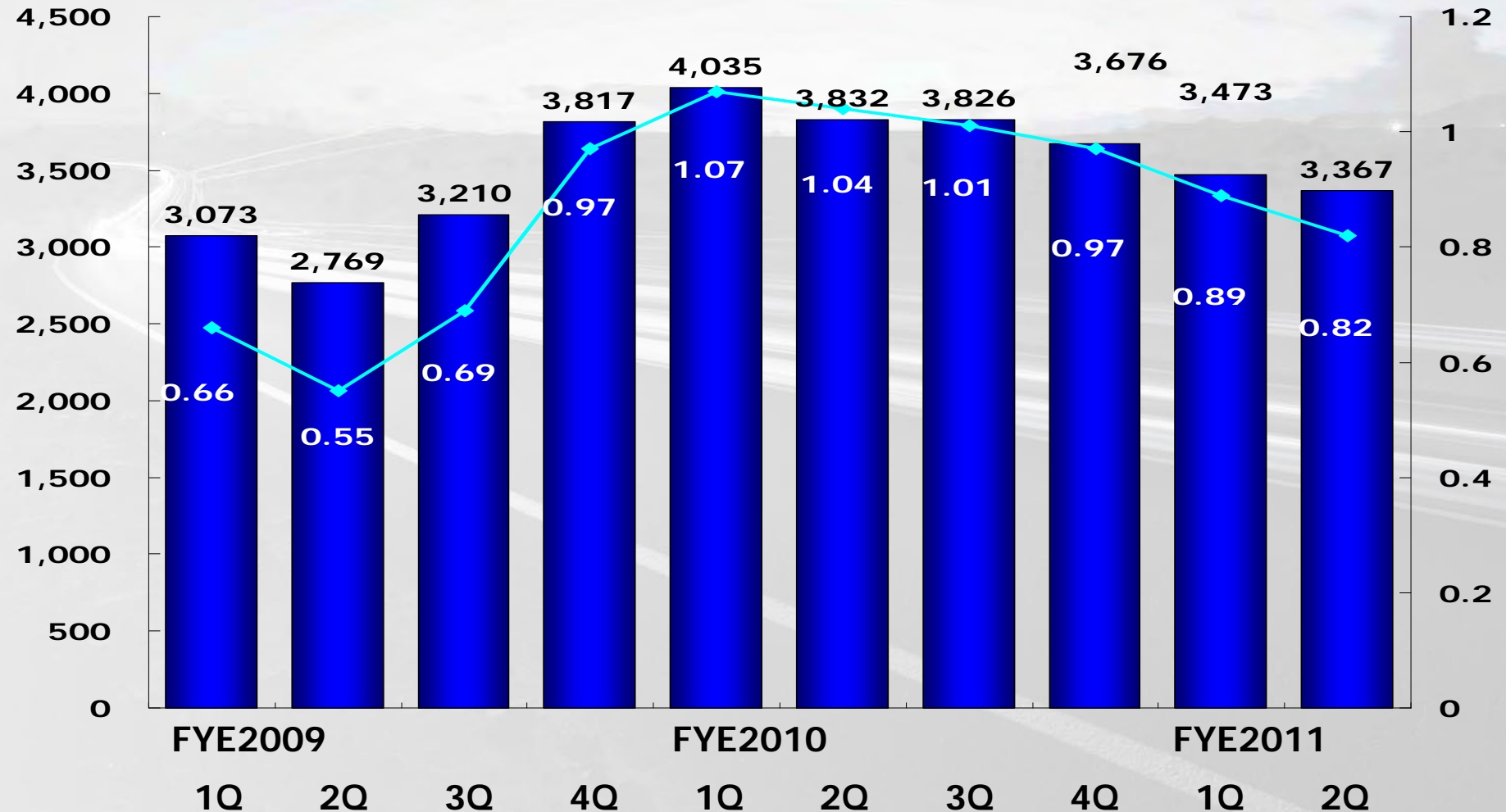




# Interest Bearing Debts & D/E Ratio <Appendix>

**Interest Bearing Debts**  
(100 million yen)

**D/E ratio**





# 2Q : Consolidated Automobile Sales <Appendix>

(Thousand Units)

	<u>Actual Results</u> 2Q FYE March 2010	<u>Actual Results</u> 2Q FYE March 2011	Increase /Decrease
Passenger Car	21.4	25.0	+3.6
Minicar	25.1	28.0	+3.0
<b>Domestic Total</b>	<b>46.5</b>	<b>53.1</b>	<b>+6.5</b>
U.S.	59.0	70.9	+11.8
Canada	3.7	6.6	+2.9
Russia	0.2	3.2	+3.0
Europe	8.8	13.3	+4.5
Australia	8.7	9.7	+0.9
China	9.9	15.5	+5.5
Others	5.6	8.6	+3.0
<b>Overseas Total</b>	<b>96.1</b>	<b>127.8</b>	<b>+31.7</b>
<b>Total</b>	<b>142.6</b>	<b>180.8</b>	<b>+38.2</b>

# 2Q : Consolidated Statements of Income

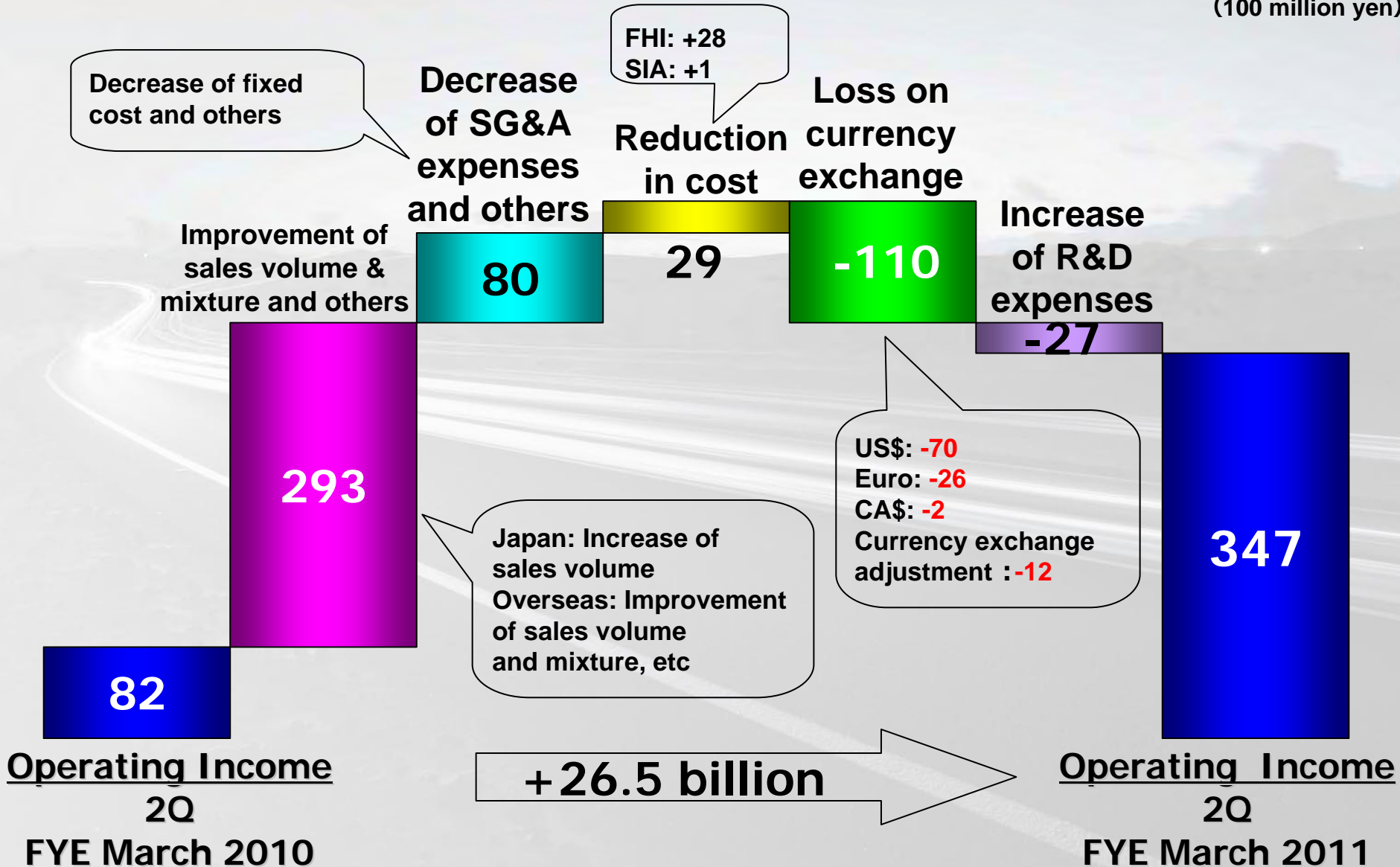
<Appendix>

(100 million yen)

	<u>Actual Results</u> 2Q FYE March 2010	<u>Actual Results</u> 2Q FYE March 2011	Increase /Decrease
<b>Net Sales</b>	<b>3,642</b>	<b>4,337</b>	+695
Domestic	1,364	1,475	+111
Overseas	2,278	2,862	+584
<b>Operating Income</b>	<b>82</b>	<b>347</b>	+265
<b>Ordinary Income</b>	<b>76</b>	<b>346</b>	+270
Income Before Income Taxes and Minority Interests	<b>25</b>	<b>312</b>	+287
<b>Net Income/Loss</b>	<b>-24</b>	<b>254</b>	+279
FHI Exchange Rate	¥95/\$	¥88/\$	-¥7/\$

# 2Q : Analysis of Increase and Decrease in Operating Income Changes (consolidated) <Appendix>

(100 million yen)





# Outlook for the term Ending March 2011



# Full Year : Consolidated Automobile Sales Plan

(Thousand Units)

	<u>Actual Results</u> FYE March 2010	<u>Plan</u> FYE March 2011	Increase/ Decrease
Passenger Car	75.1	68.2	-6.9
Minicar	96.2	94.1	-2.1
<b>Domestic Total</b>	<b>171.3</b>	<b>162.2</b>	<b>-9.0</b>
U.S.	227.0	274.2	+47.2
Canada	22.8	27.5	+4.7
Russia	1.6	10.5	+8.9
Europe	37.3	48.4	+11.1
Australia	35.0	42.1	+7.1
China	48.9	62.7	+13.8
Others	18.9	31.6	+12.8
<b>Overseas Total</b>	<b>391.6</b>	<b>497.1</b>	<b>+105.6</b>
<b>Total</b>	<b>562.8</b>	<b>659.4</b>	<b>+96.5</b>

# Full Year : Consolidated Operating Plan

(100 million yen)

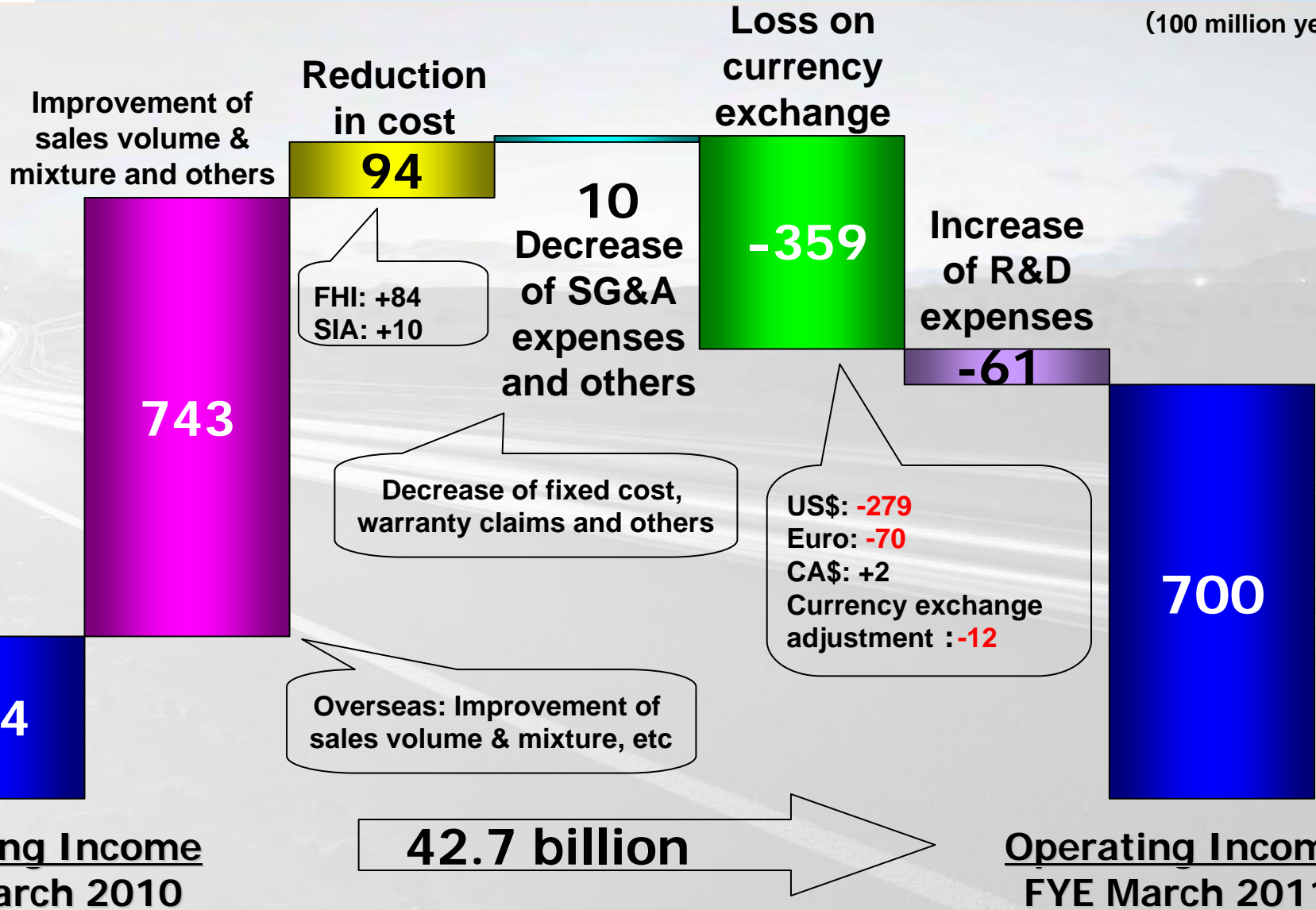
	<u>Actual Results</u> FYE March 2010	<u>Plan</u> FYE March 2011	Increase/ Decrease
<b>Net Sales</b>	<b>14,287</b>	<b>15,900</b>	+1,613
Domestic	5,208	4,800	-408
Overseas	9,079	11,100	+2,021
<b>Operating Income</b>	<b>274</b>	<b>700</b>	+427
<b>Ordinary Income</b>	<b>224</b>	<b>680</b>	+456
Income/Loss Before Income Taxes and Minority Interests	<b>-4</b>	<b>600</b>	+604
<b>Net Income/Loss</b>	<b>-165</b>	<b>500</b>	+665
FHI Exchange Rate	¥93/US\$	¥86/US\$	-¥6/US\$





# Full Year : Analysis of Increase and Decrease in Operating Income Changes

(100 million yen)





# Operating Plan of Subsidiaries in U.S.

(million US\$)

<b>SOA</b>	<u>Actual Results</u> FYE March 2010	<u>Plan</u> FYE March 2011	Increase/ Decrease
Net Sales	<b>\$5,319</b>	<b>\$6,575</b>	+1,256
Operating Income	<b>219</b>	<b>72</b>	<b>-147</b>
Net Income	<b>133</b>	<b>44</b>	<b>-89</b>
Retail Sales (Thousand units)	<b>231.4</b>	<b>255.0</b>	+23.6
<b>SIA</b>	<u>Actual Results</u> FYE March 2010	<u>Plan</u> FYE March 2011	Increase/ Decrease
Net Sales	<b>\$2,259</b>	<b>\$3,757</b>	+1,498
Operating Income	<b>100</b>	<b>79</b>	<b>-21</b>
Net Income	<b>56</b>	<b>45</b>	<b>-11</b>
Subaru Production (Thousand units)	<b>104.3</b>	<b>166.3</b>	+62.0

# Capex / Depreciation / R&D <Appendix>

(100 million yen)

	<u>Actual Results</u> 1 <sup>st</sup> Half FYE2010	<u>Actual Results</u> FYE2010 (a)	<u>Actual Results</u> 1 <sup>st</sup> Half FYE2011	<u>Plan</u> FYE2011(b)	Increase / Decrease (b) – (a)
Capex	320	561	220	560	-1
Depreciation	288	571	230	520	-51
R&D	171	372	203	433	+61
Interest Bearing Debt	3,832	3,676	3,367	3,200	-476

# Non-Consolidated Automobile Sales Plan

## <Appendix>

(100 million yen)

	Actual Results FYE March 2010	Plan FYE March 2011	Increase/ Decrease
<b>Domestic Production</b>	<b>452.7</b>	<b>477.8</b>	<b>+25.0</b>
<b>Domestic Sales</b>	<b>177.5</b>	<b>169.3</b>	<b>-8.2</b>
Passenger Car	80.3	73.4	-6.8
Minicar	97.2	95.9	-1.4
<b>Number of Vehicles exported</b>	<b>279.7</b>	<b>330.2</b>	<b>+50.5</b>
<b>Components for Overseas Production</b>	<b>113.6</b>	<b>163.9</b>	<b>+50.3</b>
<b>Total</b>	<b>570.8</b>	<b>663.4</b>	<b>+92.6</b>



# 2<sup>nd</sup> Half : Consolidated Automobile Sales Plan <Appendix>

(Thousand Units)

	<u>Actual Results</u> 2 <sup>nd</sup> Half FYE March 2010	<u>Plan</u> 2 <sup>nd</sup> Half FYE March 2011	Increase/ Decrease
Passenger Car	41.6	30.5	-11.1
Minicar	50.3	43.3	-7.0
<b>Domestic Total</b>	<b>91.9</b>	<b>73.7</b>	<b>-18.1</b>
U.S.	128.7	145.1	+16.4
Canada	13.2	12.5	-0.6
Russia	1.3	5.8	+4.5
Europe	21.8	23.8	+2.0
Australia	19.8	20.7	+0.9
China	31.9	30.7	-1.2
Others	11.6	15.8	+4.2
<b>Overseas Total</b>	<b>228.2</b>	<b>254.5</b>	<b>+26.2</b>
<b>Total</b>	<b>320.1</b>	<b>328.2</b>	<b>+8.1</b>

# 2<sup>nd</sup> Half : Consolidated Operating Plan

## <Appendix>

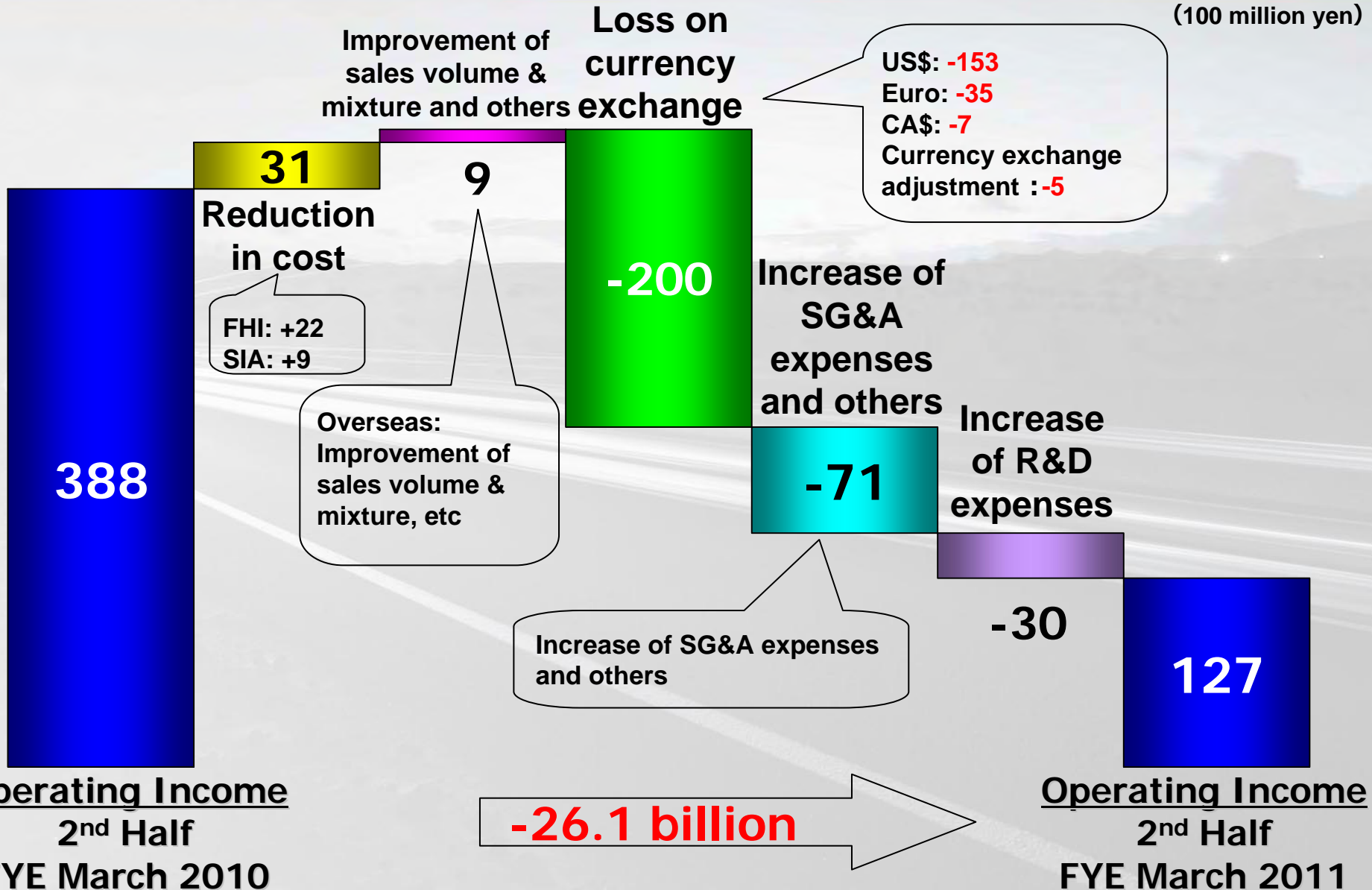
(100 million yen)

	<u>Actual Results</u> 2 <sup>nd</sup> Half FYE March 2010	<u>Plan</u> 2 <sup>nd</sup> Half FYE March 2011	Increase/ Decrease
<b>Net Sales</b>	<b>7,931</b>	<b>7,860</b>	<b>-71</b>
Domestic	2,770	2,280	-489
Overseas	5,162	5,580	+418
<b>Operating Income</b>	<b>388</b>	<b>127</b>	<b>-261</b>
<b>Ordinary Income</b>	<b>342</b>	<b>92</b>	<b>-250</b>
Income Before Income Taxes and Minority Interests	<b>170</b>	<b>43</b>	<b>-127</b>
<b>Net Income</b>	<b>53</b>	<b>54</b>	<b>+2</b>
FHI Exchange Rate	¥90/\$	¥83/\$	<b>-¥7/\$</b>



# 2<sup>nd</sup> Half : Analysis of Increase and Decrease in Operating Income Changes <Appendix>

(100 million yen)



## <Appendix> Difference from Previous Outlook





# 1<sup>st</sup> Half : Consolidated Automobile Sales Plan vs. Actual Results <Appendix>

(Thousand Units)

	<u>Plan</u> 1 <sup>st</sup> Half FYE March 2011	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase/ Decrease
Passenger Car	35.8	37.7	+1.9
Minicar	46.9	50.8	+3.9
<b>Domestic Total</b>	<b>82.7</b>	<b>88.5</b>	<b>+5.8</b>
U.S.	126.7	129.1	+2.5
Canada	13.6	15.0	+1.4
Russia	4.0	4.7	+0.7
Europe	25.1	24.6	-0.5
Australia	20.4	21.5	+1.1
China	33.4	32.0	-1.4
Others	19.1	15.8	-3.3
<b>Overseas Total</b>	<b>242.3</b>	<b>242.7</b>	<b>+0.3</b>
<b>Total</b>	<b>325.0</b>	<b>331.2</b>	<b>+6.1</b>

# 1<sup>st</sup> Half : Consolidated Statements of Income

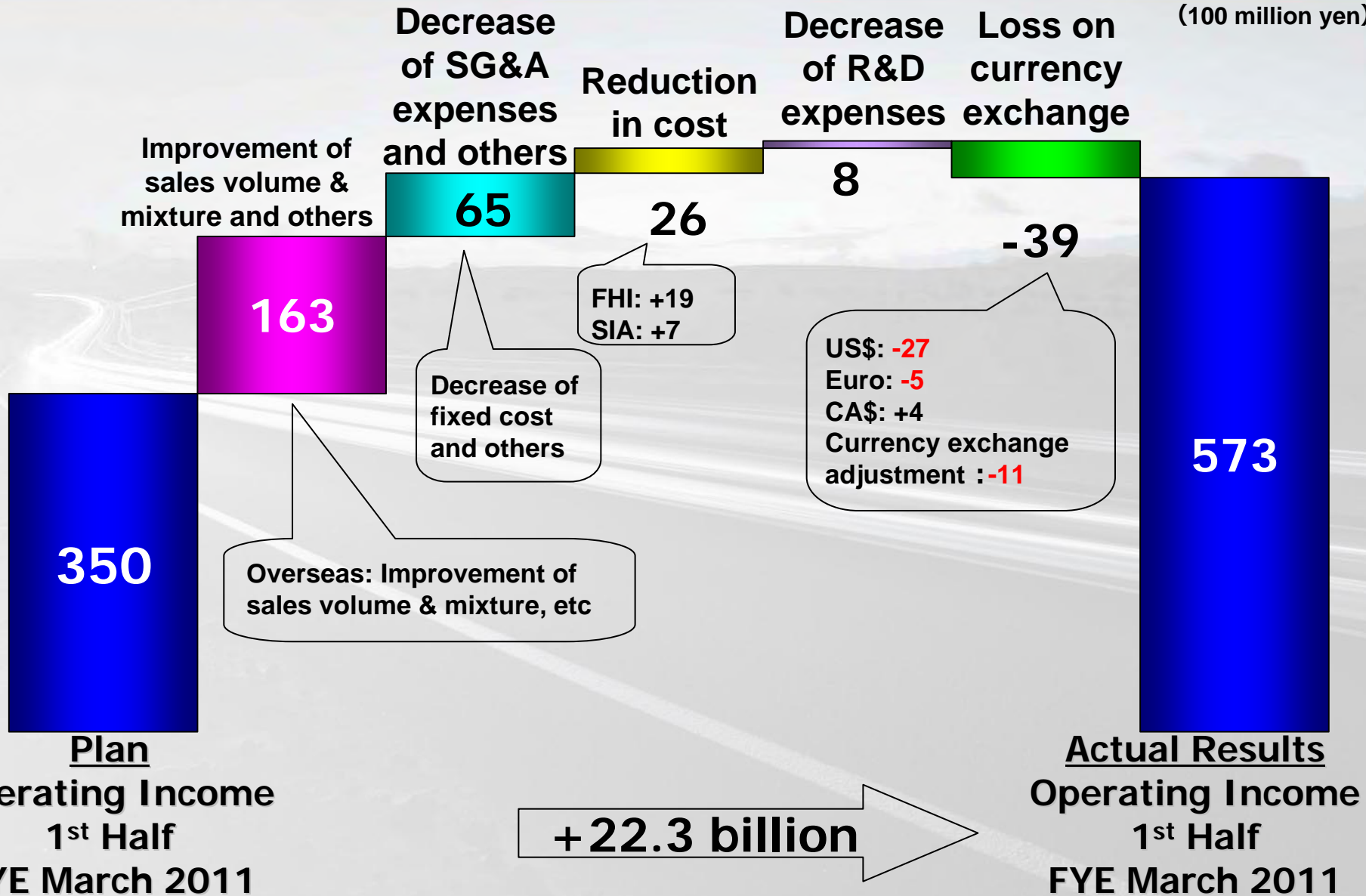
## Plan vs. Actual Results <Appendix>

(100 million yen)

	<u>Plan</u> 1 <sup>st</sup> Half FYE March 2011	<u>Actual Results</u> 1 <sup>st</sup> Half FYE March 2011	Increase/ Decrease
<b>Net Sales</b>	<b>7,500</b>	<b>8,040</b>	+540
Domestic	2,320	2,520	+200
Overseas	5,180	5,520	+340
<b>Operating Income</b>	<b>350</b>	<b>573</b>	+223
<b>Ordinary Income</b>	<b>330</b>	<b>588</b>	+258
Income Before Income Taxes and Minority Interests	<b>290</b>	<b>557</b>	+267
<b>Net Income</b>	<b>230</b>	<b>446</b>	+216
FHI Exchange Rate	¥90/\$	¥90/\$	± ¥0/\$

# 1<sup>st</sup> half : Analysis of Increase and Decrease in Operating Income Changes Plan vs. Actual Results <Appendix>

(100 million yen)





# Full Year : Consolidated Automobile Sales Previous Plan vs. Revised Plan <Appendix>

(Thousand Units)

	<u>Previous Plan</u> FYE March 2011	<u>Revised Plan</u> FYE March 2011	Increase/ Decrease
Passenger Car	69.0	68.2	-0.8
Minicar	92.4	94.1	+1.7
<b>Domestic Total</b>	<b>161.4</b>	<b>162.2</b>	<b>+0.9</b>
U.S.	243.7	274.2	+30.5
Canada	26.5	27.5	+1.0
Russia	8.1	10.5	+2.4
Europe	52.2	48.4	-3.8
Australia	39.9	42.1	+2.2
China	60.0	62.7	+2.7
Others	38.2	31.6	-6.6
<b>Overseas Total</b>	<b>468.6</b>	<b>497.1</b>	<b>+28.6</b>
<b>Total</b>	<b>630.0</b>	<b>659.4</b>	<b>+29.4</b>



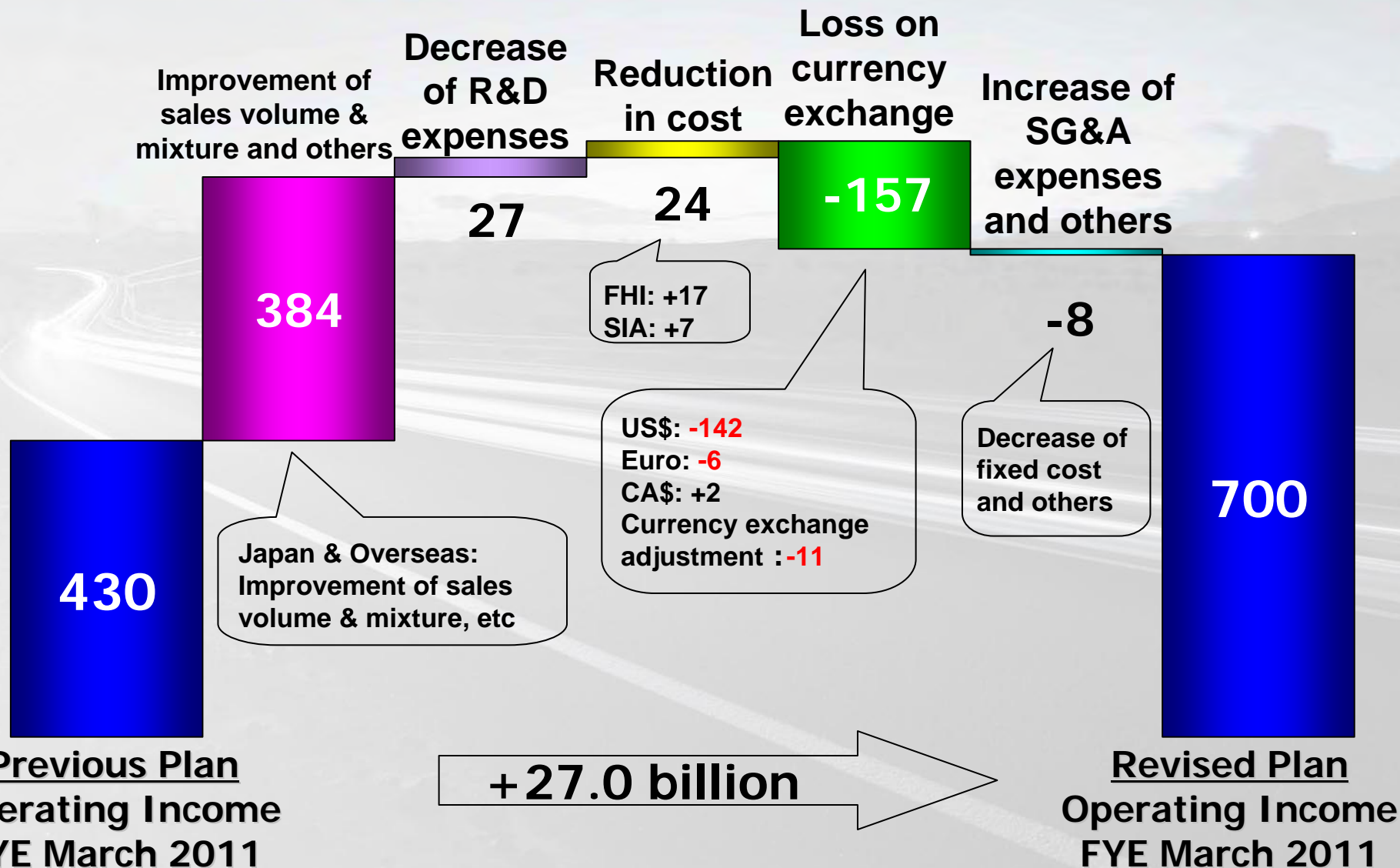
# Full Year : Consolidated Operating Plan Previous Plan vs. Revised Plan <Appendix>

(100 million yen)

	Previous Plan FYE March 2011	Revised Plan FYE March 2011	Increase/ Decrease
<b>Net Sales</b>	<b>14,700</b>	<b>15,900</b>	+1,200
Domestic	4,490	4,800	+310
Overseas	10,210	11,100	+890
<b>Operating Income</b>	<b>430</b>	<b>700</b>	+270
<b>Ordinary Income</b>	<b>380</b>	<b>680</b>	+300
Income Before Income Taxes and Minority Interests	<b>310</b>	<b>600</b>	+290
<b>Net Income</b>	<b>230</b>	<b>500</b>	+270
FHI Exchange Rate	¥89/US\$	¥86/\$	-¥3/\$

# Full Year : Analysis of Increase and Decrease in Operating Income Changes Previous Plan vs. Revised Plan <Appendix>

(100 million yen)





*Thank you !*