



Presentation of Business Results
for the 3rd quarter of FYE 2013
Fuji Heavy Industries Ltd.

February 4, 2014

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



Summary

Financial results for the 3rd quarter (9 months) of FYE March 2014

- Due to healthy sales of Forester in Japan and North America, consolidated automobile sales set an all-time records of 593k units for a fiscal 9 months period.
- In addition to gain on currency exchange, increase in sales volume, improvement in product mix and cost reduction brought all time record high in net sales and all profits for a fiscal 9 months period.

| | Net sales | Operating income | Ordinary income | Net income | Consolidated automobile units |
|----------------------|-------------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------------|
| Actual results (YoY) | ¥1,708.5bil. (+¥337.8bil.) | ¥233.4bil. (+160.0bil.) | ¥221.4bil. (+¥158.0bil.) | ¥181.5bil. (+¥128.4bil.) | 593.4k (+66.8k) |

Financial projections full year for the FYE March 2014

- Plan to record-setting performance of consolidated automobile units, net sales and all profits
- Due to improvement of sales volume, product mix in Japan and US and revision of assumed currency exchange rate, full year projections of net sales and all profits to be increased compared to previous projections.

| | Net sales | Operating income | Ordinary income | Net income | Consolidated automobile units |
|----------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| Actual results (YoY) | ¥2,380.0bil. (+¥467.0bil.) | ¥310.0bil. (+¥189.6bil.) | ¥294.0bil. (+¥193.4bil.) | ¥221.0bil. (+¥101.4bil.) | 829.3k (+104.8k) |

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Business results for the 3rd quarter (9 months) of FYE March 2013



9 months : Consolidated Automobile Units

(Thousand Units)

| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
|-----------------------|--|--|------------------------|
| Passenger cars | 76.9 | 86.9 | +10.0 |
| Minicars | 34.7 | 37.0 | +2.3 |
| Domestic total | 111.5 | 123.9 | +12.3 |
| U.S. | 259.4 | 326.4 | +67.0 |
| Canada | 23.6 | 27.2 | +3.6 |
| Russia | 13.3 | 9.5 | -3.8 |
| Europe | 34.9 | 23.5 | -11.4 |
| Australia | 28.3 | 29.6 | +1.4 |
| China | 40.3 | 29.6 | -10.7 |
| Others | 15.3 | 23.8 | +8.4 |
| Overseas total | 415.1 | 469.5 | +54.5 |
| Total | 526.6 | 593.4 | +66.8 |

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

* China figures are consolidated on the calendar year basis from Jan. to Sep.

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Consolidated automobile sales for the first nine months of the fiscal year ending March 2014 totaled 593.4 thousand units. This was the highest sales figure ever recorded for the first nine-month period thanks to robust sales mainly in the U.S. and Japan.

Domestic sales were up 12.3 thousand units year on year to reach 123.9 thousand units due to higher sales volumes of the Forester and the Impreza as well as enhanced product capability of minicars like the Stella and the Pleo.

Sales in overseas markets rose 54.5 thousand units to total 469.5 thousand units thanks to outstanding sales of the Forester and the Impreza which drove sales performance up in the U.S., Canada, Australia, and elsewhere.



9 months : Consolidated Income Statements

(100 Million Yen)

| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
|--|--|--|------------------------|
| Net sales | 13,707 | 17,085 | +3,378 |
| Domestic | 4,823 | 4,788 | -35 |
| Overseas | 8,884 | 12,297 | +3,413 |
| Operating income | 734 | 2,334 | +1,600 |
| Ordinary income | 634 | 2,214 | +1,580 |
| Income before taxes and minority interests | 617 | 2,671 | +2,054 |
| Net income | 531 | 1,815 | +1,284 |
| FHI exchange rate | ¥80/US\$ | ¥98/US\$ | +¥19/US\$ |

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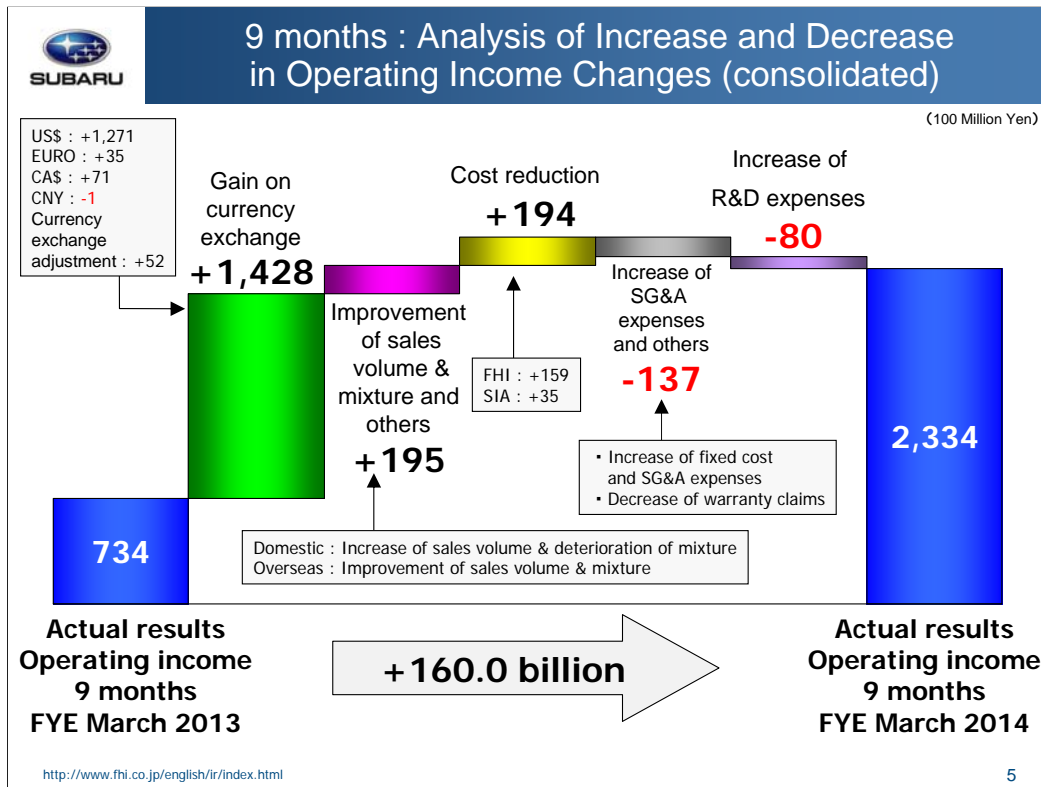
Looking at our consolidated results for the first nine months of this fiscal year, we see that both net sales and income were the highest they have ever been for any nine-month period.

Net sales increased 337.8 billion yen year on year to total 1,708.5 billion yen. The main factors behind this increase include a foreign exchange gain of 212.8 billion yen, a gain of 122.9 billion yen due to better sales mix variances resulting from increased new car sales, as well as a 2.1 billion yen increase in sales at Aerospace and Industrial products companies, etc.

Operating income rose 160.0 billion yen year on year to total 233.4 billion yen. This increase was mainly due to foreign exchange gains, improved sales mix variances, and reduced materials costs, etc., all of which offset an increase in SG&A and R&D expenses.

Income before taxes and minority interests totaled 267.1 billion yen, up 205.4 billion yen year on year, due to a gain on the sale of investment securities in addition to higher ordinary income.

Net income rose 128.4 billion yen to reach 181.5 billion yen.



Now let's look at the reasons behind the year-on-year increase of 160.0 billion yen in operating income that went from 73.4 billion yen to 233.4 billion yen.

The primary reason for the increase in operating income was a foreign exchange gain of 142.8 billion yen. This includes a gain of 127.1 billion yen due to an approximate 19 yen depreciation against the U.S. dollar, a gain of 3.5 billion yen due to an approximate 28 yen depreciation against the euro, and a gain of 7.1 billion yen due to an approximate 16 yen depreciation against the Canadian dollar. This figure also includes a gain of 5.2 billion yen due to foreign exchange adjustments for transactions between FHI and its overseas subsidiaries as well as a loss of 0.1 billion yen as a result of currency translations between the yen and the Chinese yuan.

Another contributing factor that brought operating income up is a favorable sales mix variance that led to a gain of 19.5 billion yen. This gain can be broken down into the following three areas.

First, we saw a gain of 3.8 billion yen in domestic new car sales.

Overall domestic sales exceeded last year's level thanks to increased sales of the Forester and the Impreza although the sales mix was not as good as it was last year due to the aging Legacy.

Next, we saw a gain of 29.2 billion yen in overseas new car sales.

Both the sales volume and sales mix improved thanks to strong sales of the Forester mainly in North America.

Finally, we had a loss of 13.5 billion yen due to inventory adjustments.

Another factor behind the jump in operating income was a gain of 19.4 billion yen due to cost reduction. This includes a gain of 15.9 billion yen generated by FHI as well as a gain of 3.5 billion yen coming from SIA.

FHI saw a gain of 15.7 billion yen due to cost reductions as a result of increased production, etc. and another gain of 0.2 billion yen due to lower material costs and better market conditions.

SIA yielded a gain of 2.7 billion yen through cost reductions and a gain of 0.8 billion yen due to materials prices, etc.

On the other hand, The main factor bringing operating income down was a loss of 13.7 billion yen due to increases in SG&A expenses. This loss can be broken down into the following three areas.

First, we saw a loss of 0.1 billion yen due to an increase in fixed manufacturing costs. This includes a loss of 2.1 billion yen generated by FHI as well as a gain of 2.0 billion yen coming from SIA.

FHI generated a loss of 1.1 billion yen due to increased costs for suppliers' dies and a loss of 1.0 billion yen due to higher fixed processing costs while SIA gained 2.0 billion yen due to lower costs for suppliers' dies.

The second factor is a loss of 17.5 billion yen due to an increase in SG&A expenses.

FHI lost 6.7 billion yen due to an increase in advertising costs, etc. as well as mounting transportation and packing costs that went hand in hand with the increasing sales volume.

The 17.5 billion yen loss also includes a loss of 1.9 billion yen at domestic dealers, a loss of 8.9 billion yen generated at SOA, a loss of 1.7 billion yen at our Canadian subsidiary, and a gain of 1.7 billion yen from other operations.

The third factor includes a decrease in costs associated with warranty claims that led to a gain of 3.9 billion yen.

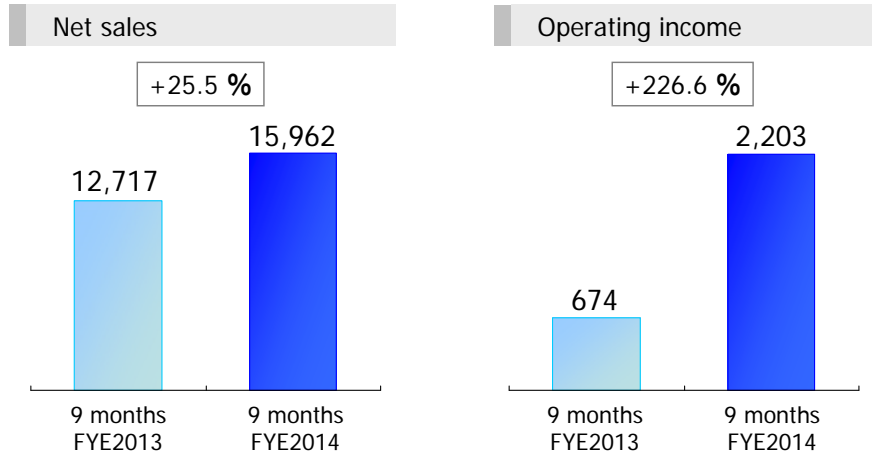
Finally, an increase in R&D expenses resulted in a loss of 8.0 billion yen.

These factors combined brought consolidated operating income for the first nine-month period of the fiscal year ending March 2014 up 160.0 billion yen to total 233.4 billion yen.



9 months : Automobile Segment (Consolidated)

(100 Million Yen)



- Net sales to be increased due to increase of sales in Japan and US and gain on currency.
- Operating income to be increased due to increase of sales units and cost reduction offset increase of SG&A costs.

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Let's move on to net sales by business segment.

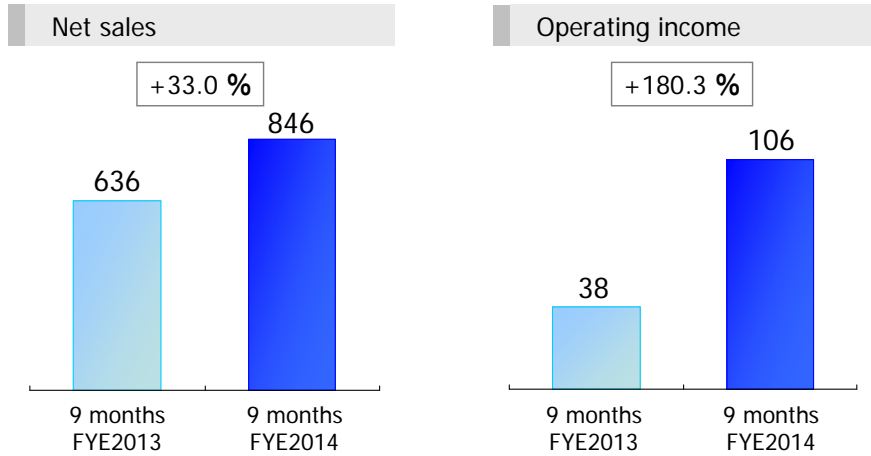
The automobile segment saw net sales rise by 324.5 billion yen year on year to total 1,596.2 billion yen. This increase was due to climbing sales volumes and better sales mix primarily in Japan and the U.S. on top of a foreign exchange gain of 201.6 billion yen, all of which offset declining sales volumes in Europe and China.

Operating income for the segment rose 152.8 billion yen year on year to total 220.3 billion yen. This uptick came from increased sales volumes in Japan and the U.S., further cost reductions, as well as foreign exchange gains totaling 126.9 billion yen, etc. despite an increase in SG&A, R&D and other expenses.



9 months : Aerospace Segment (Consolidated)

(100 Million Yen)



- Increase in both sales and operating income.
- Increase in both Defense and Commercial Sectors with gain on currency exchange.

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

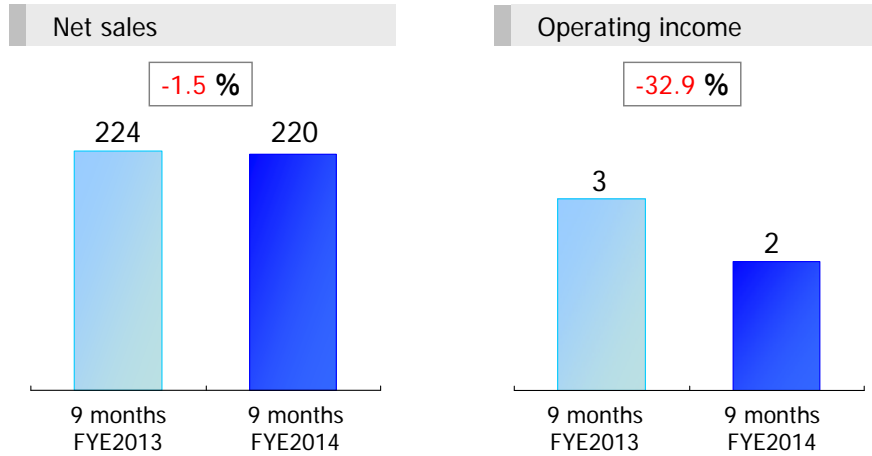
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The aerospace segment saw sales rise in the defense sector as well as an increase in the sales for the Boeing 777, 787 and other models in the commercial aircraft sector. Robust sales as well as foreign exchange gains brought net sales for the sector up 21.0 billion yen year on year to total 84.6 billion yen. Operating income also rose 6.8 billion yen for a total of 10.6 billion yen.



9 months : Industrial Products Segment (Consolidated)

(100 Million Yen)



- Decrease in both net sales and operating income.
- Despite increase of engines sales in Japan and Asia, sales decrease in engines for leisure vehicles for North America.

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

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Sales of the industrial products segment's leisure vehicle engines were down in North America while there were some upbeat developments, including a jump in engine sales in Japan and Asia, as well as foreign exchange gains as a result of the devaluation of the excessively strong yen. These factors combined brought the segment's net sales down 0.3 billion yen year on year to total 22.0 billion yen. Operating income also fell 0.1 billion yen to hit 0.2 billion yen.



9 months : Non-Operating Income & Expenses and Extraordinary Income & Loss (Consolidated)

(100 Million Yen)

| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
|---|--|--|------------------------|
| Financial revenue and expenditure | -8 | 1 | +8 |
| FOREX effects | -79 | -108 | -28 |
| Other | -12 | -12 | +0 |
| Total non-operating income & expenses | -99 | -119 | -20 |
| Gain on sales of investment securities | 5 | 472 | +468 |
| Loss on sales and retirement of noncurrent assets | -16 | -17 | -1 |
| Other | -6 | 1 | +7 |
| Total extraordinary income & loss | -17 | 457 | +474 |

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

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Let's move on to non-operating income and expenses as well as extraordinary profit and loss.

Net non-operating income fell 2.0 billion yen year on year, leading to a loss of 11.9 billion yen.

This includes financial revenue totaling 0.1 billion yen and a loss of 10.8 billion yen due to foreign exchange fluctuations.

Foreign exchange fluctuations had an impact on non-operating income and expenses mainly in the following two areas: (1) gains and losses on revaluation of derivatives, and (2) foreign exchange gains and losses. Net loss on revaluation of derivatives that totaled 6.4 billion yen in the same period last year decreased by 4.8 billion yen, leading to a net loss of 1.6 billion yen.

Looking at foreign exchange gains and losses, we saw a year-on-year loss of 5.2 billion yen in foreign exchange adjustments with overseas subsidiaries as well as a loss of 2.5 billion yen due to the difference between market and hedge rates. These factors combined generated a loss of 7.7 billion yen, resulting in a net foreign exchange loss of 9.2 billion yen.

Extraordinary gains increased 47.4 billion yen year on year to total 45.7 billion yen due to a gain of 47.2 billion yen on the sale of investment securities.



Consolidated Balance Sheets

(100 Million Yen)

| | As of Mar. 2013 | As of Dec. 2013 | Increase / Decrease |
|--------------------------------------|-----------------|-----------------|---------------------|
| Total assets | 15,775 | 17,859 | +2,085 |
| Current assets | 9,440 | 11,565 | +2,124 |
| Noncurrent assets | 6,334 | 6,295 | -39 |
| Interest bearing debts | 3,072 | 2,760 | -312 |
| Net assets | 5,968 | 7,643 | +1,675 |
| Retained earnings | 3,014 | 4,595 | +1,581 |
| Shareholder's equity | 5,954 | 7,612 | +1,658 |
| Shareholder's equity to total assets | 37.7% | 42.6% | +4.9 |
| D/E ratio | 0.52 | 0.36 | -0.15 |

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

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The balance sheet shows total assets as of the end of December 2013 increasing by 208.5 billion yen from the end of March 2013 to total 1,785.9 billion yen.

This increase was due primarily to a jump in net income resulting from higher sales volumes as well as the positive impact of currency fluctuations which generated a gain of 59.6 billion yen.

Interest-bearing debt declined 31.2 billion yen to reach 276.0 billion yen due to the repayment of loans.

Net assets totaled 764.3 billion yen, up 167.5 billion yen, due primarily to a 158.1 billion yen increase in retained earnings.

The shareholders' equity to total assets ratio rose 4.9 percentage points from what it was at the end of the previous fiscal year to hit 42.6%. The debt-to-equity ratio climbed 0.15 points to reach 0.36.



9 months : Consolidated Statement of Cash Flows

(100 Million Yen)

| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
|--|--|--|------------------------|
| Net cash provided by (used in) operating activities | 1,113 | 2,215 | +1,102 |
| Net cash provided by (used in) investing activities | -467 | -121 | +345 |
| Free cash flows | 646 | 2,094 | +1,447 |
| Net cash provided by (used in) financing activities | -439 | -547 | -108 |
| Effect of exchange rate change on cash and cash equivalents | 45 | 145 | +99 |
| Net increase (Decrease) in cash and cash equivalents | 252 | 1,691 | +1,438 |
| Cash and cash equivalents at beginning of period | 2,581 | 3,289 | +709 |
| Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | 213 | 1 | -212 |
| Cash and cash equivalents at end of period | 3,046 | 4,982 | - |

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

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Moving on to cash flows, we see that net cash from operating activities totaled 221.5 billion yen for a 110.2 billion yen year-on-year increase. This jump is due to better business performance that brought net income before taxes and minority interests up as well as the devaluation of the yen against other currencies.

Net cash used for investment activities increased 34.5 billion yen, resulting in a cash outflow of 12.1 billion yen. This increase was due to the sale of investment securities in addition to our ongoing initiatives to boost production capacity as well as other investments made according to our carefully planned investment strategies.

Free cash flows increased by 144.7 billion yen to reach 209.4 billion yen.

Net cash from financing activities dropped 10.8 billion yen to a negative 54.7 billion yen due primarily to the repayment of loans as well as dividend payments.

Cash and cash equivalents totaled 498.2 billion yen.



9 months : Operating Results of Subsidiaries in U.S.

(Million US\$)

| SOA | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
|---------------------------------------|--|--|------------------------|
| Net sales | 6,385 | 8,115 | +1,730 |
| Operating income | 130 | 199 | +69 |
| Net income | 85 | 123 | +38 |
| Retail sales (Thousand units) | 254.9 | 331.0 | +76.1 |
| SIA | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
| Net sales | 3,021 | 2,817 | -204 |
| Operating income | 30 | 162 | +132 |
| Net income | 19 | 102 | +83 |
| Subaru production (Thousand units) | 131.7 | 119.7 | -12.0 |

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

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SOA's retail sales climbed 76.1 thousand units year on year to reach 331 thousand units as sales of the new Forester and the XV remained upbeat.

Net sales also jumped 1,730 million dollars year on year to total 8,115 million dollars.

Operating income was up 69 million dollars year on year to total 199 million dollars. This increase comes from a gain of 181 million dollars due to favorable sales volume and mix variances despite a loss of 112 million dollars from higher SG&A expenses.

SIA's net sales totaled 2,817 million dollars, down 204 million dollars year on year.

Operating income rose 132 million dollars year on year to reach 162 million dollars. The factors behind the increase include a gain of 63 million dollars due to sales price and volume variances, a gain of 44 million dollars brought by overall cost reduction efforts as well as a gain of 25 million dollars due to a decrease in fixed costs.

Outlook for the term Ending March 2014



Full Year : Consolidated Automobile Sales Plan

(Thousand Units)

| | Actual results FYE 2013 | Plan FYE 2014 | Increase / Decrease |
|----------------|----------------------------|------------------|------------------------|
| Passenger cars | 112.8 | 135.0 | +22.3 |
| Minicars | 50.4 | 53.8 | +3.4 |
| Domestic total | 163.1 | 188.8 | +25.7 |
| U.S. | 357.6 | 439.8 | +82.3 |
| Canada | 32.6 | 36.0 | +3.4 |
| Russia | 14.7 | 15.4 | +0.7 |
| Europe | 46.4 | 31.9 | -14.5 |
| Australia | 38.1 | 39.1 | +1.0 |
| China | 50.2 | 44.8 | -5.4 |
| Others | 21.7 | 33.4 | +11.7 |
| Overseas total | 561.3 | 640.5 | +79.1 |
| Total | 724.5 | 829.3 | +104.8 |

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

* China figures are consolidated on the calendar year basis from Jan. to Dec. 14

Consolidated automobile sales for the fiscal year ending March 2014 is projected to reach an all-time high of 829.3 thousand units.

We expect that sales of the Forester and the Impreza will remain robust and drive the domestic sales volume up 25.7 thousand units year on year to reach 188.8 thousand units.

The overseas sales volume is projected to total 640.5 thousand units, an increase of 79.1 thousand units, due to healthy sales in North America and other markets.

We expect the sales volume total to be 22 thousand units higher than our previous forecast announced at the end of the second quarter, with an increase of 18.9 thousand units in domestic passenger vehicle sales and a sales volume increase of 3.1 thousand units in the U.S.



Full Year : Consolidated Operating Plan

(100 Million Yen)

| | Actual results FYE 2013 | Plan FYE 2014 | Increase / Decrease |
|--|----------------------------|------------------|------------------------|
| Net sales | 19,130 | 23,800 | +4,670 |
| Domestic | 6,718 | 6,495 | -223 |
| Overseas | 12,411 | 17,305 | +4,893 |
| Operating income | 1,204 | 3,100 | +1,896 |
| Ordinary income | 1,006 | 2,940 | +1,934 |
| Income before taxes and minority interests | 931 | 3,331 | +2,400 |
| Net income | 1,196 | 2,210 | +1,014 |
| FHI exchange rate | ¥82/US\$ | ¥99/US\$ | +¥17/US\$ |

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

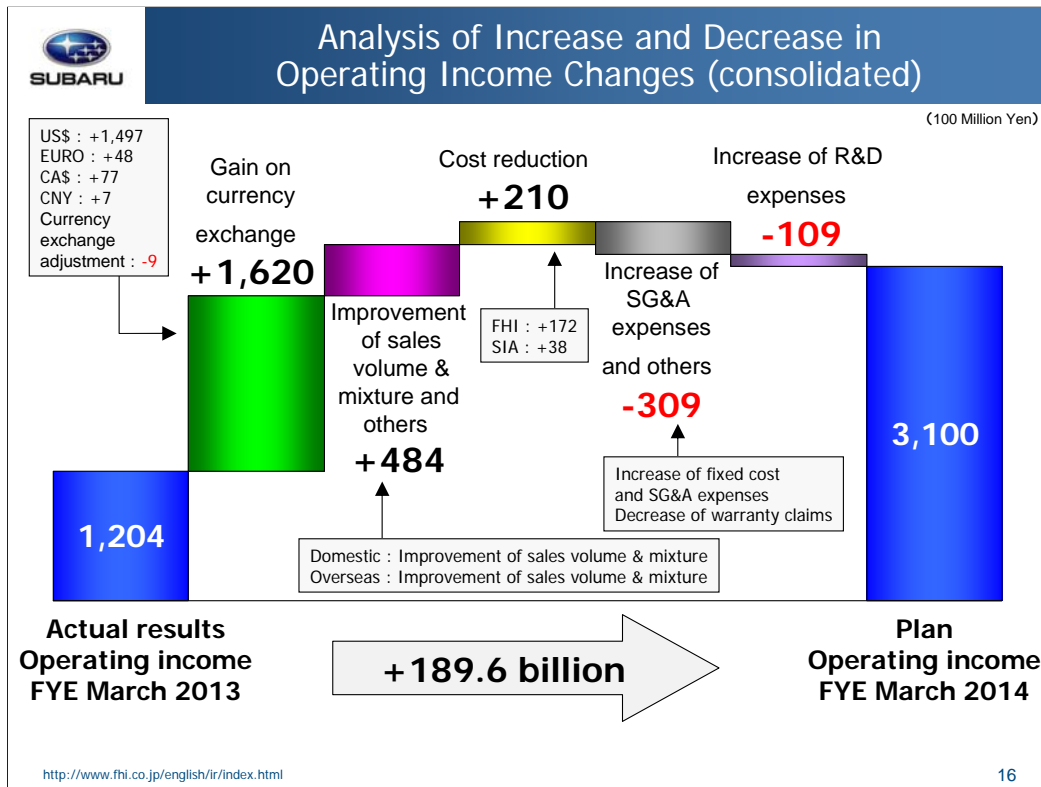
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Moving on to our consolidated operating plan, we project that net sales will rise 467.0 billion yen year on year to total 2,380 billion yen. This increase will come from a gain of 180.4 billion yen resulting from a better sales mix variance in North America and other markets as well as a gain of 21.3 billion yen from increased sales at the FHI companies, etc. on top of a foreign exchange gain of 265.3 billion yen.

Operating income is projected to be up 189.6 billion yen year on year for a total of 310.0 billion yen. The factors behind this increase include foreign exchange gains, a better sales mix variance, and reduced materials costs, which will offset the higher SG&A and R&D expenses.

Income before taxes and minority interests is projected to total 333.1 billion yen, up 240.0 billion yen since we posted a gain on the sale of investment securities. Net income is projected to increase 101.4 billion yen over what it was last fiscal year when we reposted deferred tax assets. The total for net income will reach 221.0 billion yen since we expect tax expenses to be at a normal level.

We made upward revisions to our performance forecast announced previously, including increases of 80.0 billion yen for net sales, 32.0 billion yen for operating income, 22.0 billion yen for ordinary income, 22.0 billion yen for income before taxes and minority interests, and 14.0 billion yen for net income.



Now let's look at the factors behind the projected year-on-year 189.6 billion yen increase in operating income that will take us from 120.4 billion yen to 310.0 billion yen.

The primary reason for the increase in operating income will be a foreign exchange gain of 162.0 billion yen. This includes a gain of 149.7 billion yen due to an approximate 16 yen depreciation against the U.S. dollar, a gain of 4.8 billion yen due to an approximate 27 yen appreciation against the euro, a gain of 7.7 billion yen due to an approximate 13 yen drop against the Canadian dollar, as well as a gain of 0.7 billion yen as a result of currency translations between the yen and the Chinese yuan. This figure also includes a 0.9 billion yen loss due to foreign exchange adjustments for transactions between FHI and its overseas subsidiaries.

Another contributing factor that will bring operating income up is a favorable sales mix variance that will lead to a gain of 48.4 billion yen. This gain can be broken down into the following three areas.

First off there will be a gain of 3.6 billion yen associated with domestic sales of new models.

Next, we will see a gain of 48.5 billion yen from sales of new models in overseas markets.

We expect increased sales volumes in North America as well as strong sales of the Forester worldwide will improve both the sales volume and sales mix.

Finally, we expect a loss of 3.7 billion yen due to inventory adjustments.

Another factor behind the jump in operating income will be a gain of 21.0 billion yen from cost cuts. This will include a gain of 17.2 billion yen to be generated by FHI as well as a gain of 3.8 billion yen coming from SIA.

FHI is expected to generate a gain of 21.0 billion yen through cost reductions and a loss of 3.8 billion yen due to the rising cost of materials and other negative market factors.

SIA will generate a gain of 2.9 billion yen due to cost cuts and a gain of 0.9 billion yen as a result of lower material costs.

The primary factor that will bring operating income down will be a loss of 30.9 billion yen due to increases in SG&A expenses. This loss can be broken down into the following three areas:

First, we will see a loss of 1.9 billion yen due to an increase in fixed manufacturing costs. This includes a loss of 4.8 billion yen coming from FHI as well as a gain of 2.9 billion yen coming from SIA.

FHI is expected to generate a loss of 0.8 billion yen due to increased costs for suppliers' dies and a loss of 4.0 billion yen due to higher fixed processing costs.

SIA is expected to gain 2.8 billion yen due to lower costs for suppliers' dies and gain 0.1 billion yen due to lower fixed processing costs.

Next we will see a loss of 32.7 billion yen due to an increase in SG&A expenses. This will include losses of 8.8 billion yen at FHI, 2.2 billion yen at domestic dealers, 17.4 billion yen at SOA, 2.6 billion yen at our Canadian subsidiary, and 1.7 billion yen coming from other operations.

Most of these increases are associated with the growing sales volume, but also included future investment for strengthening our sales network in the US.

The third factor includes a decrease in costs associated with warranty claims that will lead to a gain of 3.7 billion yen.

Finally, an increase in R&D expenses is expected to result in a loss of 10.9 billion yen.

All these factors combined will bring consolidated operating income for the fiscal year ending March 2014 up 189.6 billion yen year on year to total 310.0 billion yen.



Full Year : Operating Plan of Subsidiaries in U.S.

(Million US\$)

| SOA | Actual results FYE 2013 | Plan FYE 2014 | Increase / Decrease |
|----------------------------------|----------------------------|------------------|------------------------|
| Net sales | 8,805 | 10,935 | +2,130 |
| Operating income | 133 | 175 | +42 |
| Net income | 97 | 109 | +12 |
| Retail sales (Thousand units) | 347.1 | 435.1 | +88.0 |

| SIA | Actual results FYE 2013 | Plan FYE 2014 | Increase / Decrease |
|---------------------------------------|----------------------------|------------------|------------------------|
| Net sales | 4,158 | 3,839 | -319 |
| Operating income | 71 | 257 | +186 |
| Net income | 46 | 155 | +109 |
| Subaru production (Thousand units) | 181.2 | 163.5 | -17.7 |

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

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SOA's retail sales for this fiscal year is expected to jump 88 thousand units year on year for a total of 435.1 thousand units as we work to keep the momentum up.

Net sales will increase 2,130 million dollars year on year to reach 10,935 million dollars while operating income will rise 42 million dollars year on year to total 175 million dollars. This increase will come from a gain of 249 million dollars from favorable sales volumes and mix variances despite a loss of 207 million dollars due to higher SG&A expenses.

SIA's net sales are expected to decline 319 million dollars before totaling out at 3,839 million dollars.

Operating income will climb 186 million dollars year on year to reach 257 million dollars. Factors for the increase will include a gain of 105 million dollars due to sales price and volume variances, a gain of 46 million dollars from cost reduction efforts, as well as a gain of 35 million dollars generated by a decrease in fixed costs.



Capex / Depreciation / R&D / Interest bearing debt

(100 Million Yen)

| | FYE2013 | | FYE2014 | | Increase / Decrease (b) - (a) |
|-----------------------|-------------------------|------------------------------|-------------------------|--------------------|-------------------------------|
| | Actual results 9 months | Actual Results Full year (a) | Actual results 9 months | Plan Full year (b) | |
| Capex | 484 | 702 | 412 | 720 | +18 |
| Depreciation | 389 | 559 | 394 | 550 | -9 |
| R&D | 353 | 491 | 433 | 600 | +109 |
| Interest bearing debt | 3,236 | 3,072 | 2,760 | 2,700 | -372 |

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

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Appendix (1)

- Segment information (by Business / Geographic)
- Overseas net sales
- Non-consolidated automobile sales
- 3rd quarter (3 months), consolidated statements income
- 2nd half (6 months), consolidated statements income
- Full year, Previous plan vs. revised plan



9 months : Net Sales and Operating Income by Business Segment (consolidated)

(100 Million Yen)

| | Net sales | | | Operating income | | |
|---------------------------|--|--|---------------------------|--|--|---------------------------|
| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
| Automobile | 12,717 | 15,962 | +3,245 | 674 | 2,203 | +1,528 |
| Aerospace | 636 | 846 | +210 | 38 | 106 | +68 |
| Industrial products | 224 | 220 | -3 | 3 | 2 | -1 |
| Others | 130 | 56 | -73 | 15 | 18 | +3 |
| Elimination and corporate | / | / | / | 4 | 4 | +1 |
| Total | 13,707 | 17,085 | +3,378 | 734 | 2,334 | +1,600 |

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

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9 months : Consolidated Operating Income by Geographic Area

(100 Million Yen)

| | Net sales | | | Operating income | | |
|---------------------------|--|--|---------------------------|--|--|---------------------------|
| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
| Japan | 6,600 | 6,839 | +238 | 595 | 2,038 | +1,443 |
| North America | 5,859 | 9,084 | +3,225 | 146 | 434 | +288 |
| Other | 1,248 | 1,163 | -86 | -2 | -5 | -3 |
| Elimination and corporate | | | | -6 | -133 | -128 |
| Total | 13,707 | 17,085 | +3,378 | 734 | 2,334 | +1,600 |

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

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9 months : Overseas Net Sales

(100 Million Yen)

| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
|---------------|--|--|------------------------|
| North America | 6,273 | 9,640 | +3,367 |
| Europe | 960 | 837 | -124 |
| Asia | 880 | 916 | +36 |
| Other | 771 | 904 | +133 |
| Total | 8,884 | 12,297 | +3,413 |



9 months : Non-Consolidated Automobiles Units

(Thousand Units)

| | Actual Results 9 months FYE 2013 | Actual Results 9 months FYE 2014 | Increase / Decrease |
|---------------------------------------|--|--|------------------------|
| Domestic production | 425.6 | 482.3 | +56.7 |
| Domestic sales | 119.4 | 131.2 | +11.8 |
| Passenger cars | 84.5 | 90.9 | +6.5 |
| Minicars | 34.9 | 40.3 | +5.4 |
| Number of vehicles exported | 284.6 | 371.6 | +87.0 |
| Components for overseas production | 136.0 | 124.3 | -11.6 |
| Total | 539.9 | 627.2 | +87.3 |

* Domestic Production figures include Toyota 86.

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

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3rd Quarter : Consolidated Automobile Units

(Thousand Units)

| | Actual Results Q3 FYE 2013 | Actual Results Q3 FYE 2014 | Increase / Decrease |
|----------------|----------------------------------|----------------------------------|------------------------|
| Passenger cars | 31.5 | 25.1 | -6.4 |
| Minicars | 8.1 | 11.4 | +3.3 |
| Domestic total | 39.6 | 36.5 | -3.0 |
| U.S. | 95.0 | 117.5 | +22.4 |
| Canada | 7.3 | 8.5 | +1.2 |
| Russia | 2.2 | 2.7 | +0.5 |
| Europe | 9.5 | 8.1 | -1.4 |
| Australia | 6.2 | 8.3 | +2.1 |
| China | 13.7 | 10.6 | -3.1 |
| Others | 4.7 | 8.4 | +3.8 |
| Overseas total | 138.6 | 164.2 | +25.6 |
| Total | 178.2 | 200.8 | +22.6 |

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

* China figures are consolidated on the calendar year basis from Jul. to Oct. 24



3rd Quarter : Consolidated Income Statements

(100 Million Yen)

| | Actual Results Q3 FYE 2013 | Actual Results Q3 FYE 2014 | Increase / Decrease |
|--|----------------------------------|----------------------------------|------------------------|
| Net sales | 4,727 | 5,829 | +1,102 |
| Domestic | 1,725 | 1,482 | -243 |
| Overseas | 3,002 | 4,347 | +1,345 |
| Operating income | 301 | 827 | +525 |
| Ordinary income | 181 | 752 | +571 |
| Income before taxes and minority interests | 159 | 1,218 | +1,059 |
| Net income | 127 | 817 | +690 |
| FHI exchange rate | ¥79/US\$ | ¥99/US\$ | +¥20/US\$ |

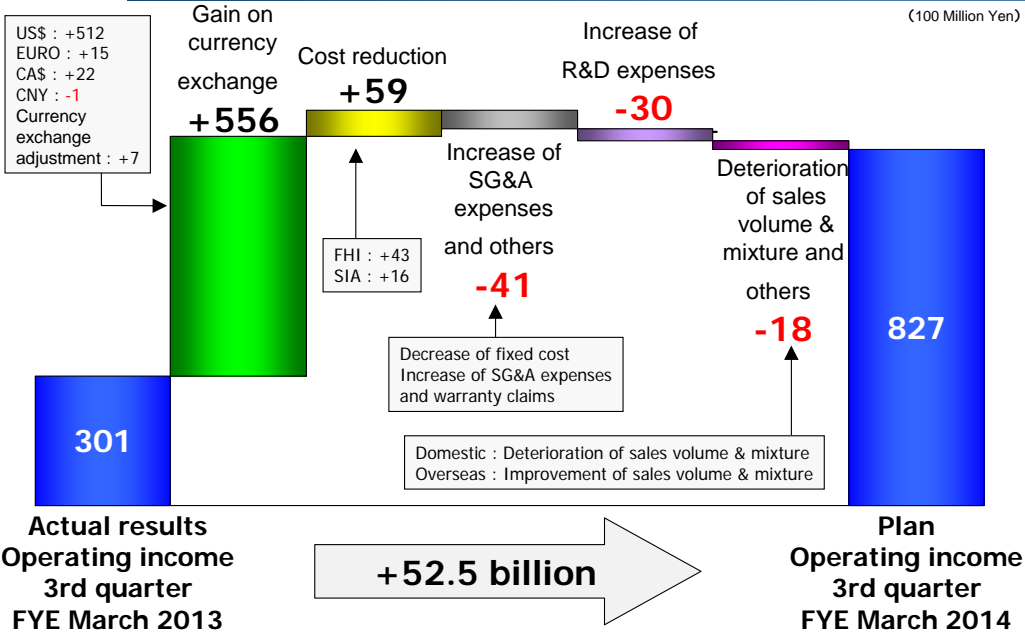
<http://www.fhi.co.jp/english/ir/index.html>

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3rd Quarter : Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 Million Yen)



US\$: +512
 EURO : +15
 CAS\$: +22
 CNY : -1
 Currency exchange adjustment : +7

Actual results
 Operating income
 3rd quarter
 FYE March 2013

+52.5 billion

Plan
 Operating income
 3rd quarter
 FYE March 2014

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



2nd Half : Consolidated Automobile Sales Plan

(Thousand Units)

| | Actual Results 2nd Half FYE 2013 | Plan 2nd Half FYE 2014 | Increase / Decrease |
|-----------------------|--|------------------------------|------------------------|
| Passenger cars | 67.4 | 73.3 | +5.9 |
| Minicars | 23.8 | 28.2 | +4.4 |
| Domestic total | 91.1 | 101.5 | +10.3 |
| U.S. | 193.2 | 230.9 | +37.7 |
| Canada | 16.3 | 17.3 | +1.0 |
| Russia | 3.6 | 8.6 | +5.0 |
| Europe | 21.0 | 16.5 | -4.5 |
| Australia | 16.1 | 17.8 | +1.8 |
| China | 23.6 | 25.9 | +2.3 |
| Others | 11.0 | 18.1 | +7.0 |
| Overseas total | 284.9 | 335.2 | +50.3 |
| Total | 376.0 | 436.6 | +60.6 |

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

* China figures are consolidated on the calendar year basis from Jul. to Dec. 27



2nd Half : Consolidated Operating Plan

(100 Million Yen)

| | Actual Results 2nd Half FYE 2013 | Plan 2nd Half FYE 2014 | Increase / Decrease |
|--|--|------------------------------|------------------------|
| Net sales | 10,149 | 12,544 | +2,394 |
| Domestic | 3,621 | 3,189 | -431 |
| Overseas | 6,529 | 9,354 | +2,825 |
| Operating income | 772 | 1,593 | +821 |
| Ordinary income | 553 | 1,478 | +925 |
| Income before taxes and minority interests | 472 | 1,878 | +1,406 |
| Net income | 791 | 1,212 | +420 |
| FHI exchange rate | ¥84/US\$ | ¥99/US\$ | +¥15/US\$ |

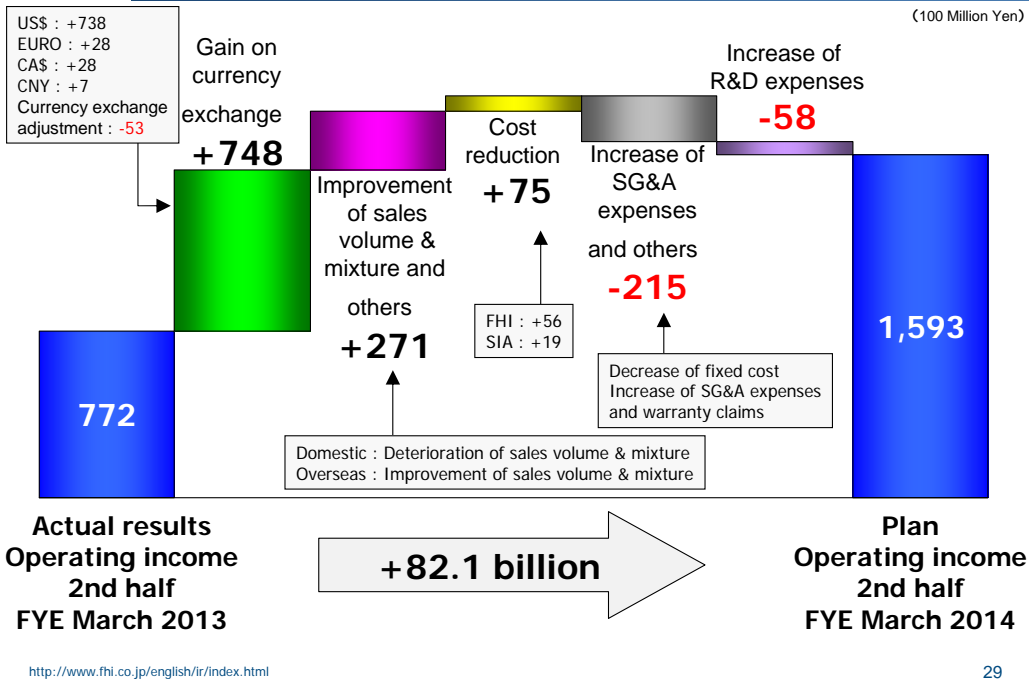
<http://www.fhi.co.jp/english/ir/index.html>

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2nd Half : Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 Million Yen)





Full Year : Consolidated Automobile Units Previous plan vs. Revised plan

(Thousand Units)

| | Previous plan FYE 2014 | Revised plan FYE 2014 | Increase / Decrease |
|----------------|---------------------------|--------------------------|------------------------|
| Passenger cars | 116.3 | 135.0 | +18.7 |
| Minicars | 53.6 | 53.8 | +0.2 |
| Domestic total | 169.9 | 188.8 | +18.9 |
| U.S. | 434.8 | 439.8 | +5.0 |
| Canada | 35.9 | 36.0 | +0.1 |
| Russia | 15.4 | 15.4 | -0.0 |
| Europe | 34.6 | 31.9 | -2.8 |
| Australia | 39.9 | 39.1 | -0.8 |
| China | 44.2 | 44.8 | +0.6 |
| Others | 32.5 | 33.4 | +0.9 |
| Overseas total | 637.4 | 640.5 | +3.1 |
| Total | 807.3 | 829.3 | +22.0 |

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

* China figures are consolidated on the calendar year basis from Jan. to Dec. 30



Full Year : Consolidated Income Statements Previous Plan vs. Revised Plan

(100 Million Yen)

| | Previous plan FYE 2014 | Revised plan FYE 2014 | Increase / Decrease |
|--|---------------------------|--------------------------|------------------------|
| Net sales | 23,000 | 23,800 | +800 |
| Domestic | 6,437 | 6,495 | +58 |
| Overseas | 16,563 | 17,305 | +742 |
| Operating income | 2,780 | 3,100 | +320 |
| Ordinary income | 2,720 | 2,940 | +220 |
| Income before taxes and minority interests | 3,111 | 3,331 | +220 |
| Net income | 2,070 | 2,210 | +140 |
| FHI exchange rate | ¥97/US\$ | ¥99/US\$ | +¥2/US\$ |

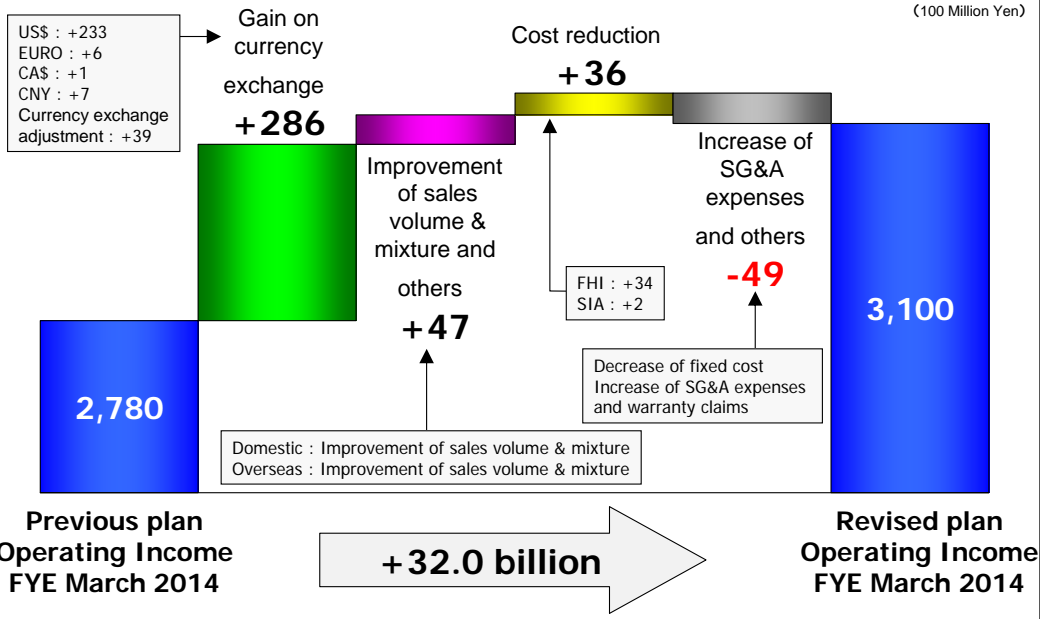
<http://www.fhi.co.jp/english/ir/index.html>

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

(100 Million Yen)



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

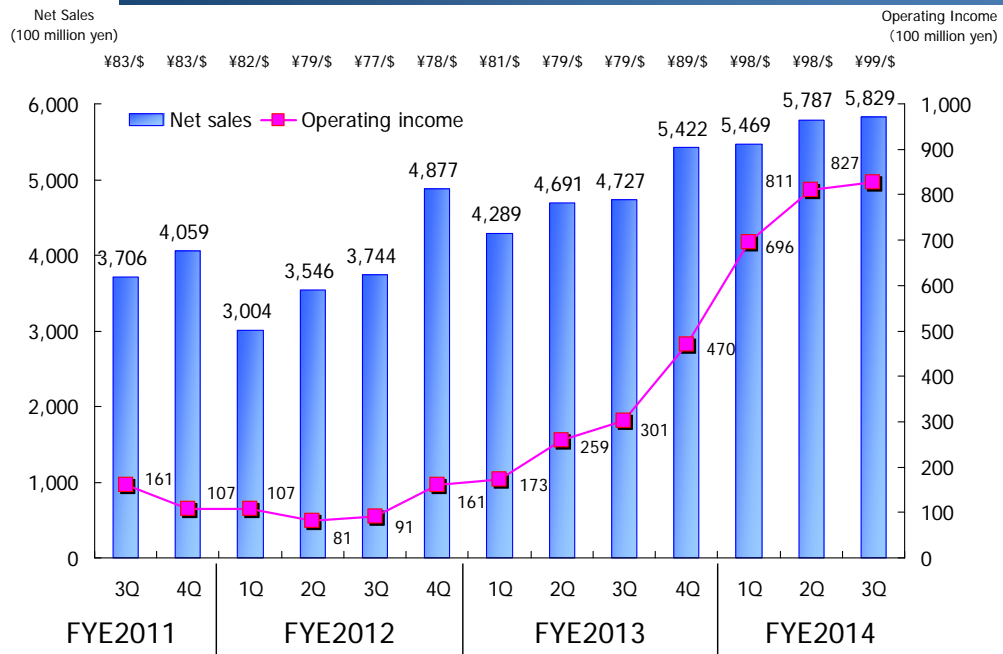
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Appendix (2)

- Net sales / Operating income
- Consolidated automobile units / OPM
- Complete cars production / Retail units
- FCF / Shareholders' equity to total assets
- Interest-bearing debt / D/E ratio



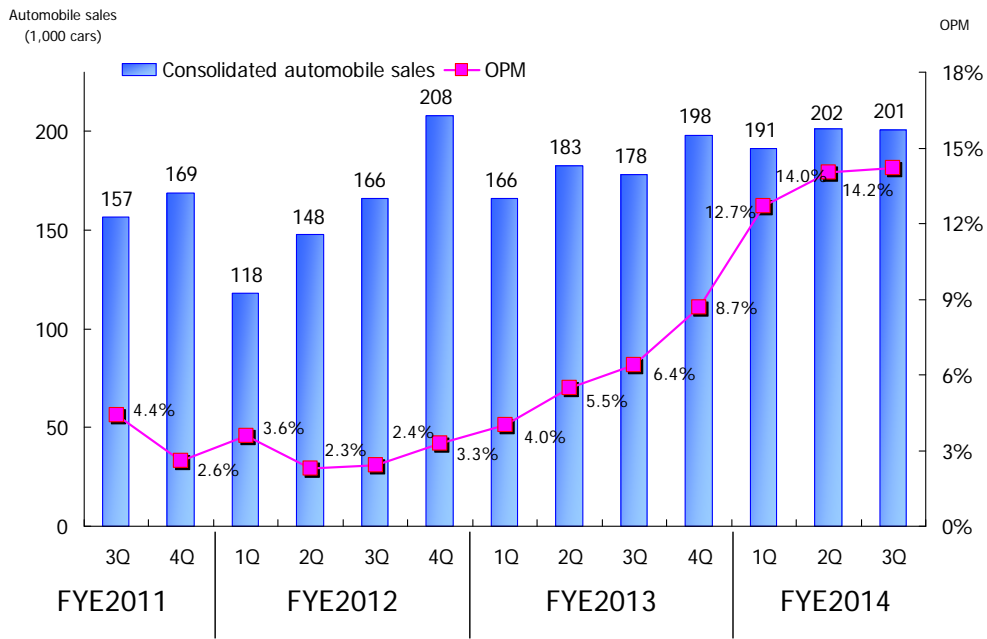
Net Sales & Operating Income



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



Consolidated Automobile Units & Operating Income Margin



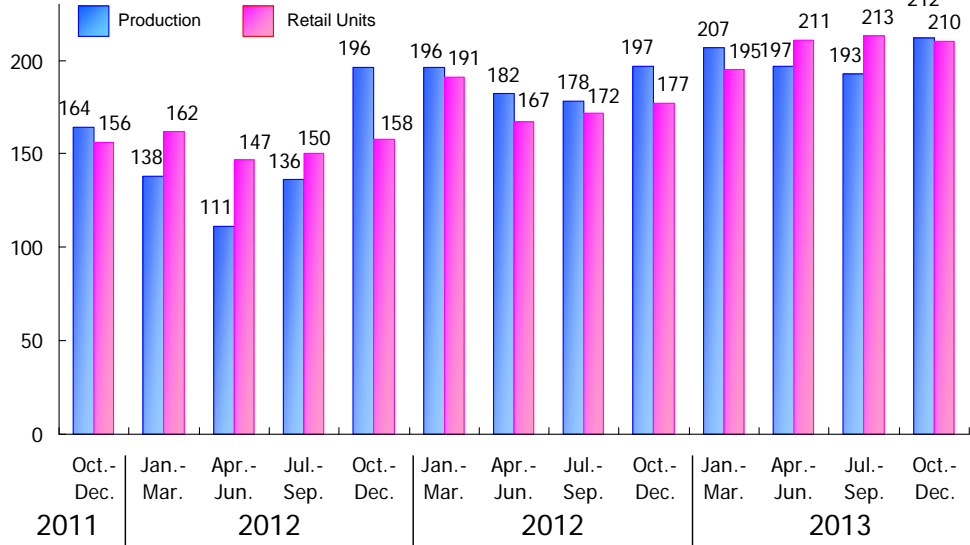
<http://www.fhi.co.jp/english/ir/index.html>

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Complete Cars Production & Retail Units

Units
(1000 units)



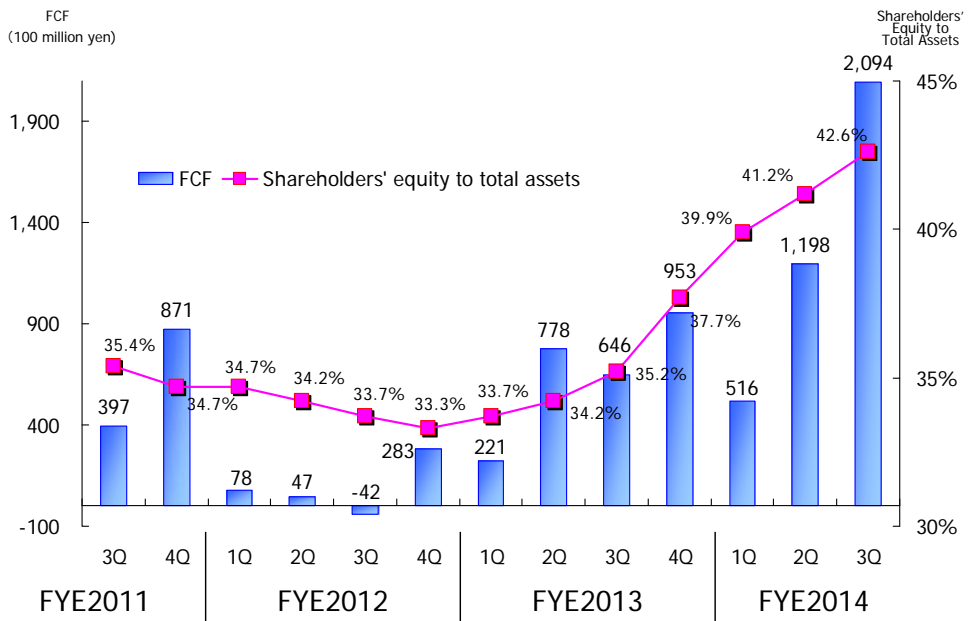
<http://www.fhi.co.jp/english/ir/index.html>

* Production figures include Toyota 86.

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Free Cash Flows & Shareholders' Equity to Total Assets



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

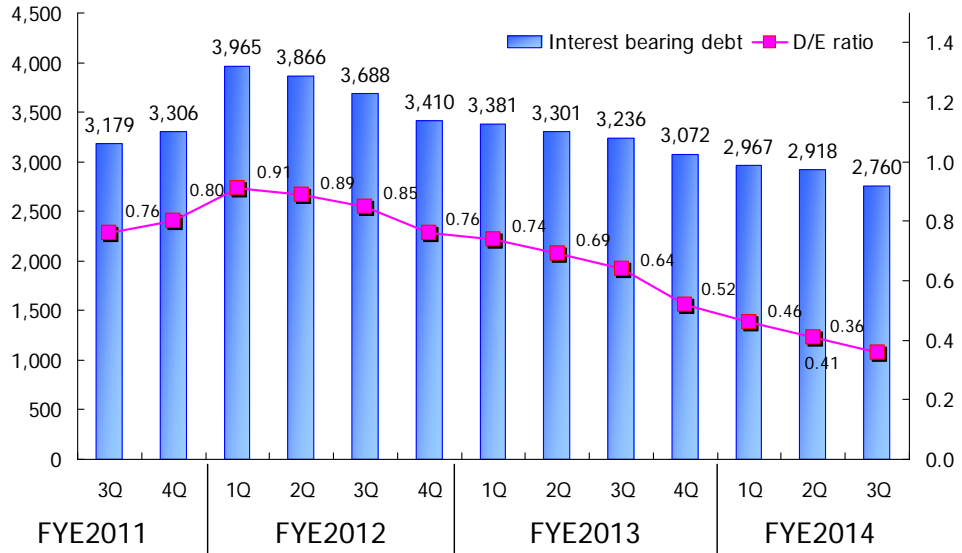
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Interest-Bearing Debt & D/E Ratio

Interest Bearing Debts
(100 million yen)

D/E ratio



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

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Forward-looking statements including projections and future strategies mentioned in this presentation are based on currently available information and assumptions and are subject to risks and uncertainties. Actual results may vary materially as a result of various factors including, without limitation, economic conditions, market demand and fluctuations in foreign exchange rates. Investors are asked not to rely solely on the information in this presentation when they make their final investment decisions.

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



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