

Consolidated Financial Results

For the First Quarter of the Fiscal Year Ending March 31, 2016 (Japan GAAP)



July 31, 2015

Company Name : **Fuji Heavy Industries Ltd.** (Tokyo Stock Exchange First Section, Code No.: 7270)
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 Scheduled date of submitting Quarterly Report : August 7, 2015
 Scheduled date for dividend payment : -
 Quarterly earnings supplementary explanatory documents : Yes
 Holding of quarterly financial results meeting : Yes(for investment analysts and institutional investors)

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

1. Consolidated Results for the First Quarter of Fiscal Year 2016 (April 1, 2015 to June 30, 2015)

(1) Consolidated Results of Operations (for three-month period)

(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 attributable to owners of parent	
1st Quarter of FY2016	765,266	29.0%	134,210	70.5%	130,053	61.4%	84,184	61.1%
1st Quarter of FY2015	593,388	8.5%	78,721	13.0%	80,575	24.9%	52,246	7.8%

Note: Comprehensive income 1st Quarter of FY2016: 94,934 million yen (75.9%) 1st Quarter of FY2015: 53,970 million yen (-%)

	Net income per share, basic (Yen)	Net income per share, diluted (Yen)
1st Quarter of FY2016	107.88	—
1st Quarter of FY2015	66.95	—

(2) Consolidated Financial Position

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

	Total assets	Net assets	Shareholders' equity to total assets (%)
1st Quarter of FY2016	2,231,174	1,096,813	48.8%
FY2015	2,199,714	1,030,719	46.5%

Reference: Shareholders' equity As of June 30, 2015: 1,087,847 million yen As of March 31, 2015: 1,022,417 million yen

2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2015	—	31.00	—	37.00	68.00
FY 2016	—	—	—	—	—
FY 2016 (Forecast)	—	—	—	—	—

Note: Revision of the forecasts in the first quarter of the fiscal year ending March 31, 2016: No

3. Projection of Consolidated Results for Fiscal Year 2016 (April 1, 2015 to March 31, 2016)

(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 attributable to owners of parent		Net income per share, basic (Yen)
1st half	1,475,000	12.6%	244,000	31.4%	240,000	36.4%	163,000	44.2%	208.87
Full year	3,030,000	5.3%	503,000	18.9%	495,000	25.7%	337,000	28.7%	431.84

Note: Revision of the forecasts at the timing of announcement of the results of first quarter of the fiscal year ending March 31, 2016: No

4. Others

- (1) Changes of significant subsidiaries in the first quarter of fiscal year 2016 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing the quarterly consolidated financial statements : Yes
- (3) Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements
- [1] Changes due to revisions of accounting standards : Yes
- [2] Changes due to other reasons : No
- [3] Changes of estimation due to accounting issues : No
- [4] Restatements : No
- (4) Number of outstanding shares (Common Stock)
- | | | | | |
|---|------------------------|--------------------|------------------------|--------------------|
| [1] Number of outstanding shares (including treasury stock) | As of June 30,2015: | 782,865,873 shares | As of March 31,2015: | 782,865,873 shares |
| [2] Number of treasury stock | As of June 30,2015: | 2,484,559 shares | As of March 31,2015: | 2,483,395 shares |
| [3] Average number of shares (for three-month period) | 1st Quarter of FY2016: | 780,381,967 shares | 1st Quarter of FY2015: | 780,388,103 shares |

*The status of the implementation of the first quarterly review

The first quarterly review is now conducted on the basis of the Financial Instruments and Exchange Act on the date for the release of this quarterly report.

*Proper use of projection of operating results, and other information

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 "(3) Explanation about Future Forecasts such as Projections for the Current Fiscal Year" on page 3.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation about Operating Performance

Consolidated net sales for the first quarter of the current fiscal year increased ¥171.9 billion (29.0%) from the same period of the previous fiscal year to ¥765.3 billion mainly due to higher automobile unit sales and higher sales revenues owing to foreign exchange rate fluctuations.

Regarding the profit, operating income increased ¥55.5 billion (70.5%) from the same period of the previous fiscal year to ¥134.2 billion and ordinary income increased ¥49.5 billion (61.4%) from the same period of the previous fiscal year to ¥130.1 billion, reflecting the higher sales. Net income attributable to owners of the parent increased ¥31.9 billion (61.1%) from the same period of the previous fiscal year to ¥84.2 billion.

[Results by Business Segment]

Results for the current consolidated first quarter period by business segment are as described below.

[1] Automobile Division

Regarding registered cars in Japan, unit sales decreased 1 thousand units (2.5%) compared with the same period of the previous fiscal year to 20 thousand units. Sales of new models, in particular the Levorg launched in fiscal year 2014 performed strongly; however, sales of existing models, the Impreza and Forester, declined. On the other hand, unit sales of minicars increased 1 thousand (19.4%) units compared with the same period of the previous fiscal year to 8 thousand units due to favorable conditions of the Stella and other factors. As a result of these factors, total unit sales in Japan increased 1 thousand (3.0%) units compared with the same period of the previous fiscal year to 28 thousand units.

Overseas total unit sales increased 31 thousand (18.4%) units compared with the same period of the previous fiscal year to 197 thousand units mainly due to favorable conditions surrounding sales of the Legacy and Outback primarily in North America, the key market of FHI.

By region, sales in North America increased 31 thousand (25.3%) units from the same period of the previous fiscal year to 154 thousand units, sales in Europe including Russia decreased 1 thousand (9.1%) units from the same period of the previous fiscal year to 10 thousand units, sales in Australia increased 2 thousand (19.6%) units from the same period of the previous fiscal year to 11 thousand units, sales in China decreased 6 thousand (35.5%) units from the same period of the previous fiscal year to 10 thousand units, and sales in other regions increased 4 thousand (58.3%) units from the same period of the previous fiscal year to 12 thousand units.

As a result, combined unit sales in Japan and overseas markets amounted to 225 thousand units, an increase of 31 thousand (16.2%) units from the same period of the previous fiscal year.

Affected also by currency fluctuations, overall net sales increased ¥163.8 billion (29.5%) from the same period of the previous fiscal year to ¥718.8 billion, and segment income increased ¥53.6 billion (71.3%) from the same period of the previous fiscal year to ¥128.8 billion.

[2] Aerospace Division

Deliveries to the Japan Ministry of Defense saw sales rise compared with the level of the same period of the previous fiscal year mainly as the increase in production of the patrol aircraft P-1 covered the decrease in production of the transport aircraft C-2. Sales to the commercial sector rose compared with the same period of the previous fiscal year thanks to increased sales of Boeing 777 and Boeing 787 aircraft and effects from foreign exchange rate fluctuations.

As a result, overall net sales increased ¥6.5 billion (22.4%) compared with the same period of the previous fiscal year to ¥35.8 billion. Segment income increased ¥1.7 billion (65.7%) compared with the same period of the previous fiscal year to ¥4.4 billion.

[3] Industrial Products Division

Net sales increased ¥1.5 billion (19.8%) compared with the same period of the previous fiscal year to ¥9.0 billion as increased sales of engines for leisure vehicles to North America offset a decline in sales of general-purpose engines to Russia and Japan.

Segment income increased ¥0.1 billion (61.4%) compared with the same period of the previous fiscal year to ¥0.2 billion.

[4] Other Businesses

Net sales increased ¥0.1 billion (5.4%) compared with the same period of the previous fiscal year to ¥1.7 billion. Segment income remained almost unchanged from the same period of the previous fiscal year at ¥0.7 billion.

(2) Explanation about Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets at the end of the first quarter of the current fiscal year were ¥2,231.2 billion, an increase of ¥31.5 billion from the end of the previous fiscal year. Main factors included a ¥60.2 billion increase in combined funds on hand comprised of cash, deposits, and short-term investment securities, a ¥36.6 billion decrease in notes and accounts receivable-trade, and a ¥15.2 billion increase in property, plant and equipment.

Total liabilities decreased ¥34.6 billion compared with the end of the previous fiscal year to ¥1,134.4 billion. Main factors included a ¥25.5 billion decrease in trade accounts payable comprised of notes and accounts payable-trade and electronically recorded obligations and a ¥17.9 billion decrease in income taxes payable.

Net assets increased ¥66.1 billion compared with the end of the previous fiscal year to ¥1,096.8 billion. Main factors included a ¥55.3 billion increase in retained earnings from net income attributable to owners of the parent recognized for the period.

[2] Cash Flows

Cash and cash equivalents at the end of the first quarter of the current fiscal year (hereinafter “Cash”) totaled ¥654.1 billion.

(Net cash provided by operating activities)

Net cash provided by operating activities was ¥109.7 billion (net cash provided in the same consolidated cumulative period of the previous fiscal year was ¥0.3 billion). Main factors included ¥129.1 billion in income before income taxes and minority interests, a ¥37.1 billion decrease in notes and accounts receivable-trade, and ¥58.4 billion in income taxes paid.

(Net cash used in investment activities)

Net cash used in investing activities was ¥32.8 billion (net cash used in the same consolidated cumulative period of the previous fiscal year was ¥16.6 billion). Main factors included ¥23.6 billion in expenditures for the purchase of property, plant and equipment as well as intangible assets (net basis against proceeds from sales of property, plant and equipment).

(Net cash used in financing activities)

Net cash used in financing activities was ¥38.5 billion (net cash used in the same consolidated cumulative period of the previous fiscal year was ¥36.7 billion). Main factors included a ¥5.4 billion increase in short-term loans payable, ¥15.6 billion in repayment of long-term loans payable (net basis against proceeds from long-term loans payable), and ¥28.1 billion in expenditures for cash dividends paid.

(3) Explanation about Future Forecasts such as Projections for the Current Fiscal Year

The consolidated results projection announced on May 8, 2015 remains unchanged.

2. Notes on Summary Information

(1) Application of specific accounting for preparing the quarterly consolidated financial statements

Income tax expense was calculated as multiplying income before income taxes by reasonably estimated annual effective tax rate. This annual tax rate was reasonably estimated after applying the deferred tax accounting to the annual income before income taxes."Income taxes-deferred" was included in "Total income taxes".

(2) Changes in Accounting Policy

The Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013) and Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013) and Business Divestitures (ASBJ Statement No.7, September 13, 2013) were applied from the period of the first quarter of fiscal year 2016.

The presentation method of net income was amended and the reference to "minority interests" was changed to "non-controlling interests". To reflect these changes in presentation, the quarterly consolidated financial statements and consolidated financial statements in the previous fiscal year have been reclassified.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2015 (as of March 31, 2015)	1st Quarter of FY2016 (as of June 30, 2015)
ASSETS		
I Current assets		
Cash and deposits	228,821	280,903
Notes and accounts receivable-trade	164,540	127,990
Lease investment assets	24,098	23,380
Short-term investment securities	444,737	452,842
Merchandise and finished goods	203,347	196,724
Work in process	52,734	55,936
Raw materials and supplies	39,569	37,704
Deferred tax assets	78,789	77,010
Short-term loans receivable	157,070	147,099
Other	80,796	79,658
Allowance for doubtful accounts	(1,233)	(1,171)
Total current assets	1,473,268	1,478,075
II Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	128,225	128,061
Machinery, equipment and vehicles, net	130,433	126,831
Land	177,075	176,823
Vehicles and equipment on operating leases, net	8,765	20,691
Construction in progress	28,611	37,696
Other, net	41,588	39,792
Total property, plant and equipment	514,697	529,894
2. Intangible assets		
Other	16,850	16,561
Total intangible assets	16,850	16,561
3. Investments and other assets		
Investment securities	111,558	121,769
Net defined benefit asset	3,659	2,344
Deferred tax assets	13,113	12,185
Other	99,648	103,444
Allowance for doubtful accounts	(33,079)	(33,098)
Total investments and other assets	194,899	206,644
Total noncurrent assets	726,446	753,099
Total assets	2,199,714	2,231,174

(Unit: Millions of yen)

	FY2015 (as of March 31, 2015)	1st Quarter of FY2016 (as of June 30, 2015)
LIABILITIES		
I Current liabilities		
Notes and accounts payable-trade	317,801	290,447
Electronically recorded obligations-operating	74,420	76,282
Short-term loans payable	41,443	46,975
Current portion of long-term loans payable	44,329	36,521
Current portion of bonds	—	10,000
Income taxes payable	54,987	37,081
Accrued expenses	126,007	108,972
Provision for bonuses	21,668	32,584
Provision for product warranties	49,708	51,970
Provision for loss on construction contracts	0	116
Other	142,693	157,667
Total current liabilities	873,056	848,615
II Noncurrent liabilities		
Bonds payable	10,000	—
Long-term loans payable	115,420	107,613
Deferred tax liabilities	13,996	14,237
Provision for directors' retirement benefits	409	375
Net defined benefit liability	17,963	17,923
Other	138,151	145,598
Total noncurrent liabilities	295,939	285,746
Total liabilities	1,168,995	1,134,361
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus	160,071	160,071
Retained earnings	697,414	752,763
Treasury stock	(1,382)	(1,387)
Total shareholders' equity	1,009,898	1,065,242
II Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,986	20,813
Foreign currency translation adjustment	10,025	16,756
Remeasurements of defined benefit plans	(11,616)	(11,017)
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	(3,876)	(3,947)
Total accumulated other comprehensive income	12,519	22,605
Non-controlling interests	8,302	8,966
Total net assets	1,030,719	1,096,813
Total liabilities and net assets	2,199,714	2,231,174

(2) Quarterly Consolidated Statements of (Comprehensive) Income**Quarterly Consolidated Statements of Income(for three-month period)**

(Unit: Millions of yen)

	FY2015 (April 1, 2014 to June 30, 2014)	FY2016 (April 1, 2015 to June 30, 2015)
I Net sales	593,388	765,266
II Cost of sales	423,657	523,609
Gross profit	169,731	241,657
III Selling, general and administrative expenses	91,010	107,447
Operating income	78,721	134,210
IV Non-operating income		
Interest income	510	714
Dividends income	331	615
Equity in earnings of affiliates	65	173
Real estate rent	128	124
Gain on valuation of derivatives	2,611	—
Other	617	213
Total non-operating income	4,262	1,839
V Non-operating expenses		
Interest expenses	822	695
Foreign exchange losses	873	3,570
Loss on valuation of derivatives	—	1,075
Other	713	656
Total non-operating expenses	2,408	5,996
Ordinary income	80,575	130,053
VI Extraordinary income		
Gain on sales of noncurrent assets	295	45
Gain on sales of investment securities	104	50
Other	239	177
Total extraordinary income	638	272
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	535	1,155
Other	17	35
Total extraordinary losses	552	1,190
Income before income taxes	80,661	129,135
Total Income taxes	26,522	44,309
Net income	54,139	84,826
Net income attributable to non-controlling interests	1,893	642
Net income attributable to owners of parent	52,246	84,184

Quarterly Consolidated Statements of Comprehensive Income(for three-month period)

(Unit: Millions of yen)

	FY2015 (April 1, 2014 to June 30, 2014)	FY2016 (April 1, 2015 to June 30, 2015)
Net income	54,139	84,826
Other comprehensive income		
Valuation difference on available-for-sale securities	2,752	2,827
Foreign currency translation adjustment	(3,705)	6,734
Remeasurements of defined benefit plans	815	599
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	15	(71)
Share of other comprehensive income of associates accounted for using equity method	(46)	19
Total other comprehensive income	(169)	10,108
Comprehensive income	53,970	94,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	52,251	94,270
Comprehensive income attributable to non-controlling interests	1,719	664

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2015 (April 1, 2014 to June 30,2014)	FY2016 (April 1, 2015 to June 30,2015)
I Net cash provided by (used in) operating activities		
Income (loss) before income taxes	80,661	129,135
Depreciation and amortization	14,420	17,453
Increase (decrease) in allowance for doubtful accounts	(46)	(43)
Interest and dividends income	(841)	(1,329)
Interest expenses	822	695
Loss (gain) on sales and retirement of noncurrent assets	240	1,110
Decrease (increase) in operating loans receivable	(1,554)	(1,076)
Decrease (increase) in notes and accounts receivable-trade	41,056	37,113
Decrease (increase) in inventories	(25,123)	8,250
Increase (decrease) in notes and accounts payable-trade	(1,654)	(26,310)
Other, net	5,717	2,698
Subtotal	113,698	167,696
Interest and dividends income received	832	1,293
Interest expenses paid	(412)	(812)
Income taxes paid	(113,801)	(58,438)
Net cash provided by (used in) operating activities	317	109,739
II Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(34)	(8,039)
Purchase of short-term investment securities	(4,689)	(2,337)
Proceeds from sales of short-term investment securities	5,186	3,743
Purchase of non-current assets	(16,380)	(23,943)
Proceeds from sales of non-current assets	235	317
Purchase of investment securities	(8,077)	(13,889)
Proceeds from sales of investment securities	5,410	8,922
Payments of loans receivable	(23,088)	(26,417)
Collection of loans receivable	24,840	29,022
Other, net	(22)	(191)
Net cash provided by (used in) investing activities	(16,619)	(32,812)
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(9,881)	5,442
Proceeds from long-term loans payable	350	2,800
Repayments of long-term loans payable	(1,933)	(18,419)
Cash dividends paid	(24,995)	(28,066)
Other, net	(259)	(289)
Net cash provided by (used in) financing activities	(36,718)	(38,532)

	FY2015 (April 1, 2014 to June 30,2014)	FY2016 (April 1, 2015 to June 30,2015)
IV Effect of exchange rate change on cash and cash Equivalents	(2,561)	3,732
V Net increase (decrease) in cash and cash equivalents	(55,581)	42,127
VI Cash and cash equivalents at beginning of period	557,870	612,085
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(127)
VIII Cash and cash equivalents at end of period	502,289	654,085

(4) Note to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

FY2016 (April 1, 2015 to June 30, 2015)

Not Applicable

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

FY2016 (April 1, 2015 to June 30, 2015)

Not Applicable

(Segment Information)

Information on sales and income(loss) by business segment reported

1st Quarter of FY 2015 (April 1, 2014 to June 30, 2014)

(Unit: Millions of yen)

	Business segment reported				Other *1	Total	Adjustment *2	Consolidated Statement of income *3
	Automobiles	Aerospace	Industrial products	Sub- Total				
Net sales								
(1) Outside customers	555,064	29,239	7,486	591,789	1,599	593,388	—	593,388
(2) Inter-segment	858	—	73	931	3,882	4,813	(4,813)	—
Total sales	555,922	29,239	7,559	592,720	5,481	598,201	(4,813)	593,388
Operating income(loss)	75,159	2,646	132	77,937	685	78,622	99	78,721

Note: *1. Other means the category which is not included into any business segment reported. It consists of real estate lease, etc.

*2. Adjustment of segment income refers to elimination of intersegment transaction.

*3. Operating income for segment is adjusted on operating income on the quarterly consolidated statements of income.

1st Quarter of FY 2016 (April 1, 2015 to June 30, 2015)

(Unit: Millions of yen)

	Business segment reported				Other *1	Total	Adjustment *2	Consolidated Statement of income *3
	Automobiles	Aerospace	Industrial products	Sub- Total				
Net sales								
(1) Outside customers	718,841	35,774	8,965	763,580	1,686	765,266	—	765,266
(2) Inter-segment	973	—	53	1,026	3,608	4,634	(4,634)	—
Total sales	719,814	35,774	9,018	764,606	5,294	769,900	(4,634)	765,266
Operating income	128,782	4,384	213	133,379	659	134,038	172	134,210

Note: *1. Other means the category which is not included into any business segment reported. It consists of real estate lease, etc.

*2. Adjustment of segment income refers to elimination of intersegment transaction.

*3. Operating income for segment is adjusted on operating income on the quarterly consolidated statements of income.

(Significant Subsequent Event)

Not Applicable

< Reference for the 1st Quarter of FYE2016 Consolidated Financial Results >

(Yen in 100 Millions, Units in Thousands)

	RESULTS FYE2015 Q1 2014. 4-6	RESULTS FYE2016 1st Qtr 2015.4.1—6.30			FORECASTS FYE2016 1st Half 2015.4.1—9.30			FORECASTS FYE2016 Full Year 2015.4.1—2016.3.31		
			Change	%		Change	%		Change	%
Net sales	5,934	7,653	1,719	29.0	14,750	1,648	12.6	30,300	1,521	5.3
Japan	1,162	1,245	83	7.1	2,650	(278)	(9.5)	5,655	(874)	(13.4)
Overseas	4,772	6,408	1,636	34.3	12,100	1,925	18.9	24,645	2,395	10.8
Operating income	787	1,342	555	70.5	2,440	583	31.4	5,030	800	18.9
Profit margin (%)	13.3	17.5			16.5			16.6		
Ordinary income	806	1,301	495	61.4	2,400	640	36.4	4,950	1,014	25.7
Profit margin (%)	13.6	17.0			16.3			16.3		
Net income attributable to owners of parent	522	842	319	61.1	1,630	500	44.2	3,370	751	28.7
Profit margin (%)	8.8	11.0			11.1			11.1		
Change factors in operating income										
		Gain on currency exchange	500		Gain on currency exchange	831		Gain on currency exchange	897	
		Improvements on model mix, etc	176		Improvements on model mix, etc	127		Improvements on model mix, etc	306	
		Cost reduction effort, etc	54		Cost reduction effort, etc	75		Cost reduction effort, etc	133	
		Increase in SG&A exp. etc	(151)		Increase in SG&A exp. etc	(343)		Increase in SG&A exp. etc	(401)	
		Increase in R&D exp	(24)		Increase in R&D exp	(107)		Increase in R&D exp	(135)	
Exchange rates	JPY/US\$ 102/US\$ JPY/EUR 141/EUR	120/US\$ 132/EUR			119/US\$ 129/EUR			118/US\$ 127/EUR		
Capital expenditures	280	171			620			1,300		
Depreciation and amortization	127	154			310			670		
R&D expenses	159	185			470			970		
Interest bearing debts	2,574	2,011			2,000			1,800		
Performance description		- 4th consecutive year of increases in net sales, operating income and ordinary income. - 3rd consecutive year of increase in net income attributable to owners of parent.(*1) - 1st-qt records for consolidated unit sales and net sales. - Quarterly records for all profits.			- 4th consecutive year of increases in net sales and all profits. - 1st-half records for consolidated unit sales, net sales and all profits.			- 4th consecutive year of increases in net sales and all profits. - Fiscal year records for consolidated unit sales, net sales and all profits.		
Consolidated unit sales (Japan)	27	28	1	3.0	67	(5)	(6.7)	144	(19)	(11.4)
Passenger Cars	20	20	(1)	(2.5)	48	(8)	(14.1)	107	(21)	(16.6)
Minicars	7	8	1	19.4	18	3	21.2	38	3	7.8
Consolidated unit sales (Overseas)	166	197	31	18.4	387	27	7.4	784	36	4.8
North America	123	154	31	25.3	297	25	9.1	600	30	5.3
Europe	11	10	(1)	(9.1)	24	0	0.2	50	3	6.8
China	16	10	(6)	(35.5)	22	(7)	(25.1)	50	(4)	(7.7)
Other	17	23	6	36.4	44	9	25.9	84	7	9.0
Consolidated unit sales total	194	225	31	16.2	454	22	5.1	928	18	1.9
Production units total	211	229	18	8.5	453	17	4.0	935	21	2.2
Japan	169	171	2	1.2	344	0	0.1	705	(2)	(0.3)
U.S.	42	58	16	38.1	109	17	18.3	230	23	11.1
Net sales by business segment										
Automobile	5,551	7,188	1,638	29.5						
Aerospace	292	358	65	22.4						
Industrial Products	75	90	15	19.8						
Other	16	17	1	5.4						
Operating income by business segment										
Automobile	752	1,288	536	71.3						
Aerospace	26	44	17	65.7						
Industrial Products	1	2	1	61.4						
Other	7	7	(0)	(3.8)						
Elimination & Corporate	1	2	1	73.7						

*1 Starting FYE2016, figures previously reported as "Net Income" are stated as "Net Income Attributable to Owners of Parent".

*2 Exchange Rates are the rates used for FHI's non-consolidated sales recording.

*3 Consolidated Unit Sales include retail sales of Japanese consolidated dealers, wholesale sales of overseas consolidated distributors, and deliveries from FHI to non-consolidated distributors/dealers.

*4 Production in Japan includes production of the 86/FR-S models for Toyota.

< Forward-looking statements in this document are based on the information available at the time of the announcement and are subject to various risks and uncertainties that could cause actual results to vary materially. >

FHI Announces First Quarter Financial Results for FYE2016

Tokyo, July 31, 2015 - Fuji Heavy Industries Ltd. (FHI), the manufacturer of Subaru automobiles, today announced its consolidated financial results for the first quarter of fiscal year ending March 31, 2016.

< 1st Quarter Results: Consolidated Net Sales >

Subaru's consolidated global unit sales rose 16.2% to 225,000 units. Overseas unit sales grew 18.4% to 197,000 units, driven by strong sales of the Legacy and Outback especially in North America. Unit sales in Japan rose 3.0% to 28,000 units, as a slight decrease in passenger car sales was offset by an increase in mini vehicles sales.

FHI's consolidated net sales rose 29.0% to 765.3 billion yen due to unit sales growth, foreign exchange gains and other factors. Consolidated net sales, global unit sales, overseas unit sales, and North American unit sales each posted an all-time record for the first quarter.^{*1}

< 1st Quarter Results: Consolidated Profit and Loss >

As increases in SG&A and R&D expenses were offset by exchange rate gains, unit sales growth, cost reduction progress and other factors, operating income rose 70.5% to 134.2 billion yen. Ordinary income grew 61.4% to 130.1 billion yen and net income attributable to owners of parent^{*2} increased 61.1% to 84.2 billion yen.

Operating income, ordinary income, and net income attributable to owners of parent^{*2} each marked an all-time quarterly record.^{*1}

< FYE2016 Forecasts >

Full-year forecasts for FYE2016 remain unchanged from the previous announcement on May 8, 2015.

Currency rate assumptions: 118 yen/US\$, 127 yen/euro

Forecasts for FYE2016 (Announced on May 8, 2015)

Net sales: 3,030 billion yen

Operating income: 503 billion yen

Ordinary income: 495 billion yen

Net income attributable to owners of parent^{*2}: 337 billion yen

Currency rate assumptions: 118 yen/US\$, 125 yen/euro

*1 Since fiscal year ended March 2004 - the year FHI started quarterly consolidated financial reporting.

*2 Starting FYE2016, figures previously reported as "Net Income" are stated as "Net Income Attributable to Owners of Parent". (Pursuant to Revised Accounting Standards for Business Combinations and related standards)

Forward-looking statements in this document including financial and other forecasts are based on the information available at the time of the announcement and are subject to various risks and uncertainties that could cause actual results to vary materially.

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