



FYE2016 First Quarter Financial Results

Fuji Heavy Industries Ltd.
July 31, 2015



Financial Results for the 1st Quarter of FYE March 2016

- Consolidated automobile sales posted an all-time record for the 1st quarter, mainly driven by continuous strong sales in North America.
- Gain on currency exchange, unit sales growth and cost reduction brought all-time record for the 1st quarter in net sales and all-time quarterly record in all profit levels.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Actual Results (Y on Y)	¥765.3 bil (+¥171.9 bil)	¥134.2 bil (+¥55.5 bil)	¥130.1 bil (+¥49.5 bil)	¥84.2 bil (+¥31.9 bil)	225.1K (+31.4K)

Projection for the FYE March 2016

- Full-year financial projection remains unchanged.
- Gain on currency exchange occurred in the 1st quarter offsets unexpected costs relating to recalls also occurred in the 1st quarter.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Consolidated automobile sales
Plan (Y on Y)	¥3,030.0 bil (+¥152.1 bil)	¥503.0 bil (+¥80.0 bil)	¥495.0 bil (+¥101.4 bil)	¥337.0 bil (+¥75.1 bil)	928.3K (+17.6K)

Business Results for the First Quarter of FYE March 2016

1st Quarter : Consolidated Automobile Sales



(Thousand Units)

	1Q actual results FYE March 2015	1Q actual results FYE March 2016	Variance
Passenger car	20.4	19.9	-0.5
Minicar	6.8	8.1	+1.3
Domestic total	27.2	28.0	+0.8
US	112.4	140.4	+28.0
Canada	10.8	13.9	+3.1
Russia	4.0	1.7	-2.4
Europe	6.9	8.3	+1.4
Australia	9.4	11.3	+1.8
China	15.7	10.1	-5.6
Others	7.3	11.5	+4.2
Overseas total	166.5	197.1	+30.6
Total	193.7	225.1	+31.4

1st Quarter : Consolidated Income Statements



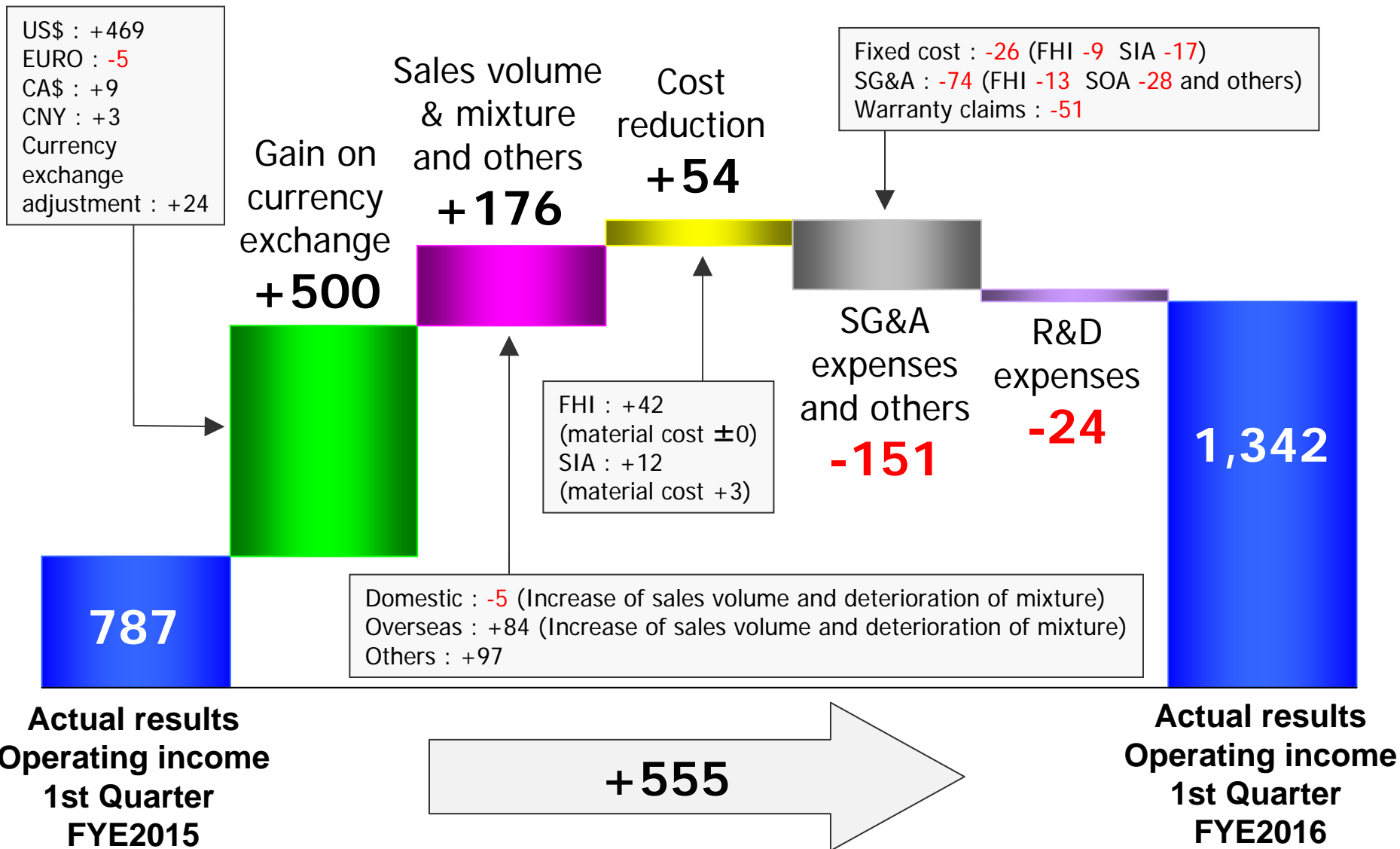
(100 Million Yen)

	1Q actual results FYE March 2015	1Q actual results FYE March 2016	Variance
Net sales	5,934	7,653	+1,719
Domestic	1,162	1,245	+83
Overseas	4,772	6,408	+1,636
Operating income	787	1,342	+555
Total non-operating income & expenses	19	-42	-60
Ordinary income	806	1,301	+495
Total extraordinary income & loss	1	-9	-10
Income before taxes and minority interests	807	1,291	+485
Net income attributable to owners of parent	522	842	+319
FHI exchange rate	¥102/US\$	¥120/US\$	+¥18/US\$

1st Quarter : Analysis of Operating Income Variance



(100 Million Yen)



Consolidated Balance Sheet



(100 Million Yen)

	As of March 2015	As of June 2015	Variance
Total assets	21,997	22,312	+315
Current assets	14,733	14,781	+48
Noncurrent assets	7,264	7,531	+267
Interest bearing debts	2,112	2,011	-101
Net assets	10,307	10,968	+661
Retained earnings	6,974	7,528	+553
Shareholders' equity	10,224	10,878	+654
Ratio of shareholders' equity to total assets	46.5%	48.8%	+2.3
D/E ratio	0.21	0.18	-0.02

1st Quarter : Consolidated Statement of Cash Flows



(100 Million Yen)

	1Q actual results FYE March 2015	1Q actual results FYE March 2016	Variance
Net cash provided by (used in) operating activities	3	1,097	+1,094
Net cash provided by (used in) investing activities	-166	-328	-162
Free cash flows	-163	769	+932
Net cash provided by (used in) financing activities	-367	-385	-18
Effect of exchange rate change on cash and cash equivalents	-26	37	+63
Net increase (decrease) in cash and cash equivalents	-556	421	+977
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	-1	-1
Cash and cash equivalents at end of period	5,023	6,541	-

1st Quarter : Operating Results of Subsidiaries in U.S.



(Million US\$)

SOA	1Q actual results FYE March 2015	1Q actual results FYE March 2016	Variance
Net sales	2,875	3,613	+738
Operating income	61	168	+107
Net income	37	99	+62
Retail sales (Thousand units)	125.3	140.8	+15.5

SIA	1Q actual results FYE March 2015	1Q actual results FYE March 2016	Variance
Net sales	959	1,326	+367
Operating income	63	33	-30
Net income	40	21	-19
Subaru production (Thousand units)	41.9	57.8	+15.9

Outlook for the FYE March 2016

Full Year : Consolidated Operating Plan



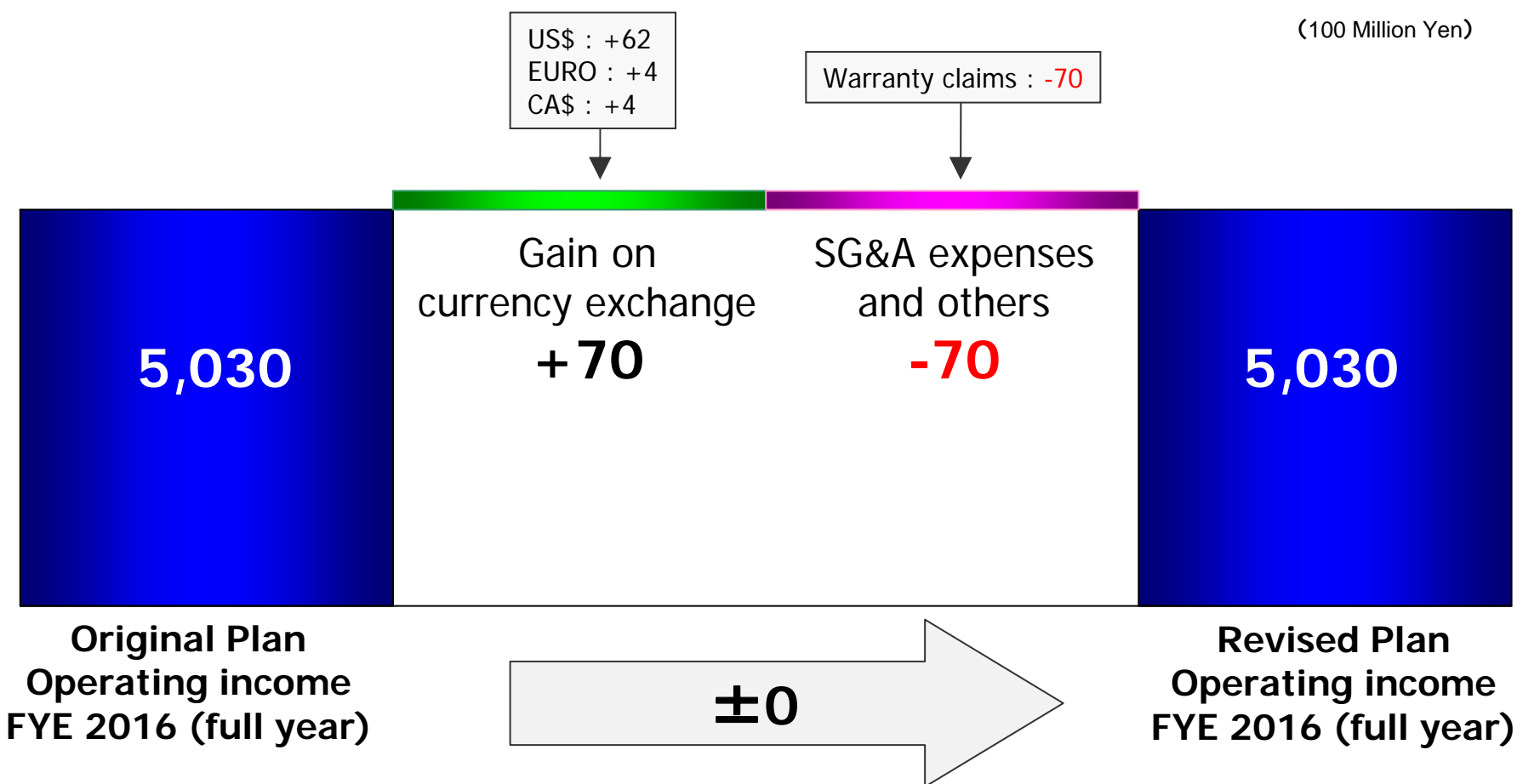
(100 Million Yen)

	Actual results FYE March 2015	Plan FYE March 2016	Variance
Net sales	28,779	30,300	+1,521
Operating income	4,230	5,030	+800
Ordinary income	3,936	4,950	+1,014
Net income attributable to owners of parent	2,619	3,370	+751
FHI exchange rate	¥108/US\$	¥118/US\$	+¥10/US\$
Consolidated automobile sales	910.7 K units	928.3 K units	+17.6 K units
Domestic total	162.8 K units	144.2 K units	-18.5 K units
Overseas total	747.9 K units	784.1 K units	+36.2 K units

Full Year : Analysis of Operating Income Variance Original Plan vs Revised Plan



- Full-year financial projection remains unchanged.
- Gain on currency exchange occurred in 1st quarter offsets unexpected costs relating to recalls also occurred in 1st quarter.



Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	1Q actual results FYE 2015	Actual results FYE 2015 (a)	1Q actual results FYE 2016	Plan FYE 2016 (b)	Variance (b) - (a)
Capex	280	1,107	171	1,300	+193
Depreciation	127	648	154	670	+22
R&D	159	835	185	970	+135
Interest bearing debt	2,574	2,112	2,011	1,800	-312

Appendix (1)

- Non-operating income & expenses and extraordinary income & loss (1Q)
- Segment information by Business & Geographic (1Q)
- Overseas net sales (1Q)
- Non-consolidated automobile sales (1Q)
- Consolidated automobile sales & operating plan (full year plan)
- Consolidated automobile sales & operating plan (1st half plan)

1st Quarter : Non-operating Income & Expenses and Extraordinary Income & Loss (Consolidated)



(100 Million Yen)

	1Q actual results FYE 2015	1Q actual results FYE 2016	Variance
Financial revenue and expenditure	0	6	+6
FOREX effects	17	-46	-64
Other	1	-1	-2
Total non-operating income & expenses	19	-42	-60
Gain on sales of noncurrent assets	3	0	-3
Gain on sales of investment securities	1	1	-1
Loss on sales and retirement of noncurrent assets	-5	-12	-6
Other	2	1	-1
Total extraordinary income & loss	1	-9	-10

1st Quarter : Net Sales and Operating Income by Business Segment (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	1Q actual results FYE 2015	1Q actual results FYE 2016	Variance	1Q actual results FYE 2015	1Q actual results FYE 2016	Variance
Automobile	5,551	7,188	+1,638	752	1,288	+536
Aerospace	292	358	+65	26	44	+17
Industrial products	75	90	+15	1	2	+1
Others	16	17	+1	7	7	-0
Elimination & Corporate				1	2	+1
Total	5,934	7,653	+1,719	787	1,342	+555

1st Quarter : Net Sales and Operating Income by Geographic Area (Consolidated)



(100 Million Yen)

	Net Sales			Operating Income		
	1Q actual results FYE 2015	1Q actual results FYE 2016	Variance	1Q actual results FYE 2015	1Q actual results FYE 2016	Variance
Japan	1,898	2,140	+242	611	1,009	+398
North America	3,310	4,872	+1,563	163	266	+104
Others	726	640	-86	68	27	-41
Elimination & Corporate	/	/	/	-55	39	+94
Total	5,934	7,653	+1,719	787	1,342	+555

1st Quarter : Overseas Net Sales



(100 Million Yen)

	1Q actual results FYE March 2015	1Q actual results FYE March 2016	Variance
North America	3,549	5,183	+1,634
Europe	279	272	-7
Asia	646	551	-96
Other	299	403	+104
Total	4,772	6,408	+1,636

1st Quarter : Non-consolidated Automobile Sales



(Thousand Units)

	1Q actual results FYE March 2015	1Q actual results FYE March 2016	Variance
Domestic production	169.0	171.0	+2.0
Domestic sales	30.7	31.3	+0.6
Passenger cars	23.7	21.7	-2.0
Minicars	7.0	9.6	+2.6
Number of exported vehicles	131.1	137.2	+6.1
Components for overseas production	45.0	54.5	+9.5
Total	206.8	223.0	+16.1

※ Domestic production figures include Toyota 86.

Full Year : Consolidated Automobile Sales Plan



(Thousand Units)

	Actual results FYE March 2015	Plan FYE March 2016	Variance
Passenger car	127.9	106.7	-21.2
Minicar	34.9	37.6	+2.7
Domestic total	162.8	144.2	-18.5
US	527.6	554.0	+26.4
Canada	42.4	46.2	+3.8
Russia	11.6	12.8	+1.2
Europe	35.7	37.7	+2.0
Australia	38.9	42.3	+3.4
China	53.8	49.7	-4.1
Others	37.9	41.4	+3.5
Overseas total	747.9	784.1	+36.2
Total	910.7	928.3	+17.6

Full Year : Consolidated Operating Plan



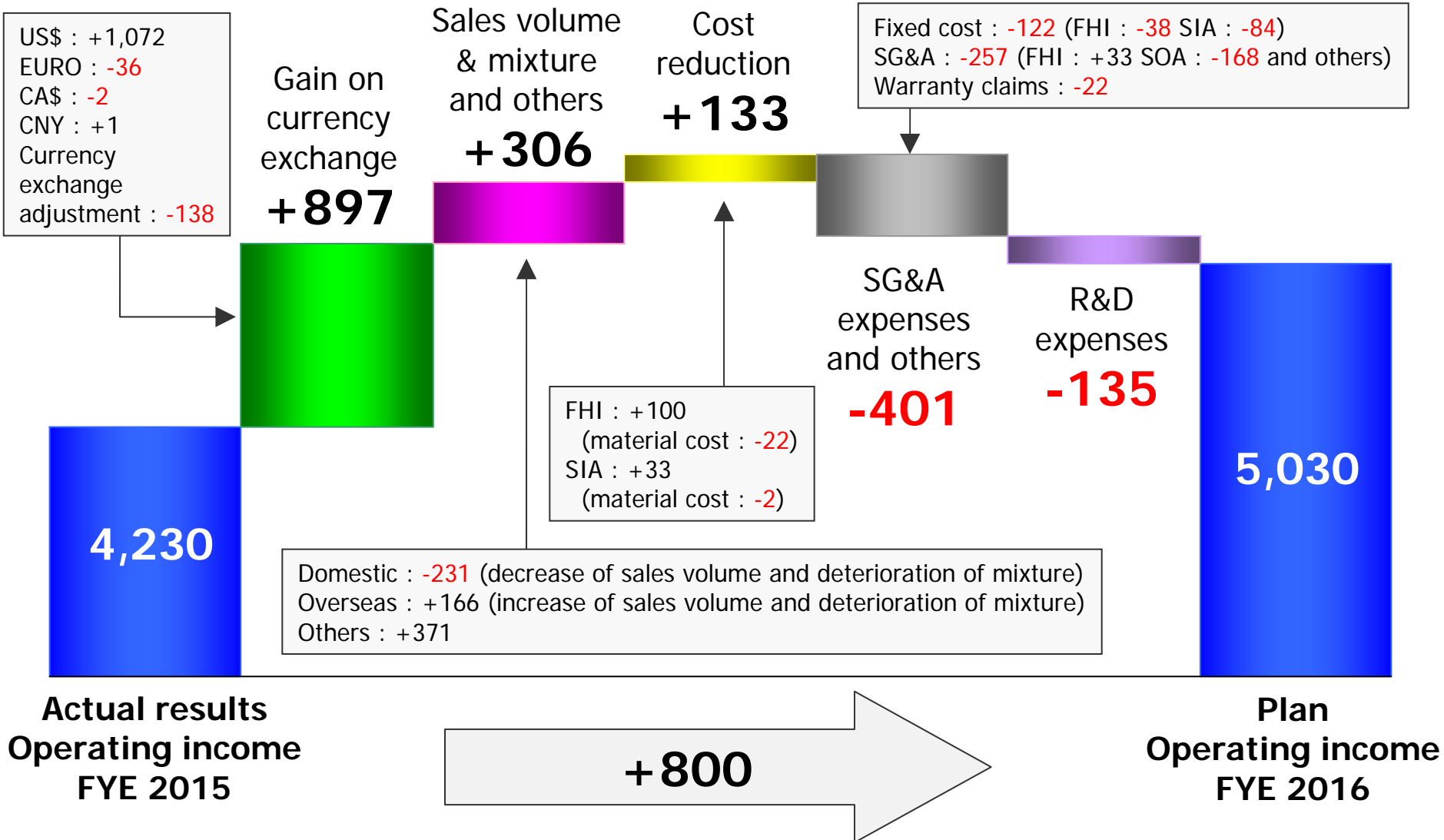
(100 Million Yen)

	Actual results FYE March 2015	Plan FYE March 2016	Variance
Net sales	28,779	30,300	+1,521
Domestic	6,529	5,655	-874
Overseas	22,250	24,645	+2,395
Operating income	4,230	5,030	+800
Ordinary income	3,936	4,950	+1,014
Income before taxes and minority interests	3,922	4,850	+928
Net income attributable to owners of parent	2,619	3,370	+751
FHI exchange rate	¥108/US\$	¥118/US\$	+¥10/US\$

Full Year : Analysis of Operating Income Variance



(100 Million Yen)



1st Half : Consolidated Automobile Sales Plan



(Thousand Units)

	1 st half actual results FYE March 2015	1 st half plan FYE March 2016	Variance
Passenger car	56.5	48.5	-8.0
Minicar	15.1	18.3	+3.2
Domestic total	71.5	66.8	-4.8
US	249.9	270.9	+21.0
Canada	22.1	25.8	+3.8
Russia	8.6	6.2	-2.5
Europe	15.6	18.1	+2.5
Australia	19.3	21.9	+2.6
China	28.7	21.5	-7.2
Others	15.9	22.4	+6.5
Overseas total	360.1	386.8	+26.8
Total	431.6	453.6	+22.0

1st Half : Consolidated Operating Plan



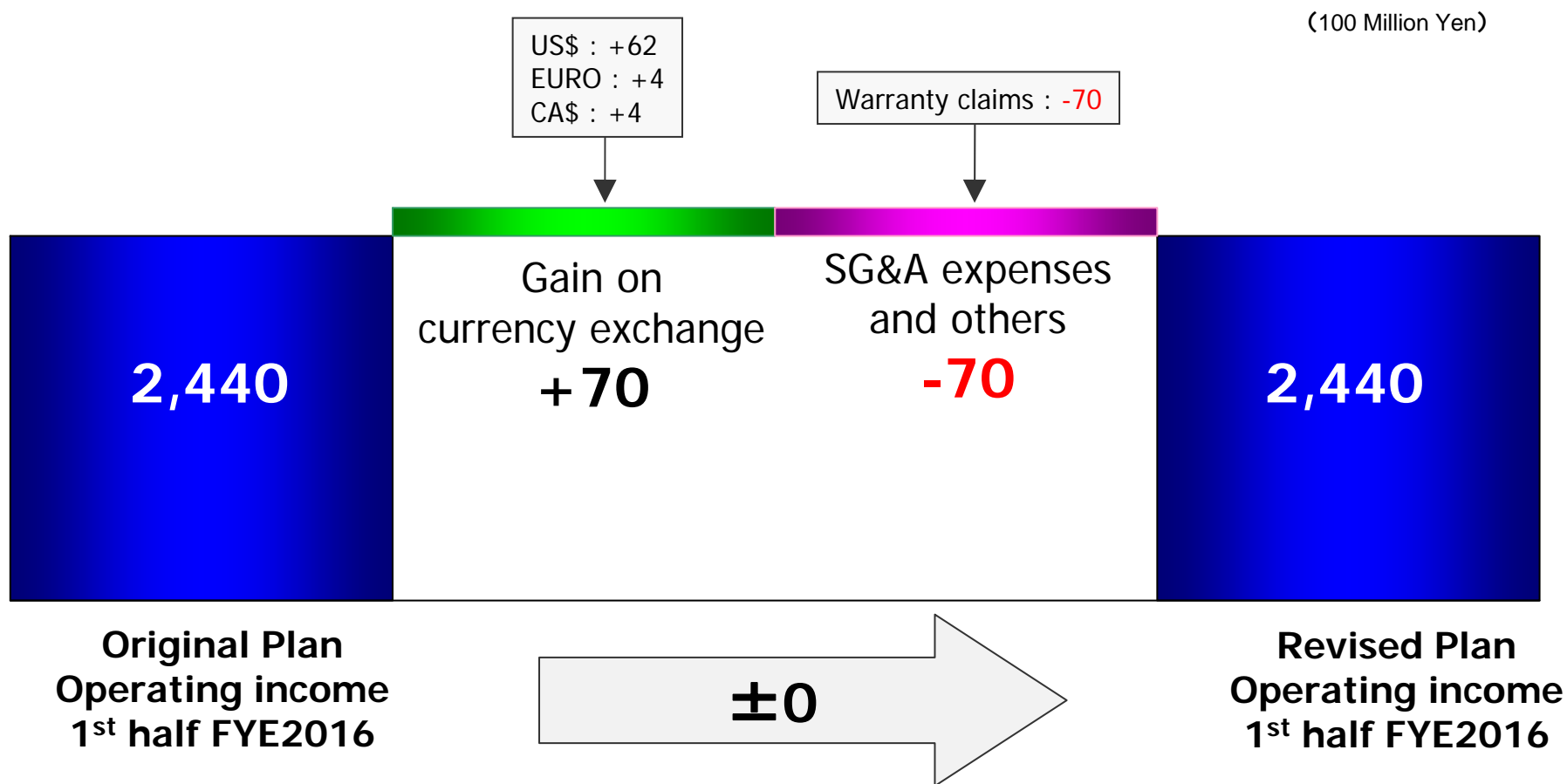
(100 Million Yen)

	1 st half actual results FYE March 2015	1 st half plan FYE March 2016	Variance
Net sales	13,102	14,750	+1,648
Domestic	2,928	2,650	-278
Overseas	10,174	12,100	+1,925
Operating income	1,857	2,440	+583
Ordinary income	1,760	2,400	+640
Income before taxes and minority interests	1,747	2,350	+603
Net income attributable to owners of parent	1,130	1,630	+500
FHI exchange rate	¥102/US\$	¥119US\$	+¥17/US\$

1st Half : Analysis of Operating Income Variance Original Plan vs Revised Plan



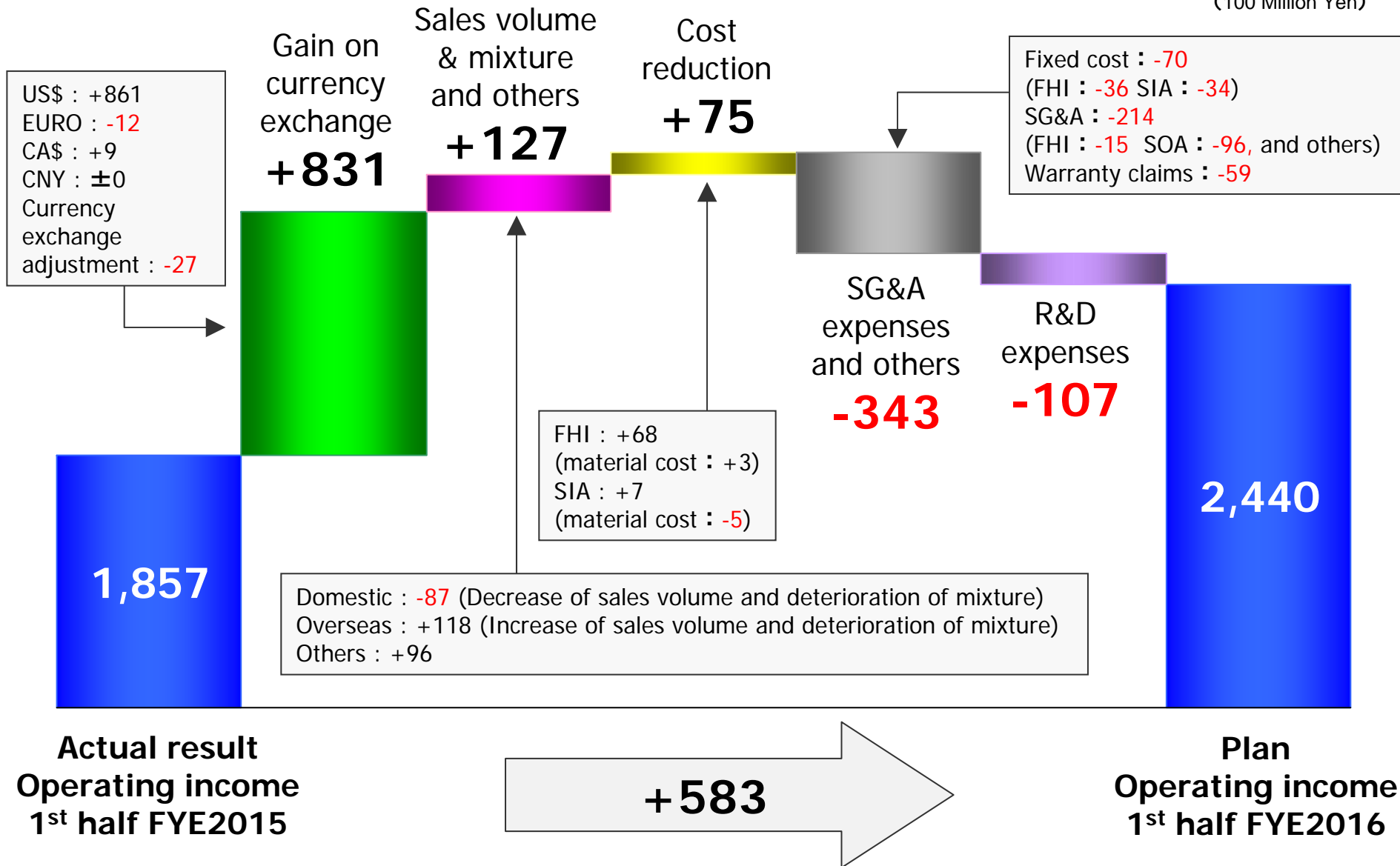
- 1st half financial projection remains unchanged.
- Gain on currency exchange occurred in 1st quarter offsets unexpected costs relating to recalls also occurred in 1st quarter.



1st Half : Analysis of Operating Income Variance



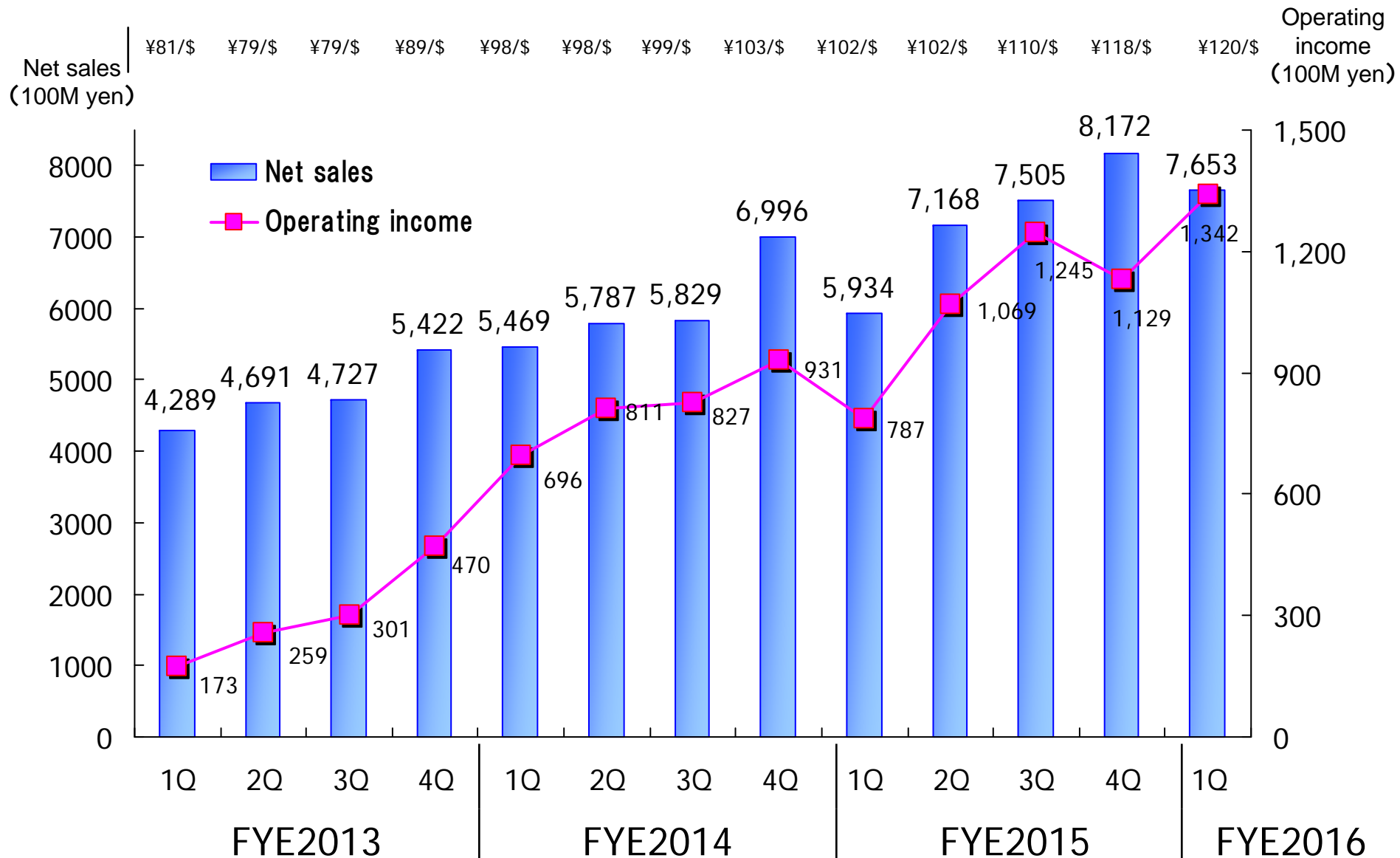
(100 Million Yen)



Appendix (2) – Historical Performance

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

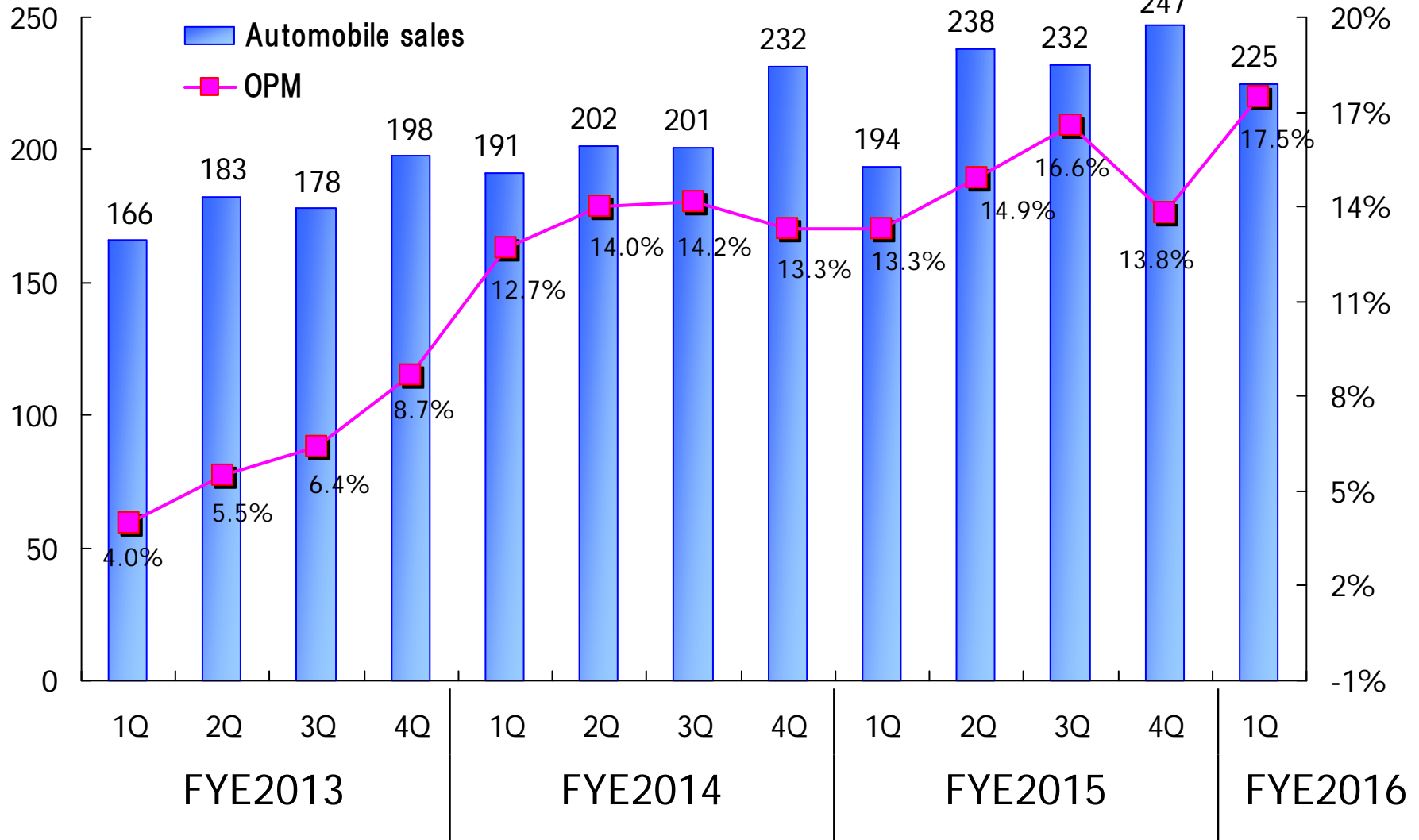
Net Sales & Operating Income



Consolidated Automobile Sales & Operating Income Margin



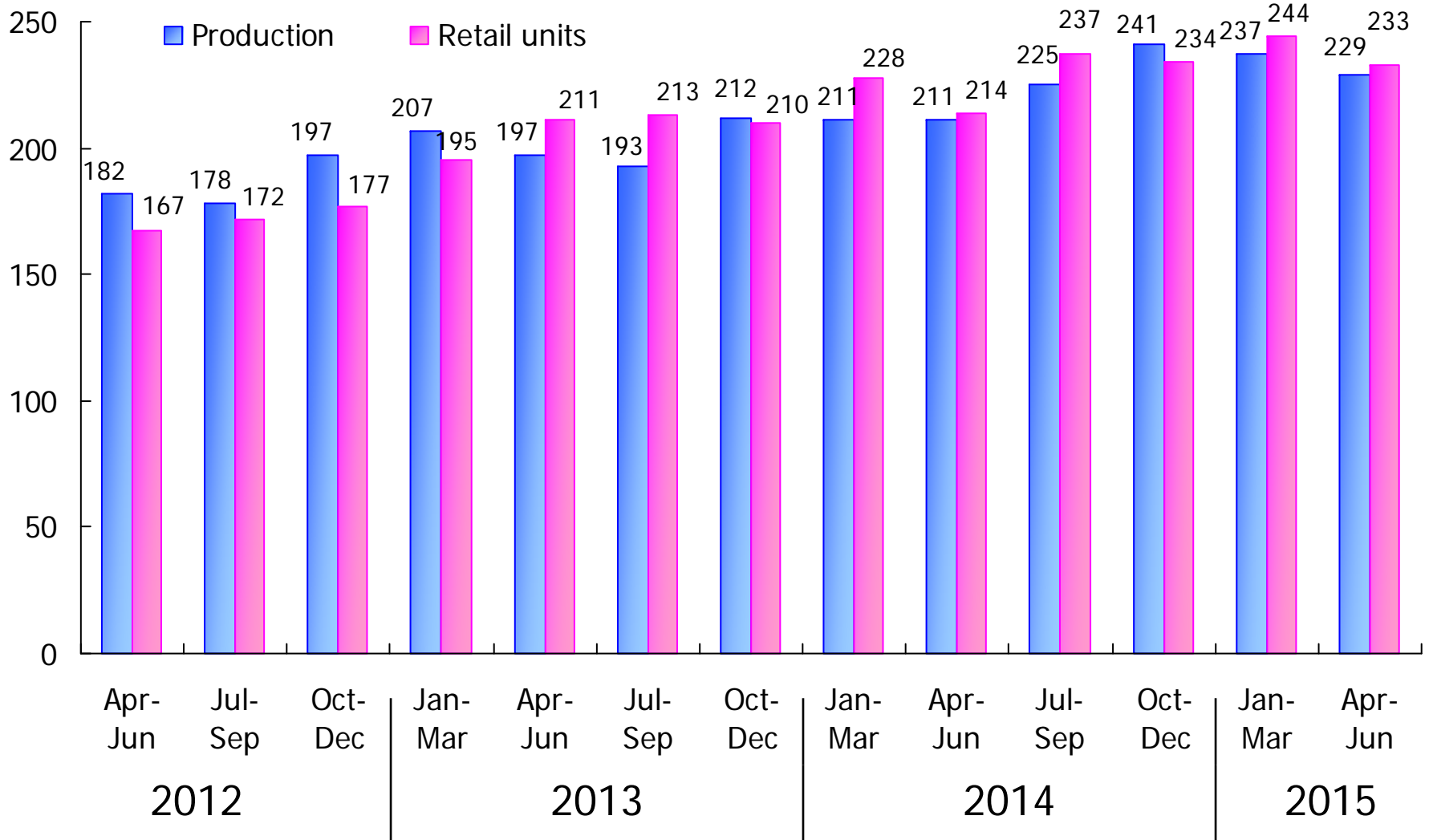
Consolidated sales
(1,000 units)



Complete Cars Production & Retail Sales Units

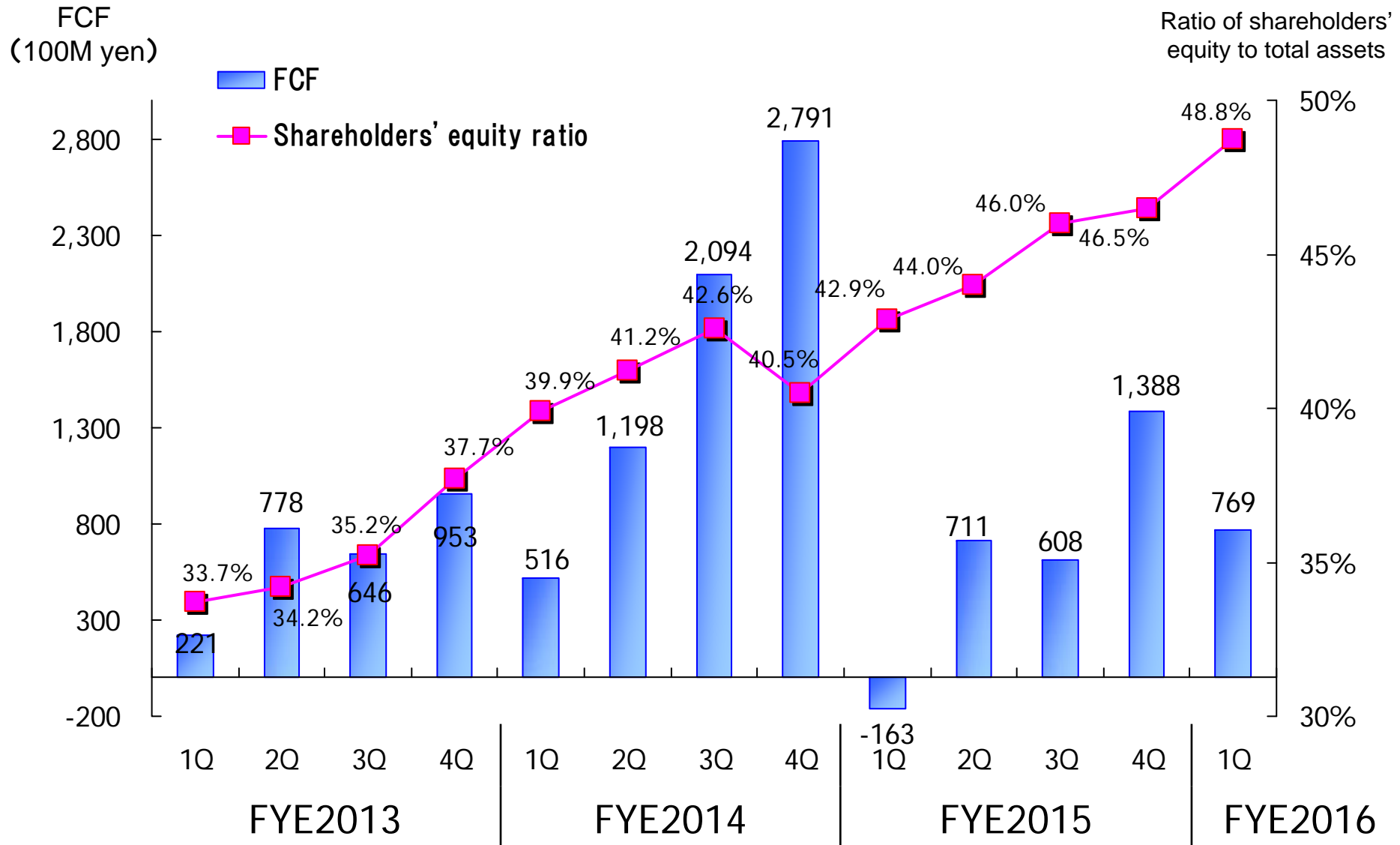


(1,000 units)



※ Production figures include Toyota 86.

Free Cash Flows & Ratio of Shareholders' Equity to Total Assets

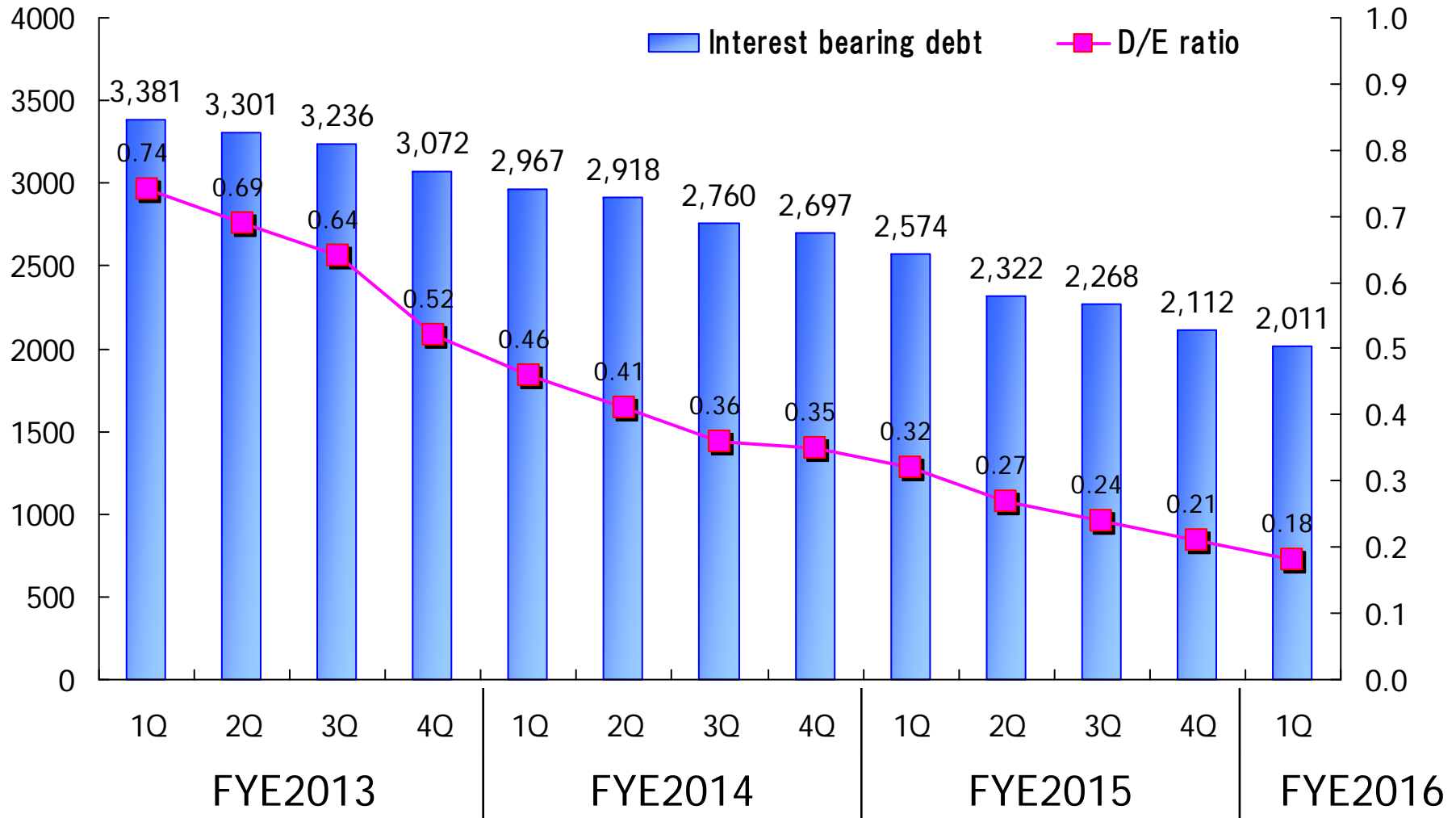


Interest Bearing Debt & D/E Ratio



Interest bearing debt (100M yen)

D/E ratio





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.



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