



Business Results for the 1st Half of FYE 2016

President & CEO, Yasuyuki Yoshinaga

Fuji Heavy Industries Ltd.

Nov 5, 2015



Business Results for the 1st Half of FYE2016



- Consolidated net sales and all profit figures set an all-time high for any fiscal half period.
- Consolidated global unit sales posted an all-time high for the fiscal 1st half period.

	FYE2015 1st half Actual results	FYE2016 1st half		YoY	vs. plan
		Previous plan	Actual results		
Consolidated sales volume	431,600 units	453,600 units	472,200 units	+40.6	+18.6
Net sales	13,102	14,750	16,015	+2,912	+1,265
Operating income	1,857	2,440	2,851	+994	+411
Ordinary income	1,760	2,400	2,850	+1,091	+450
Net income attributable to owners of the parent	1,130	1,630	1,932	+802	+302
FHI exchange rate	¥102/US\$	¥119/US\$	¥122/US\$	+¥20/US	+¥3/US\$

(¥100M)

- **Consolidated global unit sales, net sales and all profit figures are projected to post all-time highs for the 4th consecutive years.**

(¥100M)

	FYE2015	FYE2016		YoY	vs. plan
	Actual results	Previous plan	Revised plan		
Consolidated sales volume	910,700 units	928,300 units	953,000 units	+42.3	+24.7
Net sales	28,779	30,300	32,100	+3,321	+1,800
Operating income	4,230	5,030	5,500	+1,270	+470
Ordinary income	3,936	4,950	5,470	+1,534	+520
Net income attributable to owners of the parent	2,619	3,370	3,720	+1,101	+350
FHI exchange rate	¥108/US\$	¥118/US\$	¥120/US\$	+¥12/US\$	+¥1/US\$

➤ Dividend Per Share

	FYE 2015	FYE2016		YoY
	Actual results	Previous plan	Revised plan	
End of 2 nd quarter	¥31	TBD	¥72	¥+41
End of 4 th quarter	¥37	TBD	¥72	¥+35
Annual total	¥68	TBD	¥144	¥+76

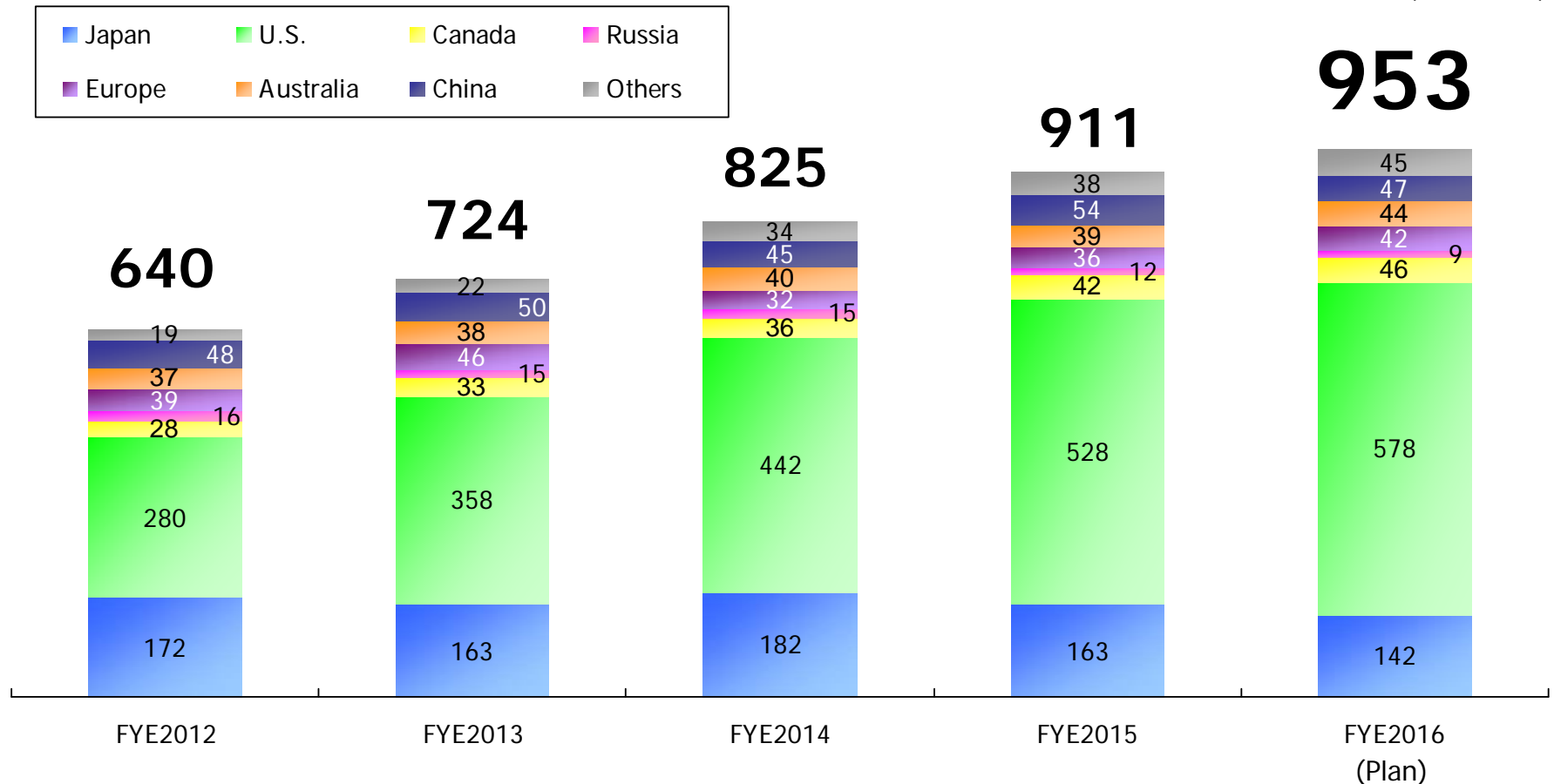
- Profits are returned to shareholders basically in the form of dividends with business results for each term, investment plans, and the business environment taken into account.
- Basic policy is to provide continuous dividend payments which are linked to business performance of the company.
- Dividend payments for each fiscal year are determined in view of circumstances predicted based on consolidated dividend payout ratio of 20-40%.

Consolidated Global Unit Sales



- Plan for FYE2016 : **953,000** units (YoY +5%)
- Another record for the 4th consecutive years (plan)

(1,000 units)



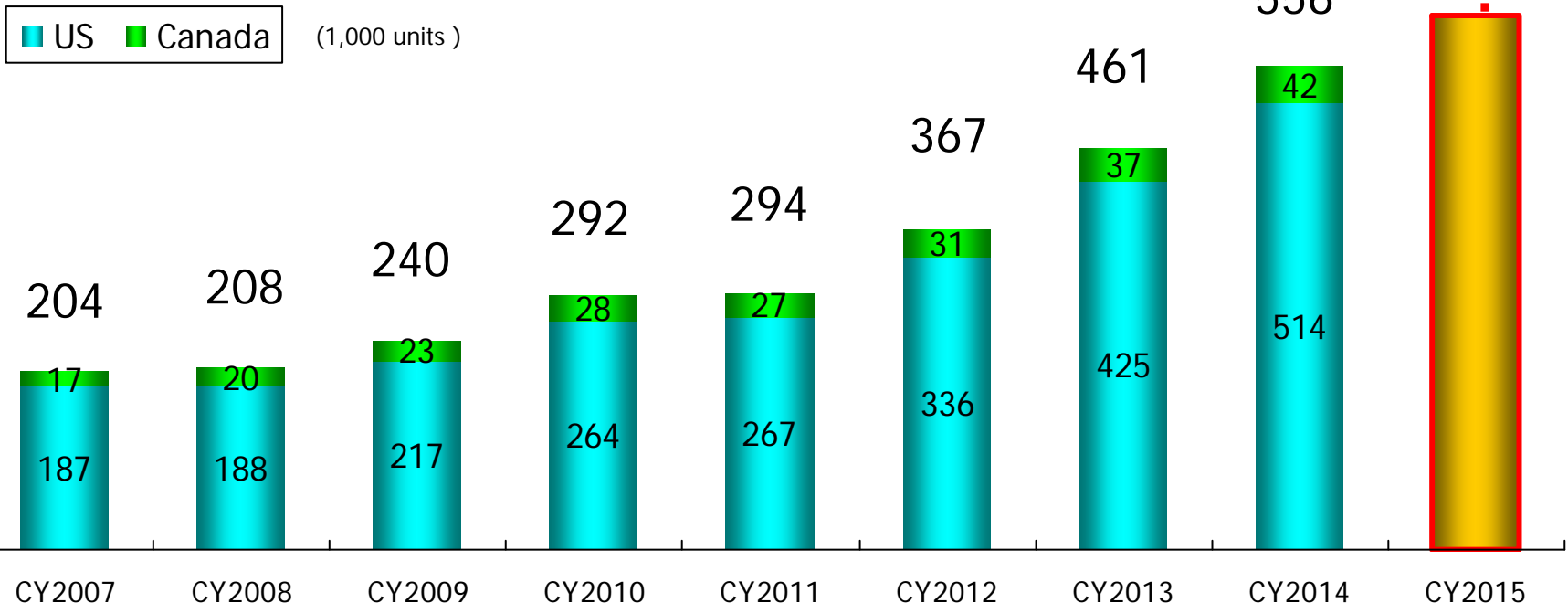
Retail Sales in North America



CY2015
Forecast of Retail sales
in North America

Over
600,000 units

- **Another record for the 7th consecutive year**
- **Year on year sales increase for the 8th consecutive year**



Production Capacity Enhancement

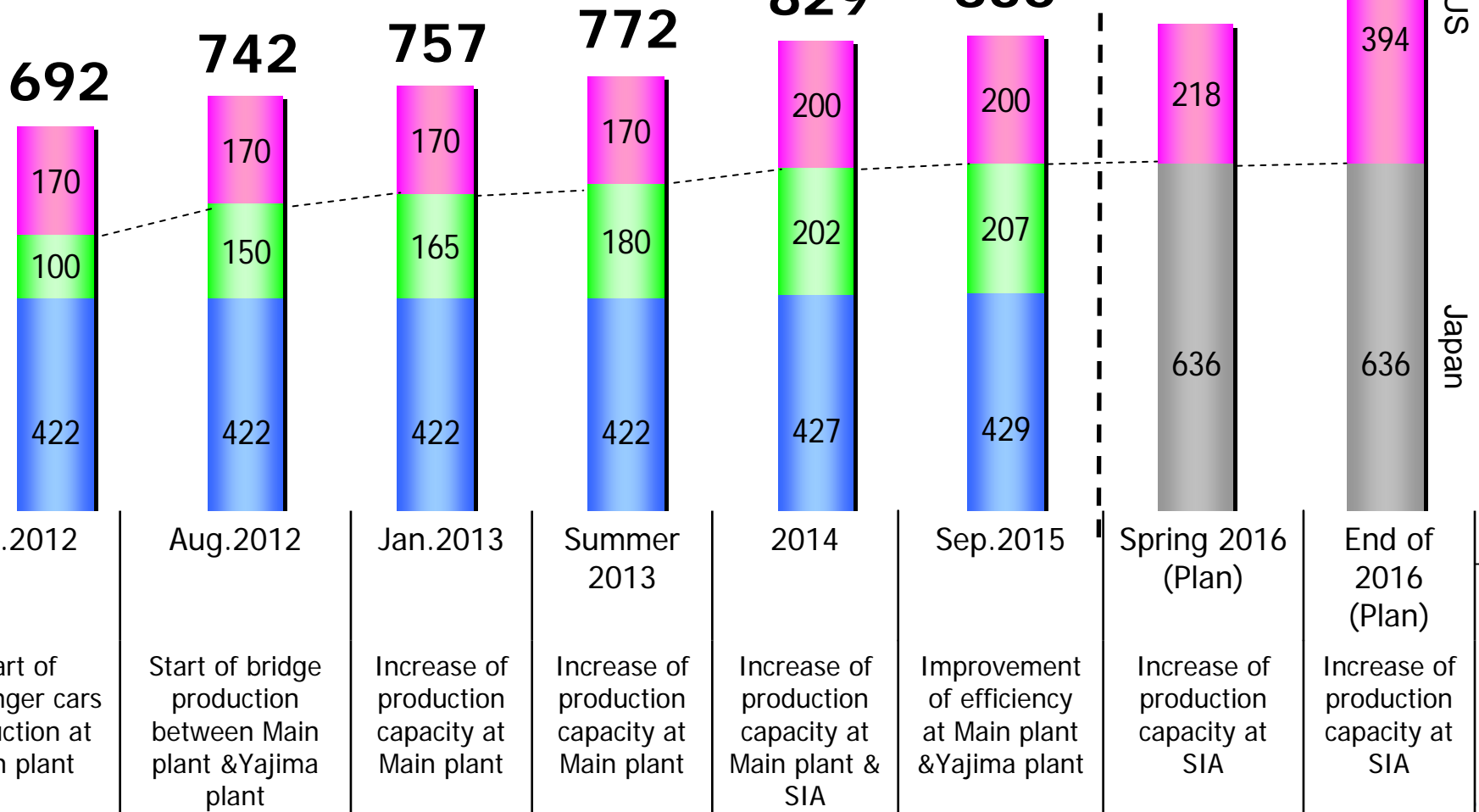


(1,000 Cars)

■ Yajima plant ■ Main plant ■ SIA

Existing Capacity

Plan



Major Awards



Consumer Reports (US) Top Pick

Kelly Blue Book (US)



IIHS TSP+ (US)



*EyeSight model

ENCAP 5Star (EU)



JNCAP ASV+ (JAPAN)



*EyeSight model



*EyeSight model

JNCAP 5Star (JAPAN)



LEGACY



Most Trusted Brand



Best Performance Brand



FORESTER



IMPREZA



OUTBACK



LEGACY



FORESTER



IMPREZA



XV CROSSTREK



WRX



OUTBACK



FORESTER



IMPREZA



XV



OUTBACK



LEGACY



LEVORG



WRX S4



CROSSOVER7



OUTBACK



LEGACY



FORESTER



LEVORG



WRX S4/
WRX STI



IIHS Top Safety Pick (TSP+ 6 models / TSP 1 model)

7 models

* Subaru is the only manufacturer with IIHS Top Safety Picks for all models for the last six years (2010–2015).



** IIHS (Insurance Institute for Highway Safety) is a nonprofit organization supported by auto insurers in the US.
*** TSP+ is applicable to models with optional EyeSight.

Safety Performance in Japan



All models equipped with EyeSight received the top rating of
“Advanced Safety Vehicle-Plus (ASV+)” in JNCAP



LEGACY
OUTBACK
LEGACY
B4



LEVORG



WRX
S4



EXIGA
CROSSOVER 7



FORESTER



IMPREZA



SUBARU
XV



SUBARU
XV
HYBRID

Penetration of EyeSight



OUTBACK



LEGACY



FORESTER



SUBARU XV



IMPREZA



<Penetration : Actual result Jan-Sep. 2015> * () : Sep.2015 Actual result

US	55% (63%)	42% (47%)	24% (28%)	18% (23%)	11% (10%)
Japan	100%	100%	89%	91%	51%



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.



SUBARU



Business Results for the 1st Half of FYE 2016

Mitsuru Takahashi
Executive Vice President & CFO
Fuji Heavy Industries Ltd.
Nov 5, 2015



Financial results for the 1st half of FYE March 2016

- Consolidated automobile sales set a new record for the fiscal 1st half period due to strong sales in overseas, mainly led by continuous strong momentum in North America.
- Net sales and all profit levels made a new record for any fiscal half period with the increase in sales volume, gain on currency exchange and cost reduction progress.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Consolidated automobile sales
Actual results (YoY)	¥1,601.5bil. (+291.2bil.)	¥285.1bil. (+99.4bil.)	¥285.0bil. (+109.1bil.)	¥193.2bil. (+80.2bil.)	472.2k units (+40.6k units)

Projections for the FYE March 2016

- Business projections for the FYE March 2016 are upwardly-revised with increase of sales units, gain on exchange rate and cost reduction progress.
- Full year projections of net sales and all profit levels are expected to be all time record high for the 4th straight year.

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Consolidated automobile sales
Plan (YoY)	¥3,210.0bil. (+332.1bil.)	¥550.0bil. (+127.0bil.)	¥547.0bil. (+153.4bil.)	¥372.0bil. (+110.1bil.)	953.0k units (+42.3k units)

Business results for the 1st half of FYE 2016

1st Half : Consolidated Automobile Sales



((Thousand Units)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Passenger car	56.5	49.8	-6.6
Minicar	15.1	16.7	+1.6
Domestic total	71.5	66.5	-5.0
US	249.9	290.6	+40.7
Canada	22.1	26.1	+4.0
Russia	8.6	3.5	-5.2
Europe	15.6	19.6	+4.0
Australia	19.3	23.0	+3.7
China	28.7	20.5	-8.2
Others	15.9	22.5	+6.5
Overseas total	360.1	405.7	+45.6
Total	431.6	472.2	+40.6

1st Half : Consolidated Income Statements



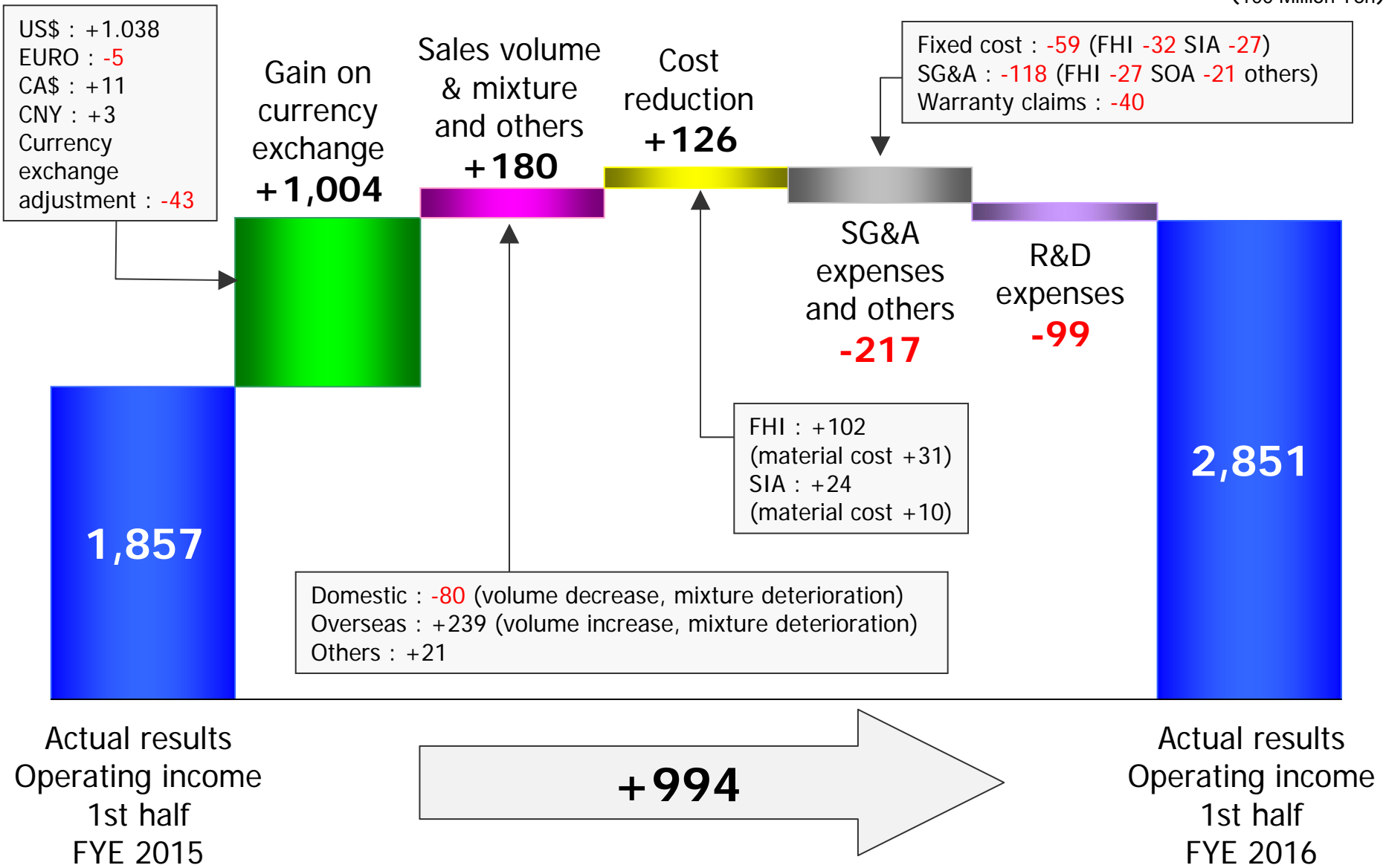
(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net sales	13,102	16,015	+2,912
Domestic	2,928	2,852	-76
Overseas	10,174	13,163	+2,988
Operating income	1,857	2,851	+994
Total non-operating income & expenses	-97	-1	+96
Ordinary income	1,760	2,850	+1,091
Total extraordinary income & loss	-13	-19	-7
Income before taxes and minority interests	1,747	2,831	+1,084
Net income attributable to owners of parent	1,130	1,932	+802
FHI exchange rate	¥102/US\$	¥122/US\$	+¥20/US\$

1st Half : Analysis of Operating Income Variance



(100 Million Yen)



Consolidated Balance Sheets



(100 Million Yen)

	As of March 31 2015	As of Sep. 30 2015	Variance
Total assets	21,997	23,617	+1,620
Current assets	14,733	15,905	+1,173
Noncurrent assets	7,265	7,712	+448
Interest bearing debts	2,112	2,014	-98
Net assets	10,307	11,925	+1,618
Retained earnings	6,974	8,618	+1,644
Shareholders' equity	10,224	11,853	+1,629
Ratio of shareholders' equity to total assets	46.5%	50.2%	+3.7
D/E ratio	0.21	0.17	-0.04

1st Half : Consolidated Statement of Cash Flows



(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net cash provided by (used in) operating activities	1,347	2,829	+1,481
Net cash provided by (used in) investing activities	-637	-969	-332
Free cash flows	711	1,860	+1,149
Net cash provided by (used in) financing activities	-627	-395	+232
Effect of exchange rate change on cash and cash equivalents	95	-14	-109
Net increase (decrease) in cash and cash equivalents	179	1,450	+1,271
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	0	-1	-1
Cash and cash equivalents at end of period	5,758	7,570	-

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



(Million US\$)

SOA	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net sales	6,313	7,524	+1,211
Operating income	218	412	+194
Net income	133	252	+119
Retail sales (Thousand units)	262.3	300.3	+38.0

SIA	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Net sales	2,094	2,580	+486
Operating income	77	71	-6
Net income	52	48	-4
Subaru production (Thousand units)	92.1	111.9	+19.8

Outlook for the FYE March 2016

Full Year : Consolidated Automobile Sales Plan



(Thousand Units)

	Actual results FYE 2015	Revised plan FYE 2016	Variance
Passenger car	127.9	107.7	-20.2
Minicar	34.9	34.4	-0.4
Domestic total	162.8	142.1	-20.6
US	527.6	577.6	+50.0
Canada	42.4	46.5	+4.0
Russia	11.6	9.0	-2.5
Europe	35.7	42.2	+6.4
Australia	38.9	44.1	+5.2
China	53.8	46.5	-7.3
Others	37.9	45.0	+7.1
Overseas total	747.9	810.9	+63.0
Total	910.7	953.0	+42.3

Full Year : Consolidated Operating Plan



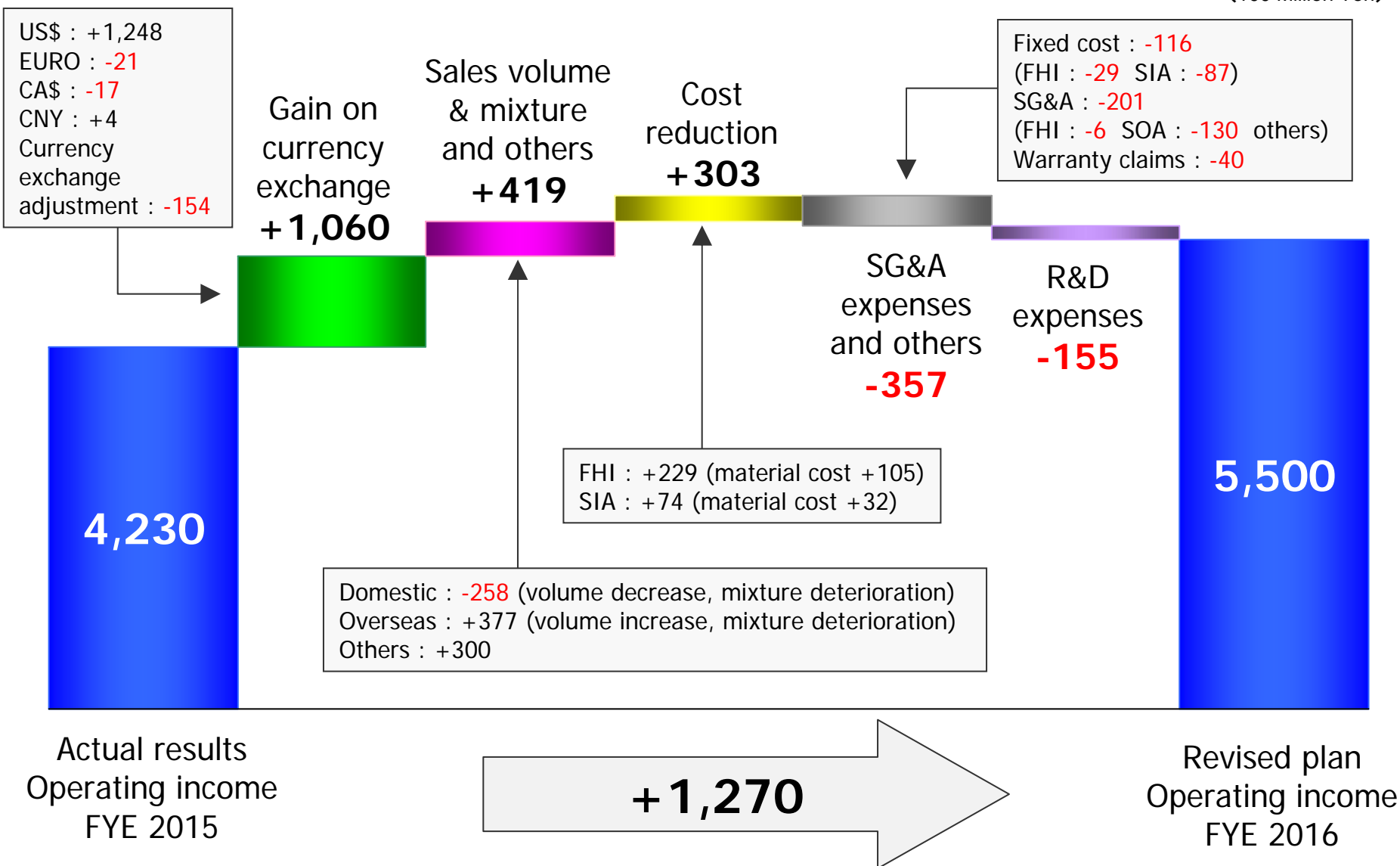
(100 Million Yen)

	Actual results FYE 2015	Revised plan FYE 2016	Variance
Net sales	28,779	32,100	+3,321
Domestic	6,529	5,721	-808
Overseas	22,250	26,379	+4,129
Operating income	4,230	5,500	+1,270
Ordinary income	3,936	5,470	+1,534
Income before taxes and minority interests	3,922	5,390	+1,468
Net income attributable to owners of parent	2,619	3,720	+1,101
FHI exchange rate	¥108/US\$	¥120/US\$	+¥12/US\$

Full Year : Analysis of Operating Income Variance



(100 Million Yen)



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



(Million US\$)

SOA	Actual results FYE 2015	Plan FYE 2016	Variance
Net sales	13,393	15,079	+1,686
Operating income	490	685	+195
Net income	309	420	+111
Retail sales (Thousand units)	530.5	578.0	+47.5

SIA	Actual results FYE 2015	Plan FYE 2016	Variance
Net sales	4,770	5,465	+695
Operating income	108	186	+78
Net income	70	116	+46
Subaru production (Thousand units)	206.7	235.7	+29.0

Capex / Depreciation / R&D / Interest bearing debt



(100 Million Yen)

	1 st half actual results FYE 2015	Actual results FYE 2015 (a)	1 st half actual results FYE 2016	Plan FYE 2016 (b)	Variance (b) - (a)
Capex	597	1,107	506	1,300	+193
Depreciation	277	648	313	670	+22
R&D	363	835	463	990	+155
Interest bearing debt	2,322	2,112	2,014	1,800	-312

Appendix (1)

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

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



(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Financial revenue and expenditure	-1	9	+9
FOREX effects	-98	3	+101
Other	1	-13	-14
Total non-operating income & expenses	-97	-1	+96
Gain on sales of noncurrent assets	4	1	-3
Gain on sales of investment securities	4	2	-2
Loss on sales and retirement of noncurrent assets	-17	-23	-6
Other	-5	0	+5
Total extraordinary income & loss	-13	-19	-7

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



(100 Million Yen)

	Net Sales			Operating Income		
	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Automobile	12,280	15,057	+2,777	1,785	2,732	+947
Aerospace	638	735	+96	59	96	+37
Industrial products	148	185	+37	1	6	+5
Others	36	38	+2	9	13	+5
Elimination & Corporate				3	3	+1
Total	13,102	16,015	+2,912	1,857	2,851	+994

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



(100 Million Yen)

	Net Sales			Operating Income		
	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Japan	4,466	4,599	+133	1,358	2,229	+871
North America	7,264	10,063	+2,800	416	593	+177
Others	1,373	1,353	-21	97	-17	-114
Elimination & Corporate				-14	47	+61
Total	13,102	16,015	+2,912	1,857	2,851	+994

1st Half : Overseas Net Sales (Consolidated)



(100 Million Yen)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
North America	7,751	10,630	+2,879
Europe	601	614	+13
Asia	1,183	1,107	-76
Other	639	812	+172
Total	10,174	13,163	+2,988

1st Half : Non-consolidated Automobile Sales



(Thousand Units)

	1 st half actual results FYE 2015	1 st half actual results FYE 2016	Variance
Domestic production	344.0	347.8	+3.8
Domestic sales	76.0	70.2	-5.8
Passenger cars	60.3	51.8	-8.5
Minicars	15.7	18.4	+2.7
Number of exported vehicles	261.3	283.9	+22.6
Components for overseas production	100.8	108.0	+7.1
Total	438.2	462.1	+23.9

※ Domestic production figures include Toyota 86.

Appendix (2)

- 2nd quarter (3months) consolidated income statements
- 1st half consolidated income statements
(Plan vs. Actual results)
- Full year consolidated income statements
(Previous plan vs. Revised plan)

2nd Quarter (3months) : Consolidated Automobile Sales



(Thousand Units)

	2Q actual results FYE 2015	2Q actual results FYE 2016	Variance
Passenger car	36.1	29.9	-6.1
Minicar	8.3	8.6	+0.3
Domestic total	44.3	38.5	-5.8
US	137.5	150.2	+12.7
Canada	11.3	12.2	+0.9
Russia	4.6	1.8	-2.8
Europe	8.7	11.3	+2.6
Australia	9.8	11.7	+1.9
China	13.1	10.4	-2.7
Others	8.6	10.9	+2.3
Overseas total	193.6	208.5	+15.0
Total	237.9	247.0	+9.1

2nd Quarter (3months) : Consolidated Income Statements



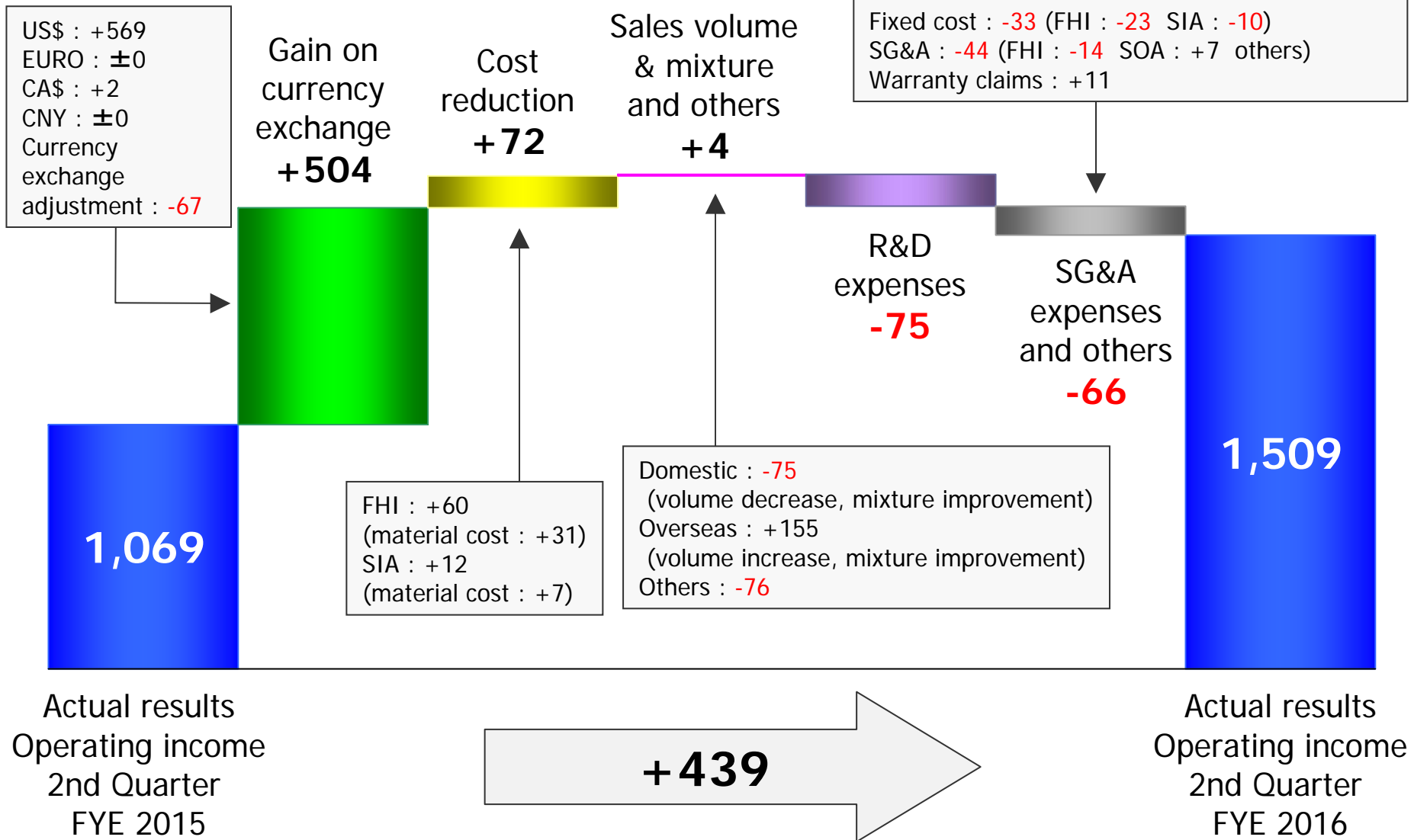
(100 Million Yen)

	2Q actual results FYE 2015	2Q actual results FYE 2016	Variance
Net sales	7,168	8,362	+1,194
Domestic	1,766	1,607	-159
Overseas	5,402	6,755	+1,353
Operating income	1,069	1,509	+439
Ordinary income	954	1,550	+596
Income before taxes and minority interests	940	1,540	+599
Net income attributable to owners of parent	608	1,090	+482
FHI exchange rate	¥102/US\$	¥123/US\$	+¥21/US\$

2nd Quarter (3months) : Analysis of Operating Income Variance



(100 Million Yen)



(Plan vs. Results)

1st Half : Consolidated Automobile Sales



(Thousand Units)

	1 st half plan FYE 2016	1 st half actual results FYE 2016	Variance
Passenger car	48.5	49.8	+1.3
Minicar	18.3	16.7	-1.6
Domestic total	66.8	66.5	-0.2
US	270.9	290.6	+19.7
Canada	25.8	26.1	+0.3
Russia	6.2	3.5	-2.7
Europe	18.1	19.6	+1.5
Australia	21.9	23.0	+1.1
China	21.5	20.5	-1.0
Others	22.4	22.5	+0.1
Overseas total	386.8	405.7	+18.8
Total	453.6	472.2	+18.6

(Plan vs. Results)

1st Half : Consolidated Income Statements

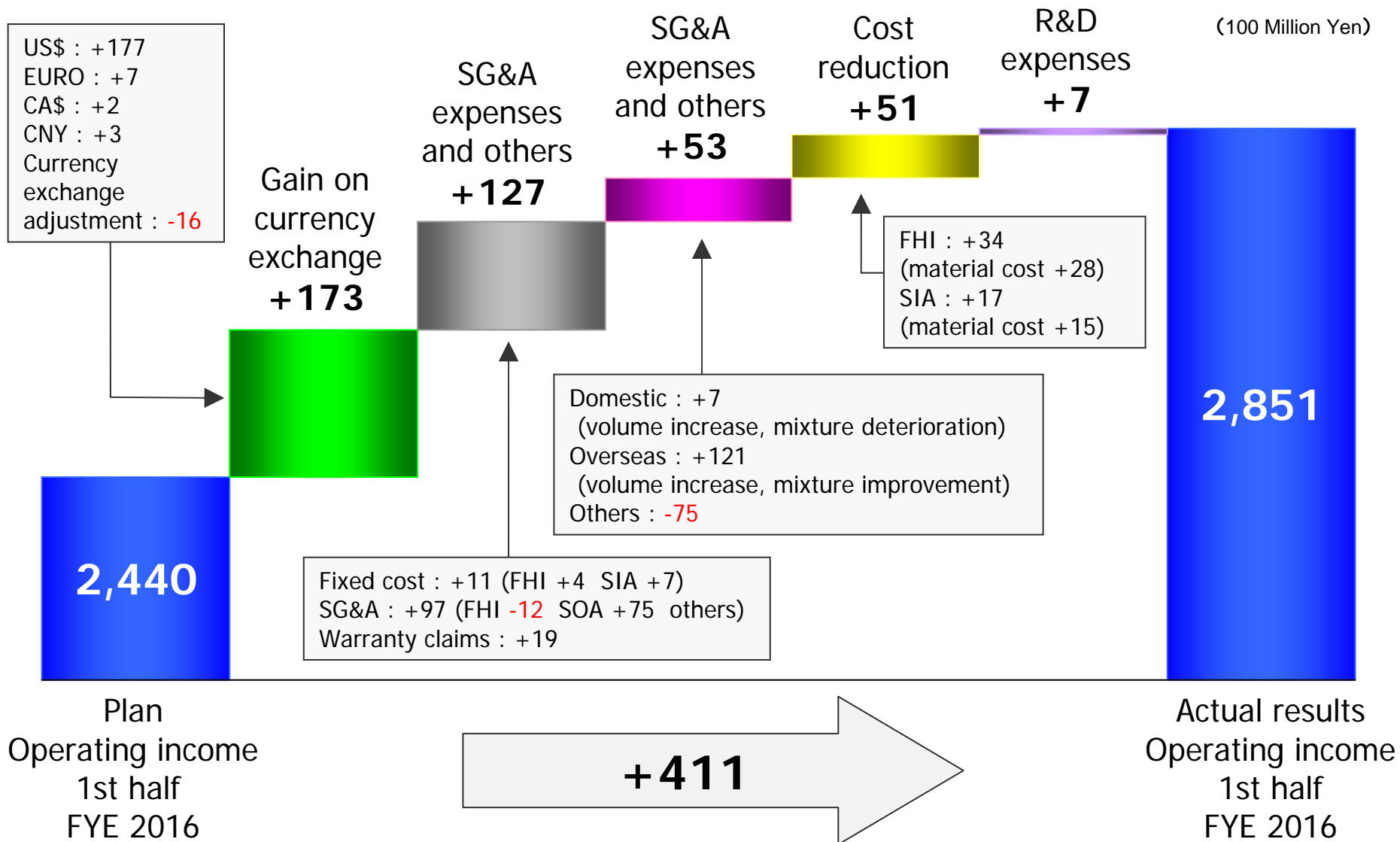


(100 Million Yen)

	1 st half plan FYE 2016	1 st half actual results FYE 2016	Variance
Net sales	14,750	16,015	+1,265
Domestic	2,650	2,852	+202
Overseas	12,100	13,163	+1,063
Operating income	2,440	2,851	+411
Ordinary income	2,400	2,850	+450
Income before taxes and minority interests	2,350	2,831	+481
Net income attributable to owners of parent	1,630	1,932	+302
FHI exchange rate	¥119/US\$	¥122/US\$	+¥3/US\$

(Plan vs. Results)

1st Half : Analysis of Operating Income Variance



(Previous Plan vs. Revised Plan) Full Year : Consolidated Automobile Sales Plan



(Thousand Units)

	Previous Plan FYE 2016	Revised Plan FYE 2016	Variance
Passenger car	106.7	107.7	+1.0
Minicar	37.6	34.4	-3.2
Domestic total	144.2	142.1	-2.1
US	554.0	577.6	+23.6
Canada	46.2	46.5	+0.3
Russia	12.8	9.0	-3.7
Europe	37.7	42.2	+4.4
Australia	42.3	44.1	+1.7
China	49.7	46.5	-3.2
Others	41.4	45.0	+3.6
Overseas total	784.1	810.9	+26.8
Total	928.3	953.0	+24.7

(Previous Plan vs. Revised Plan)

Full Year : Consolidated Operating Plan

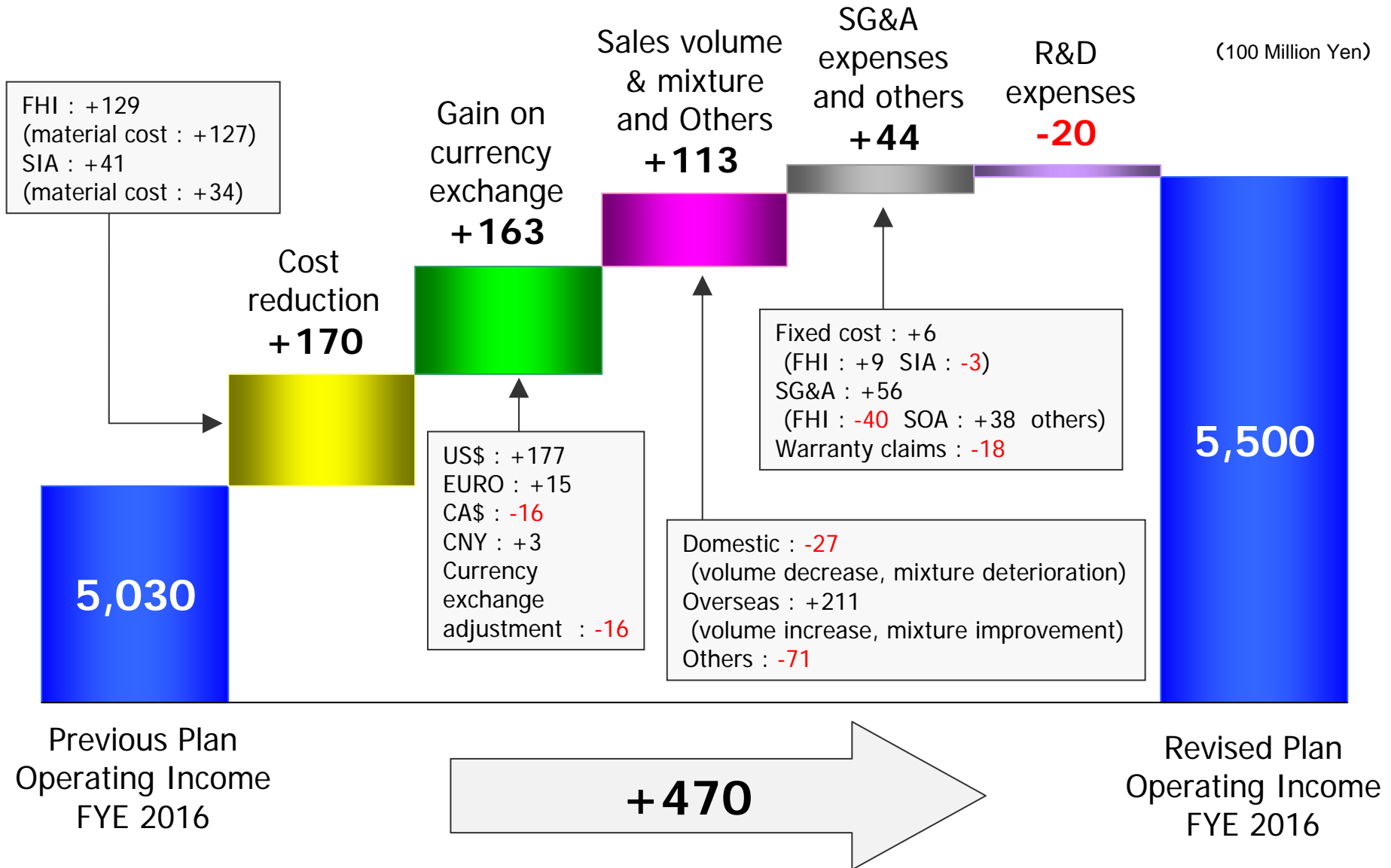


(100 Million Yen)

	Previous Plan FYE 2016	Revised Plan FYE 2016	Variance
Net sales	30,300	32,100	+1,800
Domestic	5,655	5,721	+66
Overseas	24,645	26,379	+1,734
Operating income	5,030	5,500	+470
Ordinary income	4,950	5,470	+520
Income before taxes and minority interests	4,850	5,390	+540
Net income attributable to owners of parent	3,370	3,720	+350
FHI exchange rate	¥118/US\$	¥120/US\$	+¥1/US\$

(Previous Plan vs. Revised Plan)

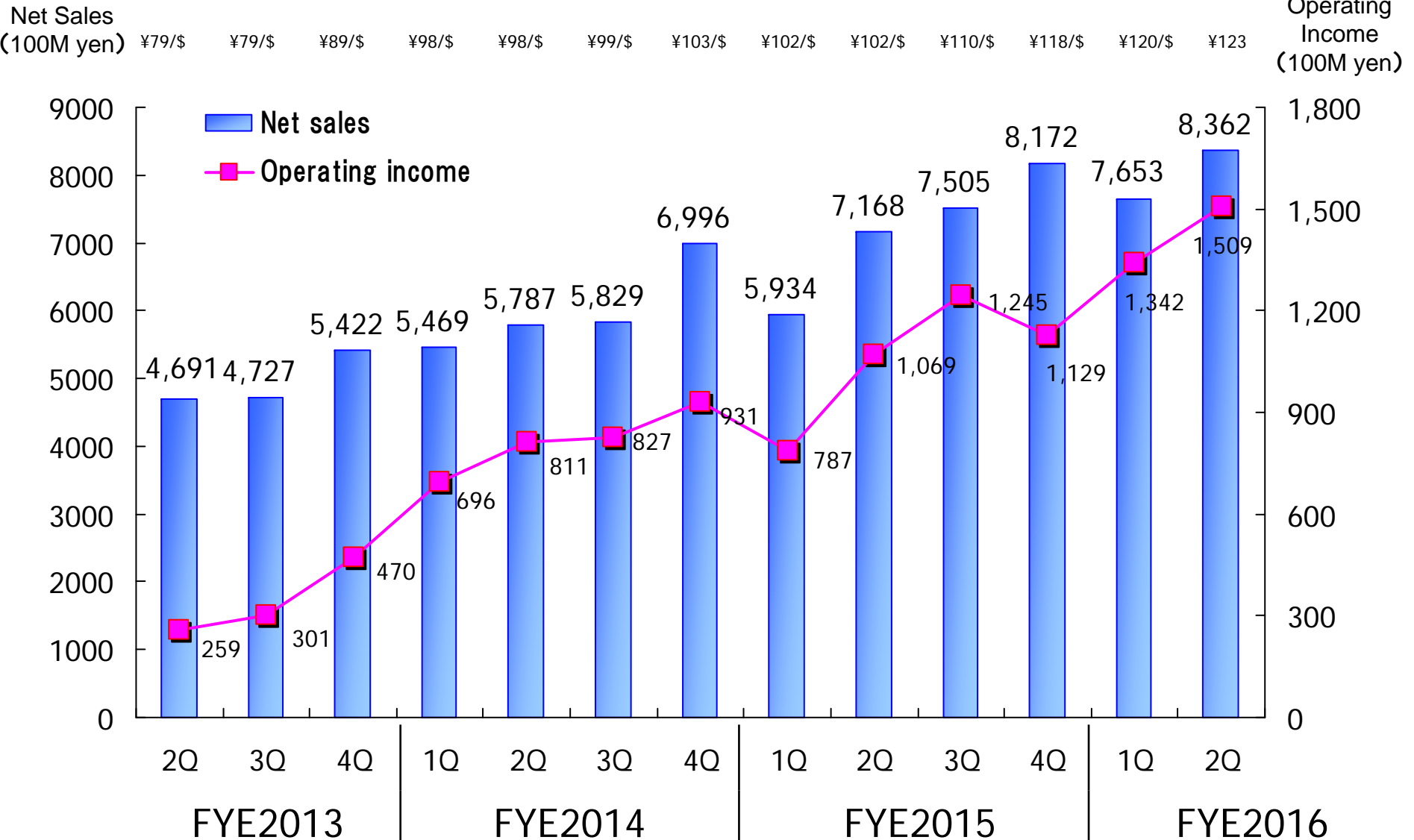
Full Year : Analysis of Operating Income Variance



Appendix (3) – 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

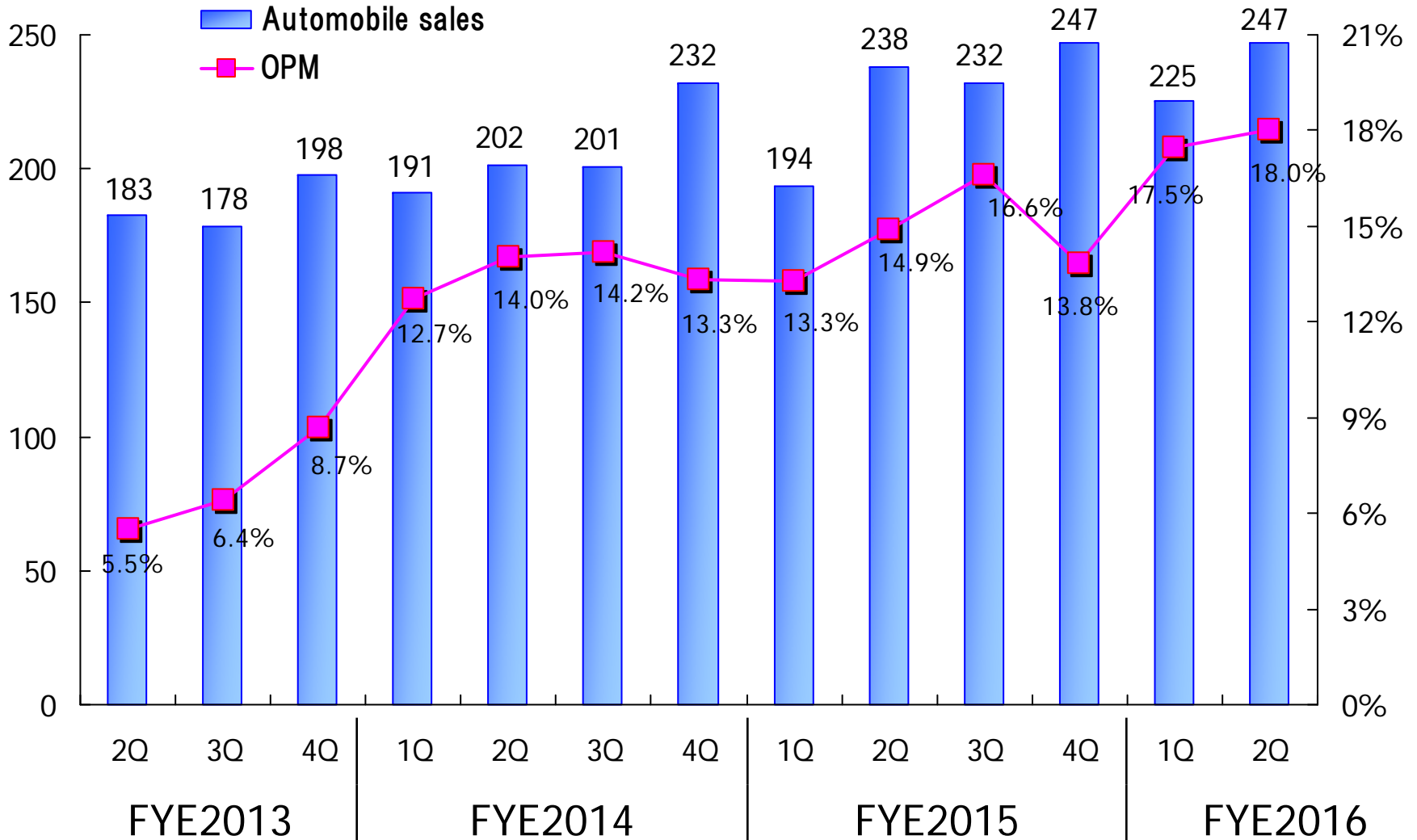


Consolidate Automobile Sales & Operating Income Margin



Consolidated sales
(1,000 units)

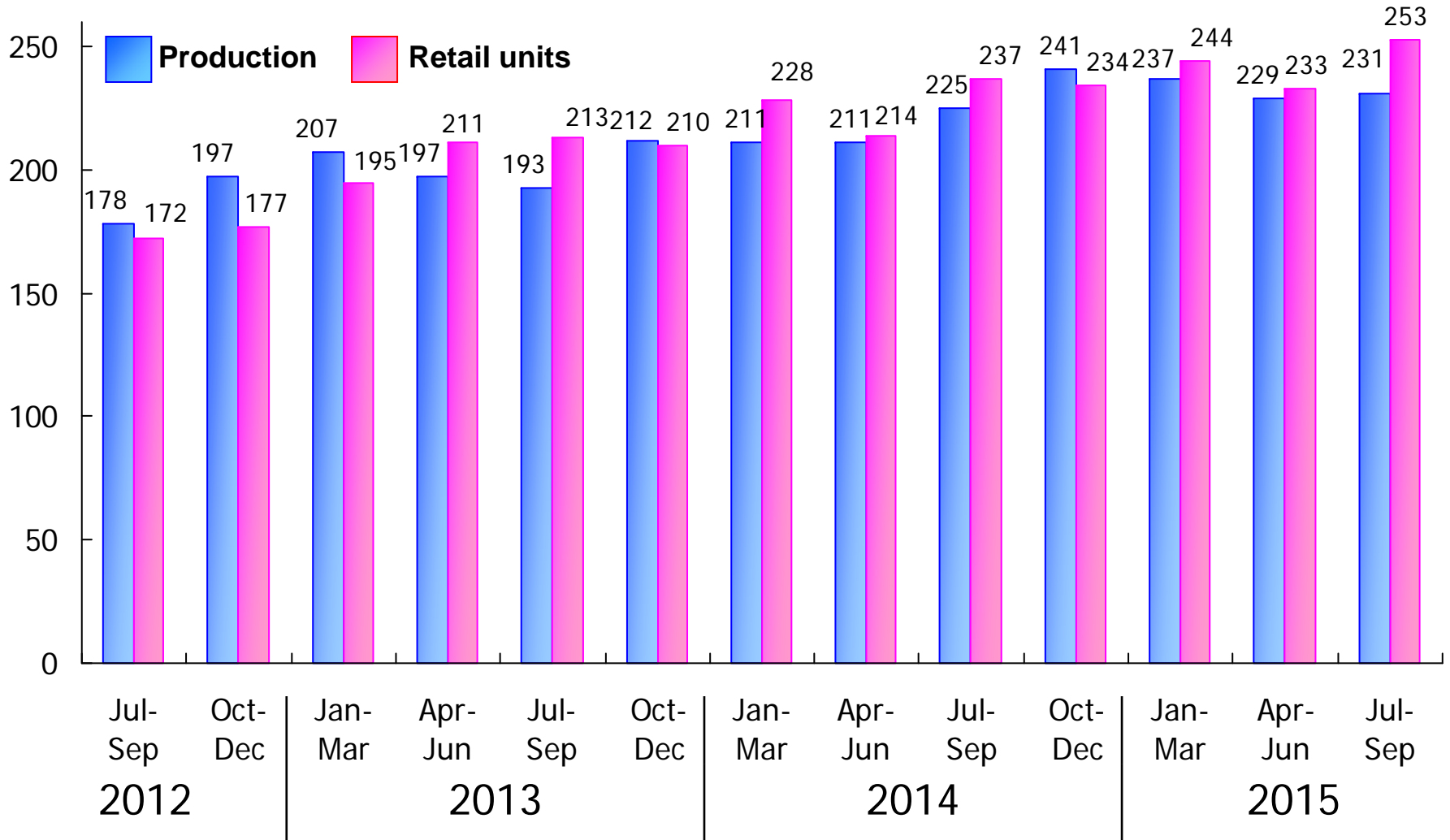
OPM



Complete Cars Production / Retail Sales Units



(1,000 units)



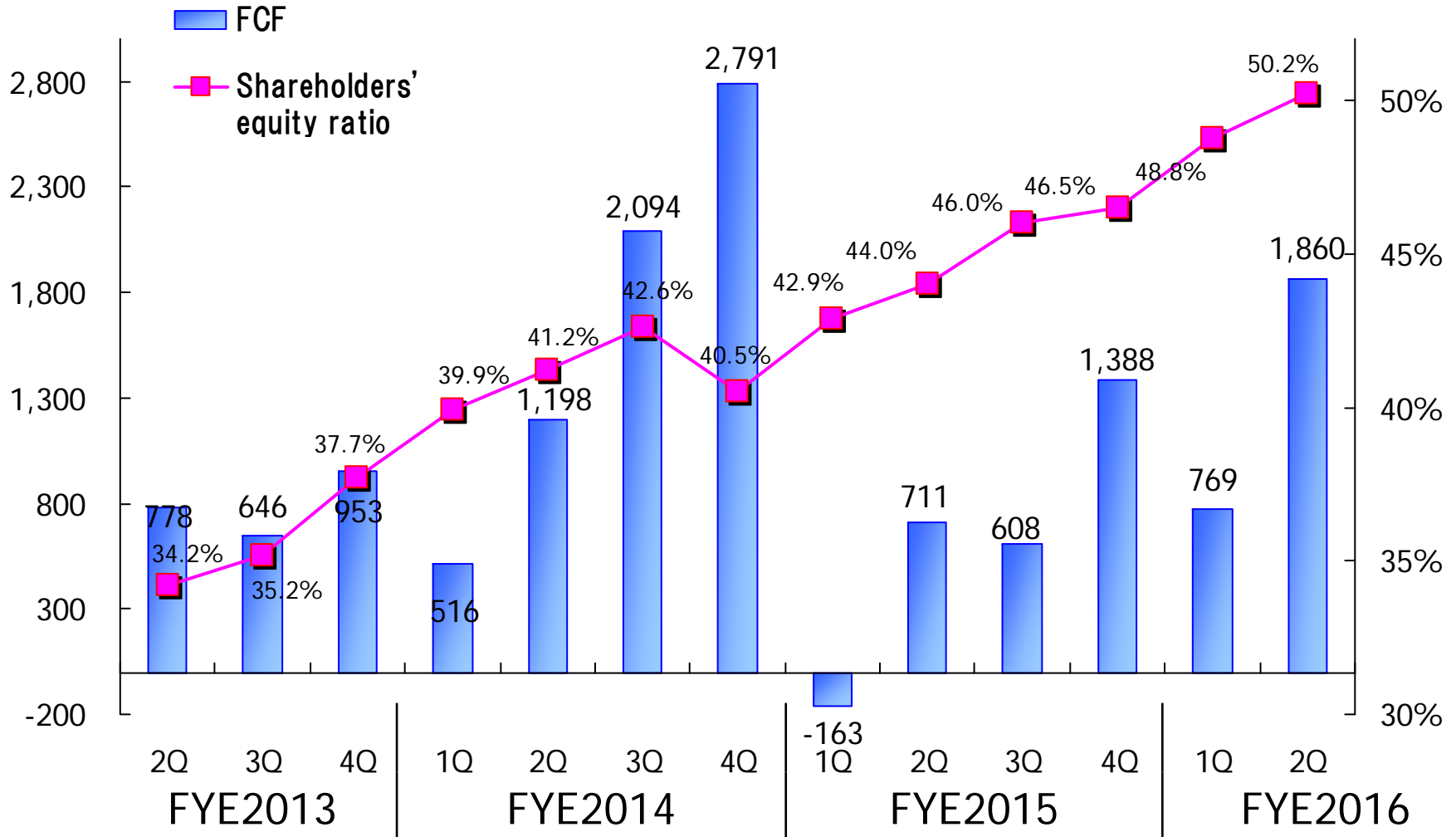
※ Production figures include Toyota 86

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

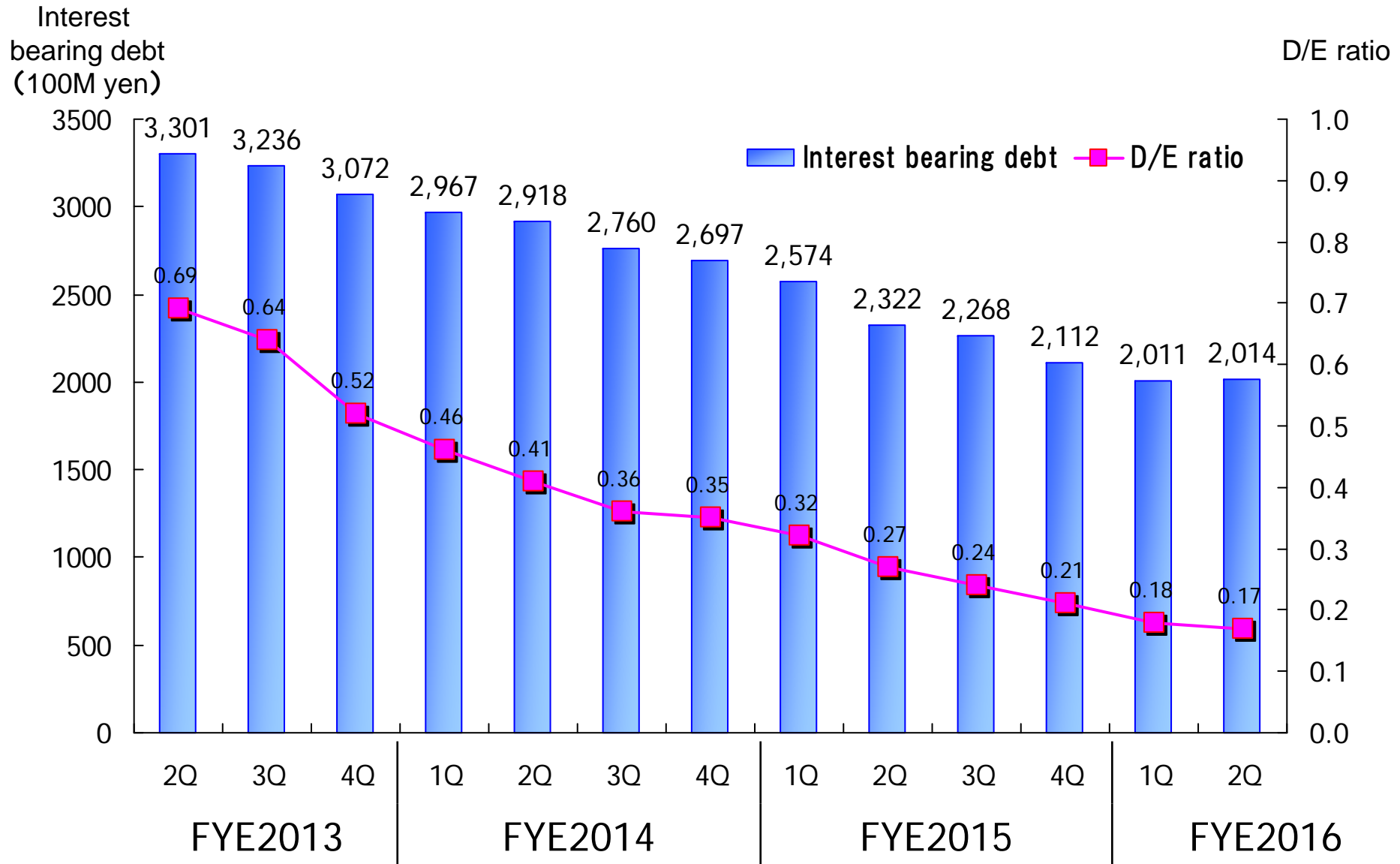


FCF
(100M yen)

Ration of shareholders' Equity to total assets



Interest Bearing Debt & D/E Ratio





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