



FHI Enhances Sales of Industrial Power Products in China - JV Company to be Established with Toyota Tsusho Group for Sales Increase in Chinese Market -

Tokyo, June 15, 2012 – Fuji Heavy Industries Ltd. (FHI), the maker of Subaru automobiles, and Toyota Tsusho (China) Co., Ltd. of Toyota Tsusho Group (Toyota Tsusho) today signed an agreement to set up a joint venture company in China to boost sales of FHI's industrial power products in the country. The new company is scheduled to be established and begin operations in September this year.

The demand for industrial products such as agricultural engines, pumps and construction machinery is on continued growth and expected to rise stronger in China as the country's agricultural mechanization and infrastructure development advance.

FHI's industrial product sales in China have been conducted through multiple distribution channels and the product lineup has been limited to exports from Japan and units manufactured at FCR*, a local joint venture between FHI and a Chinese partner. Under the new company, FHI intends to enhance the sales network, technical support, service network and customer convenience through a single distribution channel. The product lineup will also be reinforced by adding locally-made products that are currently manufactured under contract by Chinese companies. The annual sales target is set at 200,000 units by 2015, a significant increase from 122,000 units sold in 2011.

In its "Motion-V" mid-term business plan through March 2016, FHI's Industrial Product division has set a goal to develop its Chinese market as the third pillar following the U.S. and Japan, and the setup of the new sales company represents the first step to achieve that objective. Toyota Tsusho will leverage its cultivated experience and network in China to develop a distribution channel for high quality industrial power products.

* FCR: Changzhou Fuji Changchai Robin Gasoline Engine Co., Ltd.

<Sales Company Overview>

Name: "Subaru Industrial Power Products of China Co., Ltd."
Location: Minhang District, Shanghai, China
Company form: Joint venture between FHI and Toyota Tsusho Group company
Investment: FHI 75% : Toyota Tsusho (China) Co., Ltd. 25%
Officers: 4 in total (President + 2 Non-standing Officers from FHI, 1 Non-standing Officer from Toyota Tsusho)
Establishment: September 2012 (Plan)

<Operations>

Products: Units and Spare parts of General-purpose engines, Generators and Pumps; OEM engine units; and Others
Start of operations: September 2012 (Plan)

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