

Consolidated Financial Results

For the First Quarter of the Fiscal Year Ending March 31, 2012



August 2, 2011

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 10, 2011
 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 2012(April 1, 2011 to June 30, 2011)

(1) Consolidated Results of Operations

(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	
1st Quarter of FY2012	300,393	(18.9%)	10,668	(52.9%)	11,691	(51.7%)	28,454	48.7%
1st Quarter of FY2011	370,286	36.5%	22,629	—	24,229	—	19,140	—

Note: Comprehensive income 1st Quarter of FY2012: 28,530 million yen (166.2%) 1st Quarter of FY2011: 10,717 million yen (—%)

	Net income per share, basic (Yen)	Net income per share, diluted (Yen)
1st Quarter of FY2012	36.47	—
1st Quarter of FY2011	24.57	—

(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 FY2012	1,259,719	439,027	34.7%
FY2011	1,188,324	413,963	34.7%

Reference: Shareholders' equity As of June 30, 2011: 437,708 million yen As of March 31, 2011: 412,661 million yen

2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2011	—	4.50	—	4.50	9.00
FY 2012	—	—	—	—	—
FY 2012 (Forecast)	—	4.50	—	4.50	9.00

Note: Revision of the latest forecasts released: No

3. Projection of Consolidated Results for Fiscal Year 2012 (April 1, 2011 to March 31, 2012)

(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		Net income per share, basic(Yen)
1st half	650,000	(19.2%)	10,000	(82.6%)	8,000	(86.4%)	23,000	(48.4%)	29.48
Full year	1,480,000	(6.4%)	30,000	(64.3%)	25,000	(69.6%)	35,000	(30.5%)	44.90

Note: Revision of the latest forecasts released: Yes

Projection of consolidated results for the 1st half of FY 2012 which was not published in "FY 2011 Consolidated Financial Results for the Year Ended March 31, 2011" released on May 10, 2011, is announced in this document.

Projection of full-year consolidated results for FY 2012 has not been changed from the "Announcement of performance projection and dividend" published on July 6, 2011.

4. Others

- (1) Changes of significant subsidiaries in the first quarter of fiscal year 2012 : No
(Transfer of subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting procedures for preparing the quarterly : Yes
consolidated financial statements
- (3) Changes in accounting policies, accounting estimates and restatement of corrections
- [1] Changes due to revisions of accounting standards : No
- [2] Changes due to other reasons : No
- [3] Changes in accounting estimates : No
- [4] Restatement of corrections : No
- (4) Number of outstanding shares (Common Stock)
- [1] Number of outstanding shares As of June 30,2011: 782,865,873 shares As of March 31,2011: 782,865,873 shares
(including treasury stock)
- [2] Number of treasury stock As of June 30,2011: 2,599,647 shares As of March 31,2011: 2,605,141 shares
- [3] Average number of shares 1st Quarter of FY2012: 780,261,681 shares 1st Quarter of FY2011: 778,958,714 shares
(for three month period)

*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 forecasts 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) Qualitative Information on Projection for Current Fiscal Year" on page 3.

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1. Qualitative Information on Quarterly Financial Results

(1) Qualitative Information on Consolidated Operating Performance

Consolidated net sales for the first quarter of the current fiscal year were down ¥69.9 billion (18.9%) from the same period of the previous fiscal year to ¥300.4 billion. Main reasons for the decline were the Great East Japan Earthquake and exchange rate differences due to the stronger yen.

Regarding the profit, due to the drop in sales, operating income was down ¥12.0 billion (52.9%) from the same period of the previous fiscal year to ¥10.7 billion, and ordinary income was down ¥12.5 billion (51.7%) from the same period of the previous fiscal year to ¥11.7 billion. Net income for the quarter was up ¥9.3 billion (48.7%) over the same period of the previous fiscal year to ¥28.5 billion mainly thanks to ¥26.1 billion in extraordinary income from the sale of the Shinjuku Subaru Building in April 2011.

[Results by Business Segment]

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

[1] Automobile Division

Overall demand for vehicles in Japan in the first quarter of the current fiscal year posted a steep fall in the wake of stalling automobile production after the Great East Japan Earthquake, among other factors, with sales of passenger cars and minicars respectively down by 64.0% and 72.3%, for a total decline of 66.9% compared with the same period of the previous fiscal year.

In this environment, Subaru passenger car sales increased 3 thousand (23.3%) units over the same period of the previous fiscal year to 16 thousand units. The gain was thanks to the efforts to satisfy the back-order of some models with enhanced product appeal centered on Impreza and the sales launch of the Trezia in November 2010.

Minicar sales fell 8 thousand (33.5%) units from the same period of the previous fiscal year to 15 thousand units as major facelift of Stella in May was not able to cover declines in other models.

As a result, a total of 31 thousand units were sold in Japan for a decrease of 5 thousand (13.2%) units from the same period of the previous fiscal year.

Overseas sales suffered the first year-on-year decline in seven quarters from lower shipments due to disrupted parts supply after the Great East Japan Earthquake.

By region, sales in North America were down 6 thousand (8.9%) units from the same period of the previous fiscal year to 61 thousand units, sales in Europe including Russia were down 3 thousand (26.9%) units to 9 thousand units, sales in Australia were down 5 thousand (41.2%) units to 7 thousand units, sales in China were down 11 thousand (64.2%) units to 6 thousand units, and sales in other regions were down 3 thousand (35.2%) units to 5 thousand units.

As a result, the sales in overseas markets were 88 thousand units, a decrease of 27 thousand (23.8%) units from the same period of the previous fiscal year.

The combined unit sales for Japan and overseas markets amounted to 118 thousand units, a decrease of 32 thousand (21.3%) units from the same period of previous fiscal year.

Overall net sales were down ¥69.7 billion (20.4%) from the same period of the previous fiscal year to ¥272.5 billion due to decreased sales and the impact of the stronger yen, and segment income was also down ¥12.3 billion (56.2%) from the same period of the previous fiscal year to ¥9.6 billion.

[2] Aerospace Division

Deliveries to the Japan Ministry of Defense saw higher sales of fixed-wing patrol aircraft P-1, but due to the contract expiry for the fighter plane F-2, net sales declined from the same period of the previous fiscal year.

Moreover, in the commercial sector, Boeing-777 related deliveries increased, but shipments related to Boeing-787 models fell, leading to a drop in net sales from the same period of the previous fiscal year.

As a result, overall net sales were down ¥0.6 billion (3.5%) from the same period of the previous fiscal year to ¥16.9 billion, while segment income was up ¥0.7 billion over the same period of the previous fiscal year to ¥0.7 billion.

[3] Industrial Products Division

Net sales were up ¥0.7 billion (8.5%) over the same period of the previous fiscal year to ¥8.6 billion. While unit sales in Japan increased centered on power generators for the reconstruction effort after the Great East Japan Earthquake, overseas sales for engines were favorable mainly in Russia and the Middle Eastern countries. Segment income was up ¥0.1 billion over the same period of the previous fiscal year to ¥0.03 billion.

[4] Other Businesses

Net sales were down ¥0.3 billion (10.0%) from the same period of the previous fiscal year to ¥2.4 billion due to a drop in sales of wind-power generation systems. Segment income was down ¥0.4 billion (59.7%) from the same period of the previous fiscal year to ¥0.3 billion.

(2) Qualitative Information on Consolidated Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets at the end of the first quarter of the current fiscal year were ¥1,259.7 billion, up ¥71.4 billion compared with the end of the previous fiscal year. This was mainly due to a ¥81.1 billion rise in securities associated with higher working capital funded through bank loans.

Total liabilities increased ¥46.3 billion compared with the end of the previous fiscal year to ¥820.7 billion. This was mainly due to ¥20.0 billion in bond redemptions, and a ¥73.7 billion increase in bank long-term loans payable.

Net assets increased ¥25.1 billion compared with the end of the previous fiscal year to ¥439.0 billion. This was mainly due to a ¥25.0 billion increase in retained earnings as the same amount of net income for the period was posted.

[2] Cash Flows

Cash and cash equivalents at the end of the first quarter of the current fiscal year (hereinafter "Cash") totaled ¥297.1 billion.

(Net cash used in operating activities)

Net cash used in operating activities was ¥19.7 billion (compared with ¥33.7 billion provided by operating activities in the same period of the previous fiscal year). Main factor was a ¥21.4 billion decrease in notes and accounts payable-trade.

(Net cash provided by investment activities)

Net cash provided by investment activities was ¥27.5 billion (compared with ¥9.1 billion used in investment activities in the same period of the previous fiscal year). Main factor was ¥25.7 billion in the proceeds from sales of property, plant and equipment (net basis against purchase of property, plant and equipment).

(Net cash provided by financing activities)

Net cash provided by financing activities was ¥62.4 billion (compared with ¥19.3 billion used in financing activities in the same period of the previous fiscal year). Main factors were ¥20.0 billion in expenses for the redemption of bonds and ¥73.7 billion in the proceeds from long-term loans payable (net basis against repayment of long-term loans payable).

(3) Qualitative Information on Projection for Current Fiscal Year

The projections of consolidated results for the first-half of the fiscal year ending March 2012, which were previously indeterminate due to uncertainty about the effects of the Great East Japan Earthquake, are as follows based on latest business environment and trends.

The projections of consolidated results for the first half of the fiscal year ending March 2012 are based on assumed foreign exchange rates of ¥81/US and ¥116/EUR.

The projections of full-year consolidated results are unchanged from the announcement of July 6, 2011.

Consolidated Results Forecast for the First Half of the Fiscal Year Ending March 2012 (April 1, 2011 to September 30, 2011)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous projection (A)	¥ million	¥ million	¥ million	¥ million	Yen
	—	—	—	—	—
Revised projection (B)	650,000	10,000	8,000	23,000	29.48
Change in amount (B-A)	—	—	—	—	—
Percentage change (%)	—	—	—	—	—
(Supplemental information) Actual interim results of the previous fiscal year (April 1 to September 30, 2010)	803,994	57,349	58,825	44,566	57.20

2. Notes on Summary Information (Others)

Application of specific accounting procedures for preparing the quarterly consolidated financial statements
(Income taxes)

Income tax expense was calculated as multiplying income before income taxes and minority interests 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 and minority interests.

"Income taxes-deferred" was included in "Total income taxes".

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2011 (as of March 31, 2011)	1st Quarter of FY2012 (as of June 30, 2011)
ASSETS		
I Current assets		
Cash and deposits	211,700	199,076
Notes and accounts receivable-trade	76,810	82,665
Lease investment assets	23,050	22,137
Short-term investment securities	21,063	102,150
Merchandise and finished goods	72,871	82,445
Work in process	56,567	57,669
Raw materials and supplies	36,974	33,112
Deferred tax assets	13,754	14,669
Short-term loans receivable	59,986	59,332
Other	39,396	36,172
Allowance for doubtful accounts	(1,851)	(1,814)
Total current assets	610,320	687,613
II Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	118,267	115,624
Machinery, equipment and vehicles, net	81,261	85,434
Land	177,697	171,059
Vehicles and equipment on operating leases, net	11,751	9,458
Construction in progress	21,391	21,222
Other, net	20,475	20,343
Total property, plant and equipment	430,842	423,140
2. Intangible assets		
Other	12,040	11,768
Total intangible assets	12,040	11,768
3. Investments and other assets		
Investment securities	68,052	70,933
Deferred tax assets	1,812	2,088
Other	69,269	68,204
Allowance for doubtful accounts	(4,011)	(4,027)
Total investments and other assets	135,122	137,198
Total noncurrent assets	578,004	572,106
Total assets	1,188,324	1,259,719

(Unit: Millions of yen)

	FY2011 (as of March 31, 2011)	1st Quarter of FY2012 (as of June 30, 2011)
LIABILITIES		
I Current liabilities		
Notes and accounts payable-trade	176,895	154,467
Short-term loans payable	99,072	111,191
Current portion of long-term loans payable	20,902	20,609
Current portion of bonds	20,010	20,010
Income taxes payable	2,089	4,387
Accrued expenses	60,876	47,304
Provision for bonuses	16,322	24,555
Provision for product warranties	27,172	26,603
Provision for loss on construction contracts	4,681	4,103
Other	52,684	61,566
Total current liabilities	480,703	474,795
II Noncurrent liabilities		
Bonds payable	24,080	4,080
Long-term loans payable	166,562	240,598
Deferred tax liabilities	14,002	15,305
Provision for retirement benefits	33,707	33,714
Provision for directors' retirement benefits	561	412
Other	54,746	51,788
Total noncurrent liabilities	293,658	345,897
Total liabilities	774,361	820,692
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus	160,071	160,071
Retained earnings	156,948	181,929
Treasury stock	(1,381)	(1,377)
Total shareholders' equity	469,433	494,418
II Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,567	13,294
Foreign currency translation adjustment	(68,339)	(70,004)
Total accumulated other comprehensive income	(56,772)	(56,710)
Minority interests	1,302	1,319
Total net assets	413,963	439,027
Total liabilities and net assets	1,188,324	1,259,719

(2) Quarterly Consolidated Statements of (Comprehensive) Income**Quarterly Consolidated Statements of Income**

(Unit: Millions of yen)

	FY2011 (April 1, 2010 to June 30, 2010)	FY2012 (April 1, 2011 to June 30, 2011)
I Net sales	370,286	300,393
II Cost of sales	285,892	236,003
Gross profit	84,394	64,390
III Selling, general and administrative expenses	61,765	53,722
Operating income	22,629	10,668
IV Non-operating income		
Interest income	274	262
Dividends income	283	308
Equity in earnings of affiliates	1,149	456
Real estate rent	125	129
Gain on valuation of derivatives	5,421	1,715
Other	698	759
Total non-operating income	7,950	3,629
V Non-operating expenses		
Interest expenses	1,299	908
Foreign exchange losses	3,973	638
Other	1,078	1,060
Total non-operating expenses	6,350	2,606
Ordinary income	24,229	11,691
VI Extraordinary income		
Gain on sales of noncurrent assets	36	26,325
Reversal of allowance for doubtful accounts	330	—
Gain on sale of loans receivable	324	—
Other	188	157
Total extraordinary income	878	26,482
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	159	173
Loss on disaster	—	5,704
Loss on adjustment for changes of accounting standard for asset retirement obligations	372	—
Other	59	26
Total extraordinary losses	590	5,903
Income before income taxes and minority interests	24,517	32,270
Total Income taxes	5,348	3,800
Income before minority interest	19,169	28,470
Minority interests in income	29	16
Net income	19,140	28,454

Quarterly Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	FY2011 (April 1, 2010 to June 30, 2010)	FY2012 (April 1, 2011 to June 30, 2011)
Income before minority interest	19,169	28,470
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,280)	1,727
Foreign currency translation adjustment	(6,232)	(1,825)
Share of other comprehensive income of associates accounted for using equity method	60	158
Total other comprehensive income	(8,452)	60
Comprehensive income	10,717	28,530
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	10,684	28,516
Comprehensive income attributable to minority interests	33	14

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2011 (April 1, 2010 to June 30, 2010)	FY2012 (April 1, 2011 to June 30, 2011)
I Net cash provided by (used in) operating activities		
Income (loss) before income taxes	24,517	32,270
Depreciation and amortization	13,244	12,907
Increase (decrease) in provision for bonuses	7,875	8,227
Increase (decrease) in provision for product warranties	1,222	(639)
Increase (decrease) in provision for loss on construction contracts	338	(578)
Increase (decrease) in provision for retirement benefits	593	(146)
Interest and dividends income	(557)	(570)
Interest expenses	1,299	908
Loss (gain) on valuation of derivatives	(5,421)	(1,715)
Equity in (earnings) losses of affiliates	(1,149)	(456)
Loss (gain) on sales and retirement of noncurrent assets	123	(26,152)
Decrease (increase) in notes and accounts receivable-trade	21,387	(5,704)
Decrease (increase) in inventories	(22,895)	(8,745)
Increase (decrease) in notes and accounts payable-trade	(914)	(21,372)
Decrease (increase) in lease investment assets	87	913
Decrease (increase) in operating loans receivable	4,930	(820)
Decrease (increase) in vehicles and equipment on operating leases	(8,562)	1,268
Increase (decrease) in deposits received	8,057	3,347
Other, net	(5,969)	(9,377)
Subtotal	38,205	(16,434)
Interest and dividends income received	557	614
Interest expenses paid	(1,285)	(806)
Income taxes (paid) refund	(3,780)	(3,093)
Net cash provided by (used in) operating activities	33,697	(19,719)

(Unit: Millions of yen)

	FY2011 (April 1, 2010 to June 30, 2010)	FY2012 (April 1, 2011 to June 30, 2011)
II Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	(939)	(1,151)
Proceeds from sales of short-term investment securities	1,066	1,106
Purchase of property, plant and equipment	(9,881)	(8,375)
Proceeds from sales of property, plant and equipment	159	34,097
Purchase of intangible assets	(396)	(713)
Purchase of investment securities	(4,974)	(4,423)
Proceeds from sales of investment securities	4,803	3,633
Payments of loans receivable	(19,845)	(19,885)
Collection of loans receivable	21,990	21,905
Other, net	(1,096)	1,320
Net cash provided by (used in) investing activities	(9,113)	27,514
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(9,655)	12,115
Proceeds from long-term loans payable	12,519	75,670
Repayments of long-term loans payable	(1,912)	(1,947)
Redemption of bonds	(20,000)	(20,000)
Cash dividends paid	—	(3,277)
Other, net	(227)	(194)
Net cash provided by (used in) financing activities	(19,275)	62,367
IV Effect of exchange rate change on cash and cash equivalents	(4,512)	(836)
V Net increase (decrease) in cash and cash equivalents	797	69,326
VI Cash and cash equivalents at beginning of period	191,466	227,704
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	32
VIII Cash and cash equivalents at end of period	192,263	297,062

(4) Notes on Premise of Going Concern

FY2012 (April 1, 2011 to June 30, 2011)

Not Applicable

(5) Changes in the Scope of Consolidation and Application of the Equity Method

FY2012 (April 1, 2011 to June 30, 2011)

The number of equity-method companies decreased because Subaru Customize Works Co., LTD. was merged into Kiryu Industrial Ltd., wholly owned subsidiary of FHI, on April 1, 2011.

(6) Additional information

FY2012 (April 1, 2011 to June 30, 2011)

Application of Accounting Changes and Error Corrections

Since the beginning of the first quarter of fiscal year 2012, "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009), and "the Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) have been applied.

Application of Consolidated tax system

Since the first quarter of fiscal year 2012, Consolidated taxation system has been applied.

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

FY2012 (April 1, 2011 to June 30, 2011)

Not Applicable

(8) Explanatory Note

(Quarterly Consolidated Statement of income)

FY2012 (April 1, 2011 to June 30, 2011)

(Extraordinary income)

Gain on sales of noncurrent assets includes 26,143 million yen, the profit related to the sale of Shinjuku Subaru Building(building and land) co-owned by FHI and Subaru Kosan Co., Ltd., wholly owned subsidiary of FHI, to Odakyu Electric Railway Co., Ltd.

(Extraordinary loss)

Loss on disaster was caused by Great East Japan Earthquake, and mainly consists of the fixed overhead corresponding to falling production, etc.

(9) Segment Information

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

1st Quarter of FY 2011 (April 1, 2010 to June 30, 2010)

(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	342,144	17,473	7,950	367,567	2,719	370,286	—	370,286
(2) Inter-segment	607	—	3	610	3,120	3,730	(3,730)	—
Total sales	342,751	17,473	7,953	368,177	5,839	374,016	(3,730)	370,286
Operating income (loss)	21,935	10	(53)	21,892	620	22,512	117	22,629

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

*2. Adjustment of segment income (loss) indicates elimination of intersegment transaction.

*3. Operating income (loss) of segment is adjusted on operating income on the quarterly consolidated statements of income.

1st Quarter of FY 2012 (April 1, 2011 to June 30, 2011)

(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	272,459	16,860	8,628	297,947	2,446	300,393	—	300,393
(2) Inter-segment	649	—	22	671	3,095	3,766	(3,766)	—
Total sales	273,108	16,860	8,650	298,618	5,541	304,159	(3,766)	300,393
Operating income	9,605	747	27	10,379	250	10,629	39	10,668

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

*2. Adjustment of segment income indicates elimination of intersegment transaction.

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

<Reference for the 1st Quarter of FY2012 Consolidated Financial Results>

(in 100 millions of yen) (in thousands of units)	ACTUAL RESULTS				FORECAST			FORECAST						
	1st Quarter of FY 2011 Apr.2010 to Jun.2010				1st Quarter of FY2012 Apr.2011 to Jun.2011				1st Half of FY2012 Apr.2011 to Sep.2011			FY2012 Apr.2011 to Mar.2012		
			Difference	Ratio		Difference	Ratio		Difference	Ratio				
Net Sales	3,703	3,004	(699)	(18.9)	6,500	(1,540)	(19.2)	14,800	(1,006)	(6.4)				
Domestic	1,045	988	(56)	(5.4)	2,105	(415)	(16.5)	4,500	(173)	(3.7)				
Overseas	2,658	2,016	(643)	(24.2)	4,395	(1,125)	(20.4)	10,300	(832)	(7.5)				
Operating Income	226	107	(120)	(52.9)	100	(473)	(82.6)	300	(541)	(64.3)				
Margin Percentage	6.1	3.6			1.5			2.0						
Ordinary Income	242	117	(125)	(51.7)	80	(508)	(86.4)	250	(572)	(69.6)				
Margin Percentage	6.5	3.9			1.2			1.7						
Net Income	191	285	93	48.7	230	(216)	(48.4)	350	(153)	(30.5)				
Margin Percentage	5.2	9.5			3.5			2.4						
Change of operating income by factors														
		Decrease of SG&A expenses and others	172		Decrease of SG&A expenses and others	200		Decrease of SG&A expenses and others	37					
		Improvement of sales volume & mixture and others	(190)		Improvement of sales volume & mixture and others	(402)		Loss on currency exchange	(220)					
		Loss on currency exchange	(83)		Loss on currency exchange	(171)		Improvement of sales volume & mixture and others	(188)					
		Increase of R&D expenses	(17)		Reduction in cost & Net of raw material price raise	(63)		Reduction in cost & Net of raw material price raise	(119)					
		Reduction in cost & Net of raw material price raise	(2)		Increase of R&D expenses	(37)		Increase of R&D expenses	(51)					
Exchange rates	YEN/US\$ YEN/EURO	YEN92/US\$ YEN121/EURO	YEN82/US\$ YEN117/EURO		YEN81/US\$ YEN116/EURO			YEN81/US\$ YEN115/EURO						
Capital expenditures	82	140			320			600						
Depreciation and amortization	116	116			260			550						
R&D expenses	89	106			240			480						
Interest bearing debts	3,473	3,965			3,900			3,700						
Performance of operation			Net Sales to decrease Net Income to increase		Net Sales to decrease Net Income to decrease			Net Sales to decrease Net Income to decrease						
Domestic sales	35	31	(5)	(13.2)	70	(18)	(20.5)	164	6	3.6				
Passenger Cars	13	16	3	23.3	33	(4)	(11.6)	71	3	3.7				
Minicars	23	15	(8)	(33.5)	37	(14)	(27.0)	93	3	3.5				
Overseas sales	115	88	(27)	(23.8)	189	(54)	(22.1)	468	(31)	(6.2)				
North America	67	61	(6)	(8.9)	126	(18)	(12.8)	302	(5)	(1.8)				
Europe	13	9	(3)	(26.9)	21	(9)	(29.5)	51	(8)	(13.9)				
China	17	6	(11)	(64.2)	17	(15)	(45.6)	55	(8)	(12.0)				
Others	19	12	(7)	(38.9)	25	(12)	(31.8)	60	(10)	(13.7)				
Total sales	150	118	(32)	(21.3)	260	(72)	(21.6)	632	(25)	(3.8)				
Production Units Total	162	111	(51)	(31.4)	243	(79)	(24.5)	630	7	1.1				
Japan	122	78	(44)	(36.2)	175	(70)	(28.6)	463	4	0.9				
U.S.	40	33	(7)	(16.7)	69	(9)	(11.8)	167	2	1.5				
Net sales by business segment														
Automobile	3,421	2,725	(697)	(20.4)										
Aerospace	175	169	(6)	(3.5)										
Industrial Products	80	86	7	8.5										
Other	27	24	(3)	(10.0)										
Operating income by business segment														
Automobile	(219)	96	(123)	(56.2)										
Aerospace	0	7	7	7,370.0										
Industrial Products	(1)	0	1	-										
Other	6	3	(4)	(59.7)										
Elimination and Corporate	1	0	(1)	(66.7)										

* Figures of Total Sales are the sum of retail sales units of the Japanese subsidiary dealers, wholesale units of the overseas subsidiary distributors, and wholesale units of FHI to other distributors/dealers

* Exchange rate is the non-consolidated sales rate of FHI.



FHI Announces First Quarter Financial Results for FY 2012

Tokyo, August 2, 2011 - Fuji Heavy Industries Ltd. (FHI), the maker of Subaru automobiles, today has announced its financial results for the first quarter of fiscal year ended March 31, 2012.

<1st Quarter Consolidated Results: Net Sales>

In overseas market, Subaru vehicle sales were 88 thousand units, or down 23.8% compared to the same period in fiscal 2011, due to decreased production resulting from the major earthquake in northeastern Japan. Subaru vehicle sales in Japan were 31 thousand units, or down 13.2% over the previous year due to sales decline of minicars, although passenger vehicle sales were up from a year ago thanks to strong sales of Impreza which enhanced its product appeal and thanks to additional sales of Trezia, a new model introduced in November 2010. As a result, global vehicle sales for Subaru totaled 118 thousand units, or down 21.3% from a year ago, and overall net sales were down 18.9% compared to the same period in fiscal 2011 to 300.4 billion yen due to the influence of a strong yen on currency exchanges.

<1st Quarter Consolidated Results: Operating Income>

Operating income decreased 52.9% to 10.7 billion yen over the previous year, mainly due to decreased sales affected by the major earthquake as well as the loss of currency exchange, although the company made an effort to reduce SG&A expenses and others. While ordinary income decreased 51.7% to 11.7 billion yen, net profit increased 48.7% to 28.5 billion yen mainly thanks to 26.1 billion yen in extraordinary income from the sale of the FHI head-office building.

<Forecast for FY 2012>

Due to uncertain parameters which include currency exchange rate and the fact that FHI expects a return to full-scale production of Subaru vehicles after October, FHI will not change the original forecast* which was announced on July 6, 2011.

*Original forecast for consolidated results for fiscal year ended March 31, 2012

- Net sales: 1,480 billion yen
- Operating income: 30 billion yen
- Ordinary income: 25 billion yen
- Net income: 35 billion yen
- Foreign currency rate: 81yen per US dollar, 115 yen per EURO