

# Consolidated Financial Results

## For the Second Quarter of the Fiscal Year Ending March 31, 2013 (Japan GAAP)



October 30, 2012

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 Scheduled date of submitting Quarterly Report : November 9, 2012  
 Scheduled date for dividend payment : December 4, 2012  
 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 Second Quarter of Fiscal Year 2013(April 1, 2012 to September 30, 2012)

#### (1)Consolidated Results of Operations(for six 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	
2nd Quarter of FY2013	898,020	37.1%	43,257	130.6%	45,287	110.0%	40,440	23.5%
2nd Quarter of FY2012	655,023	(18.5%)	18,760	(67.3%)	21,563	(63.3%)	32,753	(26.5%)

Note: Comprehensive income 2nd Quarter of FY2013: 30,592 million yen (28.9%) 2nd Quarter of FY2012: 23,726 million yen ((13.4%))

	Net income per share, basic (Yen)	Net income per share, diluted (Yen)
2nd Quarter of FY2013	51.82	—
2nd Quarter of FY2012	41.97	—

#### (2) Consolidated Financial Position

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

	Total assets	Net assets	Shareholders' equity to total assets (%)
2nd Quarter of FY2013	1,395,128	478,683	34.2%
FY2012	1,352,532	451,607	33.3%

Reference: Shareholders' equity As of September 30, 2012: 477,333 million yen As of March 31, 2012: 450,302 million yen

### 2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2012	—	4.50	—	4.50	9.00
FY 2013	—	5.00			
FY 2013 (Forecast)			—	5.00	10.00

Note: Revision of the forecasts in the second quarter of the fiscal year ending March 31, 2013: Yes

### 3. Projection of Consolidated Results for Fiscal Year 2013 (April 1, 2012 to March 31, 2013)

(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)
Full year	1,840,000	21.3%	82,000	86.5%	81,000	117.3%	67,000	74.2%	85.85

Note: Revision of the forecasts at the timing of announcement of the results of second quarter of the fiscal year ending March 31, 2013: Yes

#### 4. Others

- (1) Changes of significant subsidiaries in the second quarter of fiscal year 2013 : 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 : Yes
- [4] Restatements : No
- (Note) Since the beginning of the first quarter of fiscal year 2013, depreciation method for fixed assets has been changed and this change corresponds to "Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates".
- (4) Number of outstanding shares (Common Stock)
- |   |                          |                    |                        |                    |
|---|--------------------------|--------------------|------------------------|--------------------|
| [1] Number of outstanding shares (including treasury stock) | As of September 30,2012: | 782,865,873 shares | As of March 31,2012:   | 782,865,873 shares |
| [2] Number of treasury stock                                | As of September 30,2012: | 2,409,738 shares   | As of March 31,2012:   | 2,406,736 shares   |
| [3] Average number of shares ( for six month period )       | 2nd Quarter of FY2013:   | 780,458,527 shares | 2nd Quarter of FY2012: | 780,346,923 shares |

#### \*The status of the implementation of the second quarterly review

The second 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) Qualitative Information on Projection for Current Fiscal Year" on page 4.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Qualitative Information on Consolidated Operating Performance

Consolidated net sales for the first half of the current fiscal year rose ¥243.0 billion (37.1%) from the same period of the previous fiscal year to ¥898.0 billion mainly due to higher automobile unit sales.

Regarding the profit, operating income increased ¥24.5 billion (130.6%) from the same period of the previous fiscal year to ¥43.3 billion and ordinary income increased ¥23.7 billion (110.0%) from the same period of the previous fiscal year to ¥45.3 billion, reflecting the higher sales. Net income increased ¥7.7 billion (23.5%) from the same period of the previous fiscal year to ¥40.4 billion.

[Results by Business Segment]

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

#### [1] Automobile Division

Unit sales of Subaru passenger cars in Japan increased 10 thousand (26.6%) units compared with the same period of the previous fiscal year to 45 thousand units. Main contributors were favorable sales of the Impreza and the Subaru BRZ launched in the second half of the previous fiscal year throughout the first half of the current fiscal year as well as higher unit sales of the Legacy which received minor facelifts in May, such as implementation of the direct injection turbo engine.

On the other hand, minicars saw unit sales fall 10 thousand (27.6%) units compared with the same period of the previous fiscal year to 27 thousand units as weak sales of minicars for commercial use could not be covered by robust sales of mini-passenger cars.

As a result, a total of 72 thousand units were sold in Japan for a decrease of 1 thousand (0.8%) units from the same period of the previous fiscal year.

Overseas sales increased in most of the regions compared with the same period of the previous fiscal year due to favorable sales centered on the Impreza with additional support from the rebound after the Great East Japan Earthquake.

By region, sales in North America increased 52 thousand (40.9%) units from the same period of the previous fiscal year to 181 thousand units, sales in Europe including Russia increased 16 thousand (81.1%) units from the same period of the previous fiscal year to 36 thousand units, sales in Australia increased 6 thousand (34.6%) units from the same period of the previous fiscal year to 22 thousand units, sales in China increased 8 thousand (40.8%) units from the same period of the previous fiscal year to 27 thousand units, and sales in other regions increased 1 thousand (9.9%) units from the same period of the previous fiscal year to 11 thousand units.

As a result, the sales in overseas markets were 276 thousand units, an increase of 83 thousand (43.0%) units from the same period of the previous fiscal year.

The combined unit sales for Japan and overseas markets amounted to 348 thousand units, an increase of 82 thousand (31.0%) units from the same period of previous fiscal year.

Overall net sales increased ¥236.1 billion (39.7%) from the same period of the previous fiscal year to ¥830.4 billion, and segment income increased ¥22.6 billion (132.8%) from the same period of the previous fiscal year to ¥39.7 billion.

#### [2] Aerospace Division

Deliveries to the Ministry of Defense posted a decline from the same period of the previous fiscal year mainly due to the contract expiry for the multi-purpose helicopter UH-1J.

On the other hand, sales to the commercial sector rose compared with the same period of the previous fiscal year thanks to higher sales of Boeing 777 and Boeing 787 aircraft.

As a result, overall net sales increased ¥4.2 billion (11.4%) compared with the same period of the previous fiscal year to ¥41.7 billion. Segment income increased ¥0.9 billion (85.7%) compared with the same period of the previous fiscal year to ¥1.9 billion.

### [3] Industrial Products Division

Net sales fell ¥1.1 billion (6.2%) compared with the same period of the previous fiscal year to ¥16.3 billion due to lower sales of engines and power generators in Japan amid waning reconstruction demand related to the Great East Japan Earthquake. Segment income increased ¥0.1 billion (56.4%) compared with the same period of the previous fiscal year to ¥0.4 billion owing to an enhanced sales mix.

### [4] Other Businesses

Net sales increased ¥3.7 billion (62.6%) compared with the same period of the previous fiscal year to ¥9.6 billion, mainly due to the transfer of the wind power generation business to Hitachi, Ltd. and a rise in unit sales of sanitation truck Fuji Mighty than the year earlier. Segment income increased ¥0.7 billion (184.3%) compared with the same period of the previous fiscal year to ¥1.0 billion.

## (2) Qualitative Information on Consolidated Financial Position

### [1] Assets, Liabilities, and Net Assets

Total assets at the end of the first half of the current fiscal year were ¥1,395.1 billion, reflecting an increase of ¥42.6 billion from the end of the previous fiscal year. This was mainly due to an increase in overall assets from newly consolidated overseas sales subsidiaries.

Total liabilities increased ¥15.5 billion compared with the end of the previous fiscal year to ¥916.4 billion. This was mainly due to a ¥15.4 billion rise in notes and accounts payable-trade.

Net assets increased ¥27.1 billion compared with the end of the previous fiscal year to ¥478.7 billion. This was mainly due to a ¥36.9 billion increase in retained earning 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 half of the current fiscal year (hereinafter “Cash”) totaled ¥319.2 billion.

(Net cash provided by operating activities)

Net cash provided by operating activities was ¥110.3 billion (compared with ¥9.2 billion used in operating activities in the same period of the previous fiscal year). Main factors included ¥45.9 billion in income before income taxes and minority interests, ¥15.6 billion increase in notes and accounts payable-trade, and ¥14.0 billion decrease in notes and accounts receivable-trade.

(Net cash used in investment activities)

Net cash used in investing activities was ¥32.4 billion (compared with ¥14.0 billion provided by investing activities in the same period of the previous fiscal year). Main factors included ¥24.8 billion in expenditures for the purchase of property, plant and equipment (net basis against proceeds from sales of property, plant and equipment).

(Net cash used in financing activities)

Net cash used in financing activities was ¥32.7 billion (compared with ¥52.2 billion provided by financing activities in the same period of the previous fiscal year). Main factors included ¥10.0 billion for the redemption of bonds (net basis against proceeds from issuance of bonds) and ¥13.9 billion decrease in short-term loans payable.

### (3) Qualitative Information on Projection for Current Fiscal Year

Taking into account our expectations for an improvement of sales mix, etc. despite sluggish automobile sales in the Chinese and European market, as described below, FHI has revised the consolidated basis performance projection for the fiscal 2013 which was released at the timing of consolidated financial results announcement on May 8, 2012.

The projections of full-year consolidated results for the fiscal year ending March 2013 are based on assumed foreign exchange rates of ¥79/US\$ (previously ¥80/US\$) and ¥102/EUR (previously ¥99/EUR). Exchange rate assumptions for the second half of the current fiscal year are ¥78/US\$ and ¥100/EUR.

#### Consolidated Results Forecast for the Fiscal Year Ending March 2013 (April 1, 2012 to March 31, 2013)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous projection (A)	¥ million 1,860,000	¥ million 67,000	¥ million 63,000	¥ million 48,000	Yen 61.50
Revised projection (B)	1,840,000	82,000	81,000	67,000	85.85
Change in amount (B-A)	△20,000	15,000	18,000	19,000	
Percentage change (%)	△1.1	22.4	28.6	39.6	
(Supplemental information) Actual results of the previous fiscal year (April 1, 2011 to March 31, 2012)	1,517,105	43,959	37,277	38,453	49.27

## 2. Notes on Summary Information(Others)

### (1) Changes of significant subsidiaries in the second quarter of fiscal year 2013

(Transfer of subsidiaries resulting in changes in the scope of consolidation)

Not Applicable

### (2) Application of specific accounting 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) Changes in accounting policies, accounting estimates and restatement of corrections

(Changes in accounting policies for items that are difficult to categorize as changes in accounting estimates)

Since the beginning of the first quarter of fiscal year 2013, the Company and domestic consolidated subsidiaries have changed their depreciation method for fixed assets acquired on or after April, 1 2012 in accordance with the enacted revisions to the Corporate Tax Law and related tax regulations.

The effect of this change on operating income, ordinary income and before income tax and minority interest in the second quarter of fiscal year 2013 was slight.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2012 (as of March 31, 2012)	2nd Quarter of FY2013 (as of September 30, 2012)
<b>ASSETS</b>		
<b>I Current assets</b>		
Cash and deposits	237,614	196,181
Notes and accounts receivable-trade	117,062	108,263
Lease investment assets	21,865	21,305
Short-term investment securities	31,635	140,556
Merchandise and finished goods	121,686	114,097
Work in process	56,143	55,463
Raw materials and supplies	33,715	33,767
Deferred tax assets	17,399	19,583
Short-term loans receivable	78,788	77,555
Other	48,019	41,943
Allowance for doubtful accounts	(1,395)	(1,514)
<b>Total current assets</b>	<b>762,531</b>	<b>807,199</b>
<b>II Noncurrent assets</b>		
<b>1. Property, plant and equipment</b>		
Buildings and structures, net	113,359	111,967
Machinery, equipment and vehicles, net	99,222	100,430
Land	171,920	172,382
Vehicles and equipment on operating leases, net	12,361	16,715
Construction in progress	12,023	17,652
Other, net	17,206	17,166
<b>Total property, plant and equipment</b>	<b>426,091</b>	<b>436,312</b>
<b>2. Intangible assets</b>		
Other	11,818	12,511
<b>Total intangible assets</b>	<b>11,818</b>	<b>12,511</b>
<b>3. Investments and other assets</b>		
Investment securities	77,714	69,400
Deferred tax assets	1,873	3,841
Other	76,089	69,436
Allowance for doubtful accounts	(3,584)	(3,571)
<b>Total investments and other assets</b>	<b>152,092</b>	<b>139,106</b>
<b>Total noncurrent assets</b>	<b>590,001</b>	<b>587,929</b>
<b>Total assets</b>	<b>1,352,532</b>	<b>1,395,128</b>

(Unit: Millions of yen)

	FY2012 (as of March 31, 2012)	2nd Quarter of FY2013 (as of September 30, 2012)
<b>LIABILITIES</b>		
<b>I Current liabilities</b>		
Notes and accounts payable-trade	251,043	266,414
Short-term loans payable	71,040	74,909
Current portion of long-term loans payable	23,786	22,619
Current portion of bonds	20,010	10
Income taxes payable	4,600	4,810
Accrued expenses	69,437	68,270
Provision for bonuses	16,478	16,595
Provision for product warranties	28,861	28,747
Provision for loss on construction contracts	2,841	3,374
Provision for loss on transfer of business	4,177	2,962
Other	69,362	83,693
<b>Total current liabilities</b>	<b>561,635</b>	<b>572,403</b>
<b>II Noncurrent liabilities</b>		
Bonds payable	4,070	14,065
Long-term loans payable	222,074	218,510
Deferred tax liabilities	22,740	20,866
Provision for retirement benefits	33,950	34,197
Provision for directors' retirement benefits	469	421
Other	55,987	55,983
<b>Total noncurrent liabilities</b>	<b>339,290</b>	<b>344,042</b>
<b>Total liabilities</b>	<b>900,925</b>	<b>916,445</b>
<b>NET ASSETS</b>		
<b>I Shareholders' equity</b>		
Capital stock	153,795	153,795
Capital surplus	160,071	160,071
Retained earnings	188,538	225,465
Treasury stock	(1,259)	(1,261)
<b>Total shareholders' equity</b>	<b>501,145</b>	<b>538,070</b>
<b>II Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	18,966	16,713
Foreign currency translation adjustment	(69,809)	(77,450)
<b>Total accumulated other comprehensive income</b>	<b>(50,843)</b>	<b>(60,737)</b>
Minority interests	1,305	1,350
<b>Total net assets</b>	<b>451,607</b>	<b>478,683</b>
<b>Total liabilities and net assets</b>	<b>1,352,532</b>	<b>1,395,128</b>



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

### Quarterly Consolidated Statements of Income(for six month period)

(Unit: Millions of yen)

	FY2012 (April 1, 2011 to September 30, 2011)	FY2013 (April 1, 2012 to September 30, 2012)
I Net sales	655,023	898,020
II Cost of sales	523,544	719,675
Gross profit	131,479	178,345
III Selling, general and administrative expenses	112,719	135,088
<b>Operating income</b>	<b>18,760</b>	<b>43,257</b>
IV Non-operating income		
Interest income	531	649
Dividends income	382	479
Equity in earnings of affiliates	453	71
Real estate rent	263	302
Gain on valuation of derivatives	5,710	8,510
Other	1,212	213
Total non-operating income	8,551	10,224
V Non-operating expenses		
Interest expenses	1,921	1,766
Foreign exchange losses	1,341	5,115
Other	2,486	1,313
Total non-operating expenses	5,748	8,194
<b>Ordinary income</b>	<b>21,563</b>	<b>45,287</b>
VI Extraordinary income		
Gain on sales of noncurrent assets	26,455	432
Gain on sales of investment securities	526	355
State subsidy	—	1,725
Gain on sale of loans receivable	—	325
Other	114	712
Total extraordinary income	27,095	3,549
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	638	768
Impairment loss	63	36
Loss on disaster	7,257	—
Loss on reduction of noncurrent assets	—	1,725
Other	513	417
Total extraordinary losses	8,471	2,946
Income before income taxes and minority interests	40,187	45,890
Total Income taxes	7,394	5,404
Income before minority interest	32,793	40,486
Minority interests in income	40	46
<b>Net income</b>	<b>32,753</b>	<b>40,440</b>

**Quarterly Consolidated Statements of Comprehensive Income(for six month period)**

(Unit: Millions of yen)

	FY2012 (April 1, 2011 to September 30, 2011)	FY2013 (April 1,2012 to September 30, 2012)
Income before minority interest	32,793	40,486
Other comprehensive income		
Valuation difference on available-for-sale Securities	(914)	(2,253)
Foreign currency translation adjustment	(8,224)	(7,648)
Share of other comprehensive income of associates accounted for using equity method	71	7
Total other comprehensive income	(9,067)	(9,894)
<b>Comprehensive income</b>	<b>23,726</b>	<b>30,592</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	23,688	30,546
Comprehensive income attributable to minority interests	38	46

**(3) Quarterly Consolidated Statements of Cash Flows**

(Unit: Millions of yen)

	FY2012 (April 1, 2011 to September 30, 2011)	FY2013 (April 1, 2012 to September 30, 2012)
I Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	40,187	45,890
Depreciation and amortization	27,810	27,717
Impairment loss	63	36
Increase (decrease) in provision for bonuses	(59)	67
Increase (decrease) in provision for product warranties	86	535
Increase (decrease) in provision for loss on construction contracts	402	533
Increase (decrease) in provision for retirement benefits	(179)	94
Interest and dividends income	(913)	(1,128)
Interest expenses	1,921	1,766
Loss (gain) on valuation of derivatives	(5,710)	(8,510)
Equity in (earnings) losses of affiliates	(453)	(71)
Loss (gain) on sales and retirement of noncurrent assets	(25,817)	336
Decrease (increase) in notes and accounts receivable-trade	(23,667)	13,979
Decrease (increase) in inventories	(18,877)	5,974
Increase (decrease) in notes and accounts payable-trade	9,393	15,633
Decrease (increase) in lease investment Assets	1,125	560
Decrease (increase) in operating loans Receivable	(5,906)	1,806
Decrease (increase) in vehicles and equipment on operating leases	3,148	(6,282)
Increase (decrease) in deposits received	(570)	5,873
Other, net	(3,833)	13,600
Subtotal	(1,849)	118,408
Interest and dividends income received	1,116	1,148
Interest expenses paid	(1,847)	(1,867)
Income taxes (paid) refund	(6,662)	(7,413)
Net cash provided by (used in) operating activities	(9,242)	110,276

(Unit: Millions of yen)

	FY2012 (April 1, 2011 to September 30, 2011)	FY2013 (April 1, 2012 to September 30, 2012)
II Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	(3,527)	(4,409)
Proceeds from sales of short-term investment securities	1,973	1,712
Purchase of property, plant and equipment	(20,632)	(26,363)
Proceeds from sales of property, plant and equipment	34,111	1,520
Purchase of intangible assets	(1,236)	(2,196)
Purchase of investment securities	(8,491)	(7,047)
Proceeds from sales of investment securities	7,432	6,577
Payments of loans receivable	(38,850)	(45,481)
Collection of loans receivable	41,578	44,791
Other, net	1,594	(1,538)
Net cash provided by (used in) investing activities	13,952	(32,434)
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	5,074	(13,928)
Proceeds from long-term loans payable	77,020	893
Repayments of long-term loans payable	(6,146)	(5,665)
Proceeds from issuance of bonds	—	10,000
Redemption of bonds	(20,005)	(20,005)
Cash dividends paid	(3,512)	(3,501)
Other, net	(272)	(457)
Net cash provided by (used in) financing activities	52,159	(32,663)
IV Effect of exchange rate change on cash and cash equivalents	(5,302)	(5,340)
V Net increase (decrease) in cash and cash equivalents	51,567	39,839
VI Cash and cash equivalents at beginning of period	227,704	258,084
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	32	21,320
VIII Cash and cash equivalents at end of period	279,303	319,243

#### **(4) Notes on Premise of Going Concern**

FY2013 (April 1, 2012 to September 30, 2012)  
Not Applicable

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

FY2013 (April 1, 2012 to September 30, 2012)  
(Changes in the Scope of Consolidation)

Since the first quarter of fiscal year 2013, Subaru of China, Ltd. and other 3 companies have been included into the scope of consolidation due to their increased significance.

(Changes in the Scope of Application of the Equity Method)

Since the first quarter of fiscal year 2013, Subaru of China, Ltd. and the other company have been transferred from the equity method affiliated companies to the consolidated subsidiaries due to their increased significance.

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

FY2013 (April 1, 2012 to September 30, 2012)  
Not Applicable

#### **(7) Explanatory Note**

(Quarterly Consolidated Statement of income)

FY2012 (April 1, 2011 to September 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.

FY2013 (April 1, 2012 to September 30, 2012)  
(Extraordinary income)

680 million yen of other extraordinary income is mainly the reversal of extraordinary loss (loss on valuation of inventories) recorded in the prior period relating to the sale of inventories in aerospace business.

## (8) Segment Information

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

2nd Quarter of FY 2012 (April 1, 2011 to September 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	594,314	37,436	17,341	649,091	5,932	655,023	—	655,023
(2) Inter-segment	1,268	—	50	1,318	6,039	7,357	(7,357)	—
Total sales	595,582	37,436	17,391	650,409	11,971	662,380	(7,357)	655,023
Operating income	17,050	1,014	250	18,314	369	18,683	77	18,760

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 refers to elimination of intersegment transaction.

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

2nd Quarter of FY 2013 (April 1, 2012 to September 30, 2012)

(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	830,425	41,685	16,264	888,374	9,646	898,020	—	898,020
(2) Inter-segment	1,572	—	20	1,592	7,147	8,739	(8,739)	—
Total sales	831,997	41,685	16,284	889,966	16,793	906,759	(8,739)	898,020
Operating income	39,694	1,883	391	41,968	1,049	43,017	240	43,257

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 refers to elimination of intersegment transaction.

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

**< Reference for the 1st Half of FY2013 Consolidated Financial Results >**

Yen (100 millions) Units (thousands)	RESULTS 1H FY2012 2011/4-9	RESULTS 1H FY2013 2012/4-9			RESULTS FY2012 2011/4-2012/3	FORECASTS FY2013 2012/4-2013/3			PREVIOUS FORECASTS FY2013 2012/4-2013/3
		Change	%	Change		%	Change	%	
<b>Net sales</b>	6,550	8,980	2,430	37.1	15,171	18,400	3,229	21.3	18,600
Japan	2,245	3,098	853	38.0	4,985	6,570	1,586	31.8	6,278
Overseas	4,305	5,883	1,577	36.6	10,186	11,830	1,643	16.1	12,322
<b>Operating income</b>	188	433	245	130.6	440	820	380	86.5	670
Margin percentage	2.9	4.8			2.9	4.5			3.6
<b>Ordinary income</b>	216	453	237	110.0	373	810	437	117.3	630
Margin percentage	3.3	5.0			2.5	4.4			3.4
<b>Net income</b>	328	404	77	23.5	385	670	285	74.2	480
Margin percentage	5.0	4.5			2.5	3.6			2.6
<b>Change Factors in Operating income</b>			Improvements on model mix, etc	596		Improvements on model mix, etc	832		
			Cost reduction effort, etc.	144		Cost reduction effort, etc.	274		
			Increase in SG&A exp., etc.	(432)		Increase in SG&A exp., etc.	(637)		
			Loss on currency exchange	(43)		Loss on currency exchange	(70)		
			Increase of R&D exp.	(20)		Increase of R&D exp.	(19)		
<b>Exchange rates</b>	JPY/US\$ 80/US\$ JPY/EUR 114/EUR	80/US\$ 103/EUR	80/US\$ 103/EUR		79/US\$ 108/EUR	79/US\$ 102/EUR			80/US\$ 99/EUR
<b>Capital expenditures</b>	276	339			543	720			720
<b>Depreciation and amortization</b>	254	247			537	600			600
<b>R&amp;D expenses</b>	229	249			481	500			530
<b>Interest bearing debts</b>	3,866	3,301			3,410	3,300			3,300
<b>Performance description</b>			- All-time record Net Sales - 1st Net Sales increase in 2 yrs. - 1st Net Income increase in 2 yrs.			- All-time record Net Sales - 1st Net Sales increase in 2 yrs. - All-time record Net income			
<b>Unit Sales (Japan)</b>	73	72	(1)	(0.8)	172	160	(12)	(7.0)	145
Passenger Cars	36	45	10	26.6	80	108	28	34.9	95
Minicars	37	27	(10)	(27.6)	92	52	(40)	(43.4)	51
<b>Unit Sales (Overseas)</b>	193	276	83	43.0	468	554	87	18.5	575
North America	128	181	52	40.9	309	382	74	23.9	356
Europe	20	36	16	81.1	55	66	11	20.6	82
China	19	27	8	40.8	48	40	(8)	(16.6)	62
Others	26	33	7	25.4	56	65	10	17.4	75
<b>Total Unit Sales</b>	266	348	82	31.0	640	714	75	11.7	721
<b>Production Units Total</b>	247	360	113	45.9	639	768	130	20.3	768
Japan	178	273	95	53.1	468	592	124	26.5	598
U.S.	69	87	19	27.3	171	176	6	3.2	169
<b>Net sales by business segment</b>	Automobile 5,943 Aerospace 374 Industrial Products 173 Other 59	8,304 417 163 96	2,361 42 (11) 37	39.7 11.4 (6.2) 62.6	13,891 803 336 142				
<b>Operating income by business segment</b>	Automobile 171 Aerospace 10 Industrial Products 3 Other 4 Elimination & Corporate 1	397 19 4 10 2	226 9 1 7 2	132.8 85.7 56.4 184.3 211.7	394 29 5 10 2				

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

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

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



## **FHI Announces Second Quarter Financial Results for FY 2013**

Tokyo, October 30, 2012 - Fuji Heavy Industries Ltd. (FHI), the maker of Subaru automobiles, today announced its financial results for the second quarter of fiscal year ending March 31, 2013.

### **< 1st Half Consolidated Results: Net Sales >**

Due to strong sales led by new models including the Impreza series and a recovery from last year's production plunge caused by the 2011 March earthquake in Japan, Subaru vehicle sales in overseas rose from a year ago in every market, up 43.0% to 276,000 units. In Japan, while passenger car sales increased, mini car sales decline led the total Japan sales to drop 0.8% to 72,000 units. In total, Subaru's global vehicle sales increased 31.0% from a year earlier to 348,000 units, setting the brand's all-time record\* for April-September period.

Led by the strong vehicle sales, FHI's consolidated net sales grew 37.1% to 898 billion yen, the company's record net sales\* for the fiscal first half period..

### **< 1st Half Consolidated Results: Profit and Loss >**

While the new model launches increased expenses such as SG&A and manufacturing fixed costs, improvements on product mix and other factors pushed operating income to jump 130.6% to 43.3 billion yen. Ordinary income and net income rose 110.0% to 45.3 billion yen and 23.5% to 40.4 billion yen, respectively.

### **< FY 2013 Forecasts >**

Based on changes from the previous forecasts including the lower unit sales result for the first half period and higher yen/US\$ rate assumption for the second half, net sales projection is lowered to 1,840 billion yen. Reflecting the improvements in product mix and other favorable factors, the full-year earnings outlooks are revised upward with Operating income at 82 billion yen, Ordinary income at 81 billion yen and Net income at 67 billion yen.

Currency rate assumptions: 79 yen/US\$, 102yen/euro

Based on the consolidated financial results for the first half and the consolidated financial forecasts for the full year, FHI will raise the interim dividend and year-end dividend forecast both by 0.5 yen from the previous announcement to 5.0 yen. Accordingly, the projected dividend per share for fiscal 2013 will be up by 1.0 yen over the previous year to 10.0 yen.

### **FY2013 Previous Forecasts (Announced on August 3, 2012)**

Net sales: 1,860 billion yen

Operating income: 67 billion yen

Ordinary income: 63 billion yen

Net income: 48 billion yen

Currency rate assumptions: 80 yen/US\$, 99 yen/euro

\* Best records since fiscal year ended March 2001 - the year FHI started interim financial reporting.

Forward-looking statements in this document including the earnings forecasts are based on the information available at the time of the announcement and are subject to various risk and uncertainty factors that could cause actual results vary materially.