



Presentation of Business Results  
of the FYE 2013  
Fuji Heavy Industries Ltd.

May 8, 2013

<http://www.fhi.co.jp/english/ir/index.html>



## Summary

### Financial results of the FYE March 2013

- Led by increased sales of the Impreza in all markets as well as good sales of the BRZ, consolidated automobile sales recorded the highest 724 thousand units.
- Due to overall good automobile sales, consolidated net sales was 1,913.0 billion yen, hitting a record high.
- While the new model launches increased expenses such as SG & A costs, improvements on product mix, cost reduction efforts and the correction of the strong yen brought all-time record revenues: operating income of 120.4 billion yen; ordinary income of 100.6 billion yen; and net income of 119.6 billion yen.

### Projections for the FYE March 2014

- Consolidated automobile sales are planned to post all-time high with 752 thousand units (plus 27 thousand units compared to the previous fiscal year), due to full-scale sales of the all-new Forester in overseas markets and expected sales growth in overseas markets, specifically in the US.
- Predicted on the advances being made in overseas markets, specifically in the US, the correction of the strong yen and cost reductions, projections for the net sales, operating income and ordinary income for the fiscal 2014 mark all-time highs, at 2,050.0 billion yen, 180.0 billion yen and 175.0 billion yen respectively, while net income is projected to amount to 110.0 billion yen.



## Business results of the FYE March 2013



## Consolidated Automobile Sales

(1,000 cars)

	Actual Results 9 months FYE 2012	Actual Results 9 months FYE 2013	Increase / Decrease
Passenger cars	80.2	112.8	+32.6
Minicars	92.2	50.4	-41.8
<b>Domestic total</b>	<b>172.3</b>	<b>163.1</b>	<b>-9.2</b>
U.S.	280.4	357.6	+77.2
Canada	28.2	32.6	+4.4
Russia	15.9	14.7	-1.1
Europe	39.1	46.4	+7.3
Australia	36.9	38.1	+1.2
China	48.3	50.2	+1.9
Others	18.7	21.7	+3.0
<b>Overseas total</b>	<b>467.5</b>	<b>561.3</b>	<b>+93.8</b>
<b>Total</b>	<b>639.9</b>	<b>724.5</b>	<b>+84.6</b>

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\* Canada figures of FYE2012 and China figures of FYE2013 are consolidated on the calendar year basis from Jan. to Dec.

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Consolidated automobile sales for the fiscal year ended March 2013 came to a record high of 724.5 thousand units thanks to increased sales of the Impreza across the globe as well as robust sales of the BRZ which was launched at the end of the last fiscal year.

Although domestic sales fell 9.2 thousand units year on year to reach 163.1 thousand units due to a drop in minicar sales, healthy sales of the Impreza and the BRZ as well as the Forester, which underwent a major facelift at the end of last year, brought sales of passenger vehicles up to 100 thousand units. This was the first time domestic automobile sales exceeded 100 thousand units since the fiscal year ended March 2005.

In overseas markets, strong sales of the Impreza and the BRZ led to a year-on-year sales increase of 93.8 thousand units for a record high total 561.3 thousand units.



## Consolidated Statements of Income

(100 Million Yen)

	Actual Results 9 months FYE 2012	Actual Results 9 months FYE 2013	Increase / Decrease
Net sales	<b>15,171</b>	<b>19,130</b>	<b>+3,959</b>
Domestic	4,985	6,718	+1,733
Overseas	10,186	12,411	+2,225
Operating income	<b>440</b>	<b>1,204</b>	<b>+765</b>
Ordinary income	<b>373</b>	<b>1,006</b>	<b>+633</b>
Income before taxes and minority interests	<b>529</b>	<b>931</b>	<b>+402</b>
Net income	<b>385</b>	<b>1,196</b>	<b>+811</b>
FHI exchange rate	¥79/US\$	¥82/US\$	+¥4/US\$

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Looking at our consolidated results for the fiscal year ended March 2013, we achieved record high figures for net sales and all types of income.

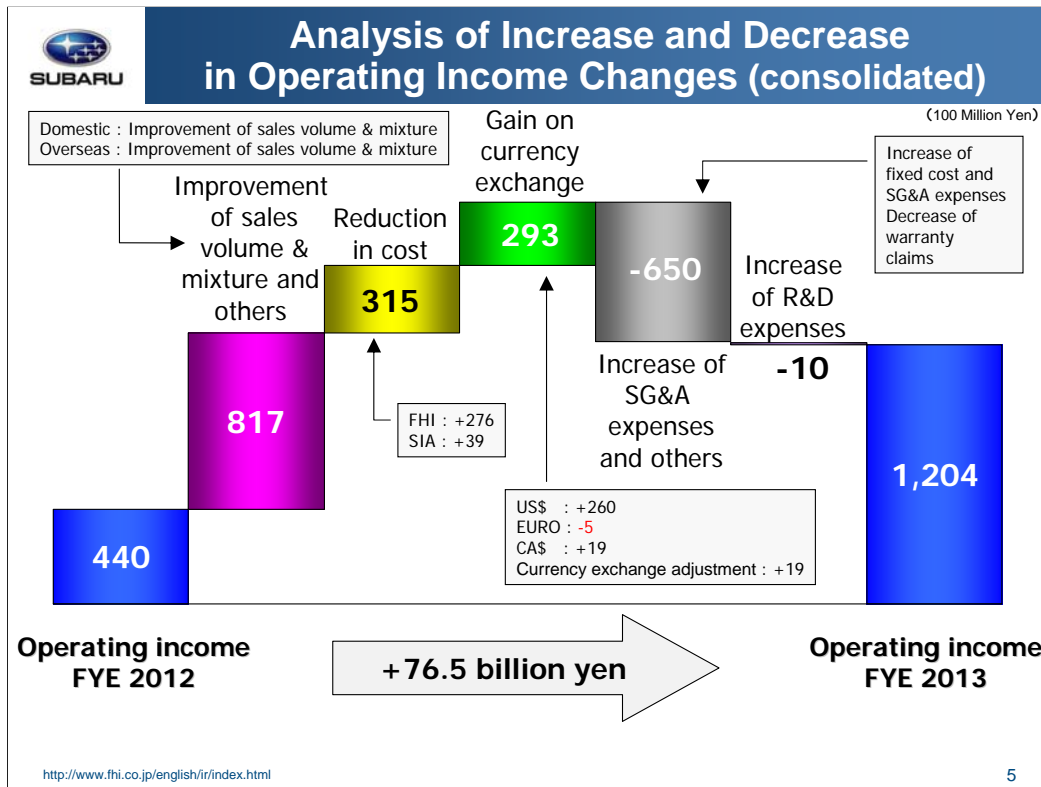
Net sales increased 395.9 billion yen year on year to total 1,913.0 billion yen. This uptick comes from a gain of 353.9 billion yen resulting from a better sales mix variance due to increases in domestic passenger vehicle sales and new car sales volumes in the U.S. and other overseas markets, a 38.2 billion yen foreign exchange gain, as well as a gain of 3.8 billion yen from increased sales at three Fuji Heavy Industry (FHI) companies.

Operating income rose by 76.5 billion yen year on year to reach 120.4 billion yen. Higher SG&A and R&D expenses were offset by a better sales mix variance, a further reduction in material costs, as well as foreign exchange gains.

Ordinary income increased 63.3 billion yen to total 100.6 billion yen as a result of ongoing correction of the yen rate against other currencies despite some foreign exchange losses.

Income before taxes and minority interests amounted to 93.1 billion yen. That's an increase of 40.2 billion yen over last fiscal year when a 26.1 billion yen extraordinary gain on the sale of the Subaru Building was posted.

Net income rose 81.1 billion yen to reach 119.6 billion yen. This increase is due to a deferred income tax liability posted in the amount of 44.2 billion yen as we expect a future tax payment in light of our current business performance.



Let's look at the reasons behind the year-on-year increase of 76.5 billion yen in operating income that went from 44.0 billion yen to 120.4 billion yen.

The primary reason for the increase in operating income was a gain of 81.7 billion yen due to sales mix variances. This gain can be broken down into the following three areas.

First, we saw a gain of 22.6 billion yen in domestic new car sales. Although minicar sales fell, increased sales of passenger vehicles, like the Impreza and the BRZ, drove overall domestic sales up.

Next, we saw a gain of 33.6 billion yen in overseas new car sales. Robust sales of the Impreza resulted in a significant sales increase from the previous year since the March 11 earthquake put a damper on production and sales during the first fiscal half of the previous fiscal year.

Then finally, we had a gain of 25.5 billion yen due to inventory adjustments.

Another factor behind the jump in operating income was a gain of 31.5 billion yen related to material costs. This includes a gain of 27.6 billion yen generated by FHI as well as a gain of 3.9 billion yen coming from SIA.

FHI generated a gain of 19.4 billion yen from reduced material costs and another gain of 8.2 billion yen due to lower material prices and better market conditions.

SIA yielded a gain of 3.7 billion yen through cost reductions and another gain of 0.2 billion yen due to materials prices, etc.

Another contributing factor that brought operating income up was a foreign exchange gain of 29.3 billion yen. This includes a gain of 26.0 billion yen due to an approximate 4 yen depreciation against the U.S. dollar, a loss of 0.5 billion yen due to an approximate 1 yen appreciation against the euro, and a gain of 1.9 billion yen due to an approximate 4 yen depreciation against the Canadian dollar.

This figure also includes a gain of 1.9 billion yen due to foreign exchange adjustments for transactions between FHI and its overseas subsidiaries.

The main factor bringing operating income down was a loss of 65.0 billion yen due to increases in SG&A expenses. This loss can be broken down into the following three areas.

First, we see that an increase in fixed manufacturing costs generated a loss of 30.1 billion yen, with a loss of 28.2 billion yen coming from FHI and another loss of 1.9 billion yen at SIA.

FHI generated a loss of 12.4 billion yen due to increased costs for suppliers' dies and a loss of 15.8 billion yen due to higher fixed processing costs. SIA lost 1.4 billion yen due to higher costs for suppliers' dies and 0.5 billion yen due to an increase in fixed processing costs.

Next we see that an increase in SG&A expenses led to a loss of 36.1 billion yen.

FHI experienced a loss of 9.1 billion yen due to higher costs associated with increasing sales volume as well as an increase in SG&A expenses over the same period last year when SG&A expenses declined in the wake of the March 11 earthquake. The 36.1 billion yen loss also includes a loss of 1.0 billion yen at domestic dealers, a loss of 13.2 billion yen generated at SOA from higher sales promotion costs associated with the increasing sales volume, a loss of 1.5 billion yen at our Canadian subsidiary, and a loss of 11.3 billion yen from other operations.

The third factor includes a decrease in costs associated with warranty claims that led to a gain of 1.2 billion yen.

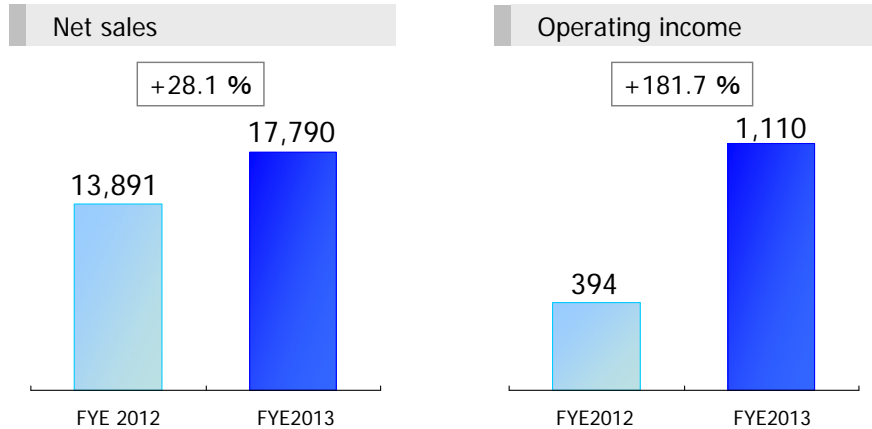
Finally, an increase in R&D expenses resulted in a loss of 1.0 billion yen.

These factors combined brought the consolidated operating income for the fiscal year that ended March 2013 up 76.5 billion yen to total 120.4 billion yen.



## Automobile Segment (Consolidated)

(100 Million Yen)



- Both net sales and operating income increased from the same period of the previous fiscal year.
- Improvements of product mix and cost reduction efforts offset SG & A cost increase by sales growth.

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Let's move on to net sales by business segment.

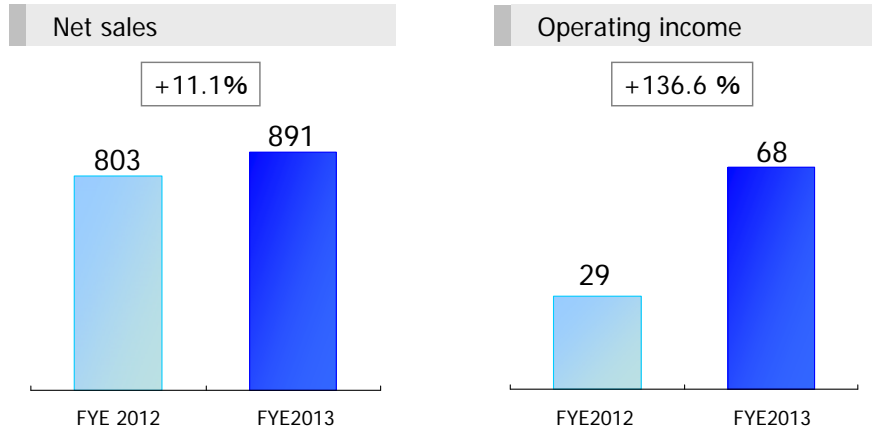
The automobile segment saw net sales rise by 389.9 billion yen year on year to total 1,779.0 billion yen. This increase was due to climbing sales volumes for new models that improved sales mixes for SOA as well as domestic dealers and as a result of the consolidation of overseas sales subsidiaries.

Operating income for this segment was up 71.6 billion yen to total 111.0 billion yen. This increase was due to better sales mixes, the weak yen, ongoing cost cuts, etc. despite the higher factory expenses and SG&A expenses associated with increasing sales.



## Aerospace Segment (Consolidated)

(100 Million Yen)



- Both net sales and operating income increased from the same period of the previous fiscal year.
- The commercial sector business boosted net sales increase.

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Net sales for the aerospace segment totaled 89.1 billion yen, up 8.9 billion yen year on year, due to increased sales in the commercial aircraft sector despite a year-on-year sales drop in the defense sector.

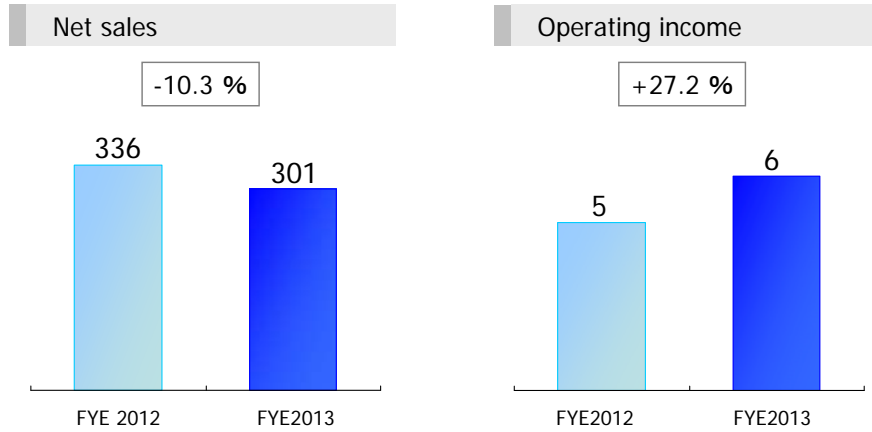
Operating income for the segment was up 3.9 billion yen for a total of 6.8 billion yen due to a sales uptick in the civil sector as well as the positive effect of the depreciating yen.





## Industrial Products Segment (Consolidated)

(100 Million Yen)



- Net sales decreased from the same period of the previous fiscal year due to decreased sales volume both in Japan and overseas markets.
- Operating income increased mainly due to improvements on product mix and the weak yen.

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The industrial products segment saw domestic sales for engines, electric generators, etc. all decline once the demand fueled by reconstruction work following the March 11 earthquake subsided.

Year-on-year sales for the segment also declined 3.5 billion yen in overseas markets, resulting in net sales totaling 30.1 billion yen.

Operating income for the segment jumped 0.1 billion yen to total 0.6 billion yen due to a better product mix as well as the positive effect of the falling yen.



## Non-Operating Income & Expenses and Extraordinary Income & Loss (Consolidated)

(億円)

	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
Financial revenue and expenditure	-17	-7	+10
FOREX effects	-28	-172	-144
Equity in earnings of affiliates	8	0	-8
Other	-30	-19	+10
Total non-operating income & expenses	<b>-67</b>	<b>-198</b>	<b>-131</b>
Gain on sales of noncurrent assets	287	10	-276
Loss on sales and retirement of noncurrent assets	-18	-29	-11
Loss on disaster	-73	0	+73
Provision for loss on transfer of business	-42	-10	+32
Other	2	-46	-49
Total extraordinary income & loss	<b>156</b>	<b>-75</b>	<b>-231</b>

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Let's move on to non-operating income and expenses as well as extraordinary profit and loss.

The recent correction in the yen's strength and other factors brought non-operating income down 13.1 billion yen year on year, generating a non-operating loss of 19.8 billion yen.

While in the previous fiscal year we posted an extraordinary gain of 26.1 billion yen from the sale of the Subaru Building and a disaster loss of 7.3 billion yen, we posted losses on disposal of fixed assets, etc. this fiscal year. As a result, net extraordinary income dropped 23.1 billion yen year on year for an extraordinary loss total of 7.5 billion yen.



## Consolidated Balance Sheets

(100 Million Yen)

	As of Mar. 2012	As of Mar. 2013	Increase / Decrease
Total assets	<b>13,525</b>	<b>15,775</b>	<b>+2,249</b>
Current assets	7,625	9,440	+1,815
Noncurrent assets	5,900	6,334	+434
Interest bearing debts	<b>3,410</b>	<b>3,072</b>	<b>-338</b>
Net assets	<b>4,516</b>	<b>5,968</b>	<b>+1,452</b>
Retained earnings	1,885	3,014	+1,128
Shareholder's equity	4,503	5,954	+1,451
Shareholder's equity to total assets	33.3%	37.7%	+4.4
D/E ratio	0.76	0.52	<b>-0.24</b>

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The balance sheet shows total assets amounting to 1,577.5 billion yen as of March 31, 2013.

Total assets rose 224.9 billion yen year on year due to a jump in net income resulting from higher sales volumes, increased investments in marketable securities as well as the consolidation of overseas sales subsidiaries on top of the positive impact of the weak yen which generated a gain of 51.9 billion yen.

Interest-bearing debt declined 33.8 billion yen to reach 307.2 billion yen. Although we issued a 10.0 billion yen bond in June, this drop was due to our debt reduction efforts that included the redemption of corporate bonds amounting to 20.0 billion yen.

Net assets totaled 596.8 billion yen, up 145.2 billion yen, due primarily to a 112.8 billion yen increase in retained earnings.

The shareholders' equity to total assets ratio rose 4.4 percentage points from what it was at the end of the previous fiscal year to reach 37.7%. The debt-to-equity ratio climbed 0.24 points to reach 0.52, due primarily to an increase in retained earnings as well as a decrease in interest-bearing debt.



## Consolidated Statement of Cash Flows

(100 Million Yen)

	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
Net cash provided by (used in) operating activities	<b>549</b>	<b>1,667</b>	<b>+1,119</b>
Net cash provided by (used in ) investing activities	<b>-266</b>	<b>-714</b>	<b>-448</b>
Free cash flows	283	953	+671
Net cash provided by (used in) financing activities	<b>26</b>	<b>-608</b>	<b>-634</b>
Effect of exchange rate change on cash and cash equivalents	<b>-3</b>	150	+153
Net increase (Decrease) in cash and cash equivalents	305	495	+190
Cash and cash equivalents at beginning of period	2,277	2,581	+304
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	<b>-1</b>	213	+215
Cash and cash equivalents at end of period	<b>2,581</b>	<b>3,289</b>	<b>+709</b>

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Moving on to cash flows, we see that net cash provided by operating activities totaled 166.7 billion yen for an increase of 111.9 billion yen year on year. This jump is due to robust sales and steady production this fiscal year compared to last year when stagnant production following on the heels of the March 11 earthquake put a dent in our working capital.

Net cash used for investment activities dropped 44.8 billion yen year on year to hit negative 71.4 billion yen. This decline was due to the gain on the sale of the Subaru Building that we posted last year as well as from boosting production capacity at our main factory and Oizumi Plant.

Free cash flows increased by 67.1 billion yen to reach 95.3 billion yen.

Net cash provided by financing activities fell 63.4 billion yen year on year to hit negative 60.8 billion yen. While last year we increased loans to continue operating in the wake of the earthquake, this year we cut interest-bearing debt.

Cash and cash equivalents at the end of period were up 70.9 billion yen from the beginning of the period to total 328.9 billion yen. The increase was due in part to the 21.3 billion yen increase in cash and cash equivalents due to the consolidation of overseas subsidiaries.



## Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
Net sales	6,923	8,805	+1,882
Operating income	105	133	+28
Net income	74	97	+23
Retail sales (Thousand units)	279.2	347.1	+67.9

SIA	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
Net sales	3,845	4,158	+313
Operating income	82	71	-11
Net income	51	46	-5
Subaru production (Thousand units)	170.6	181.2	+10.6

<http://www.fhi.co.jp/english/ir/index.html>

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Strong sales of the new Impreza drove overall sales performance up at SOA. Sales of both the XV which was launched in October and the new Forester which was released in March got off to a sound start. As a result, a total of 347 thousand units were sold for a substantial increase of 68 thousand units over last year when sales fell after the March 11 earthquake. Net sales also jumped 1,882 million dollars year on year to total 8,805 million dollars.

Operating income was up 28 million dollars year on year to reach 133 million dollars. This increase comes from a gain of 195 million dollars due to favorable sales volume and mix variances despite a loss of 167 million dollars due to higher SG&A expenses.

Net sales at SIA came to 4,158 million dollars. That's an increase of 313 million dollars over last year when production was cut back in the wake of the March 11 earthquake.

Operating income, on the other hand, dropped 11 million dollars year on year, falling to 71 million dollars. The factors behind the decrease include a loss of 47 million dollars due to sales price and volume variances, a gain of 49 million dollars brought by overall cost reduction efforts, as well as a loss of 13 million dollars due to an increase in fixed costs.

## Outlook for the term Ending FYE March 2014



## Consolidated Automobile Sales

(1,000 cars)

	Actual results FYE 2013	Plan FYE 2014	Increase / Decrease
Passenger cars	112.8	101.6	-11.1
Minicars	50.4	53.9	+3.5
<b>Domestic Total</b>	<b>163.1</b>	<b>155.5</b>	<b>-7.6</b>
U.S.	357.6	384.9	+27.3
Canada	32.6	35.5	+2.9
Russia	14.7	12.6	-2.1
Europe	46.4	41.8	-4.6
Australia	38.1	42.5	+4.4
China	50.2	51.2	+1.0
Others	21.7	27.6	+5.9
<b>Overseas Total</b>	<b>561.3</b>	<b>596.0</b>	<b>+34.7</b>
<b>Total</b>	<b>724.5</b>	<b>751.5</b>	<b>+27.0</b>

<http://www.fhi.co.jp/english/ir/index.html>

\* China figures are consolidated on the calendar year basis from Jan. to Dec.

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Consolidated automobile sales for the fiscal year ending March 2014 is projected again this year to reach an all-time high of 751.5 thousand units.

The domestic sales volume for passenger vehicles is expected to fall by 11.1 thousand units year on year to reach 101.6 thousand units due to declining sales of the aging Legacy as well as waning sales of the Impreza, which was launched at the end of 2011.

Combined with minicar sales, overall domestic sales will be down 7.6 thousand units to hit 155.5 thousand units.

Sales in overseas markets will increase 34.7 thousand units year on year to reach 596 thousand units. Overseas sales are expected to be fueled by sales of the new Forester which are expected to pick up in all markets as well as a growing sales volume in the U.S.



## Consolidated Operating Plan

(100 Million Yen)

	Actual results FYE 2013	Plan FYE 2014	Increase / Decrease
Net sales	<b>19,130</b>	<b>20,500</b>	<b>+1,370</b>
Domestic	6,718	6,081	-638
Overseas	12,411	14,419	+2,008
Operating Income	<b>1,204</b>	<b>1,800</b>	<b>+596</b>
Ordinary income	<b>1,006</b>	<b>1,750</b>	<b>+744</b>
Income before taxes and minority interests	<b>931</b>	<b>1,680</b>	<b>+749</b>
Net income	<b>1,196</b>	<b>1,100</b>	<b>-96</b>
FHI exchange rate	¥82/US\$	¥90/US\$	+¥8/US\$

<http://www.fhi.co.jp/english/ir/index.html>

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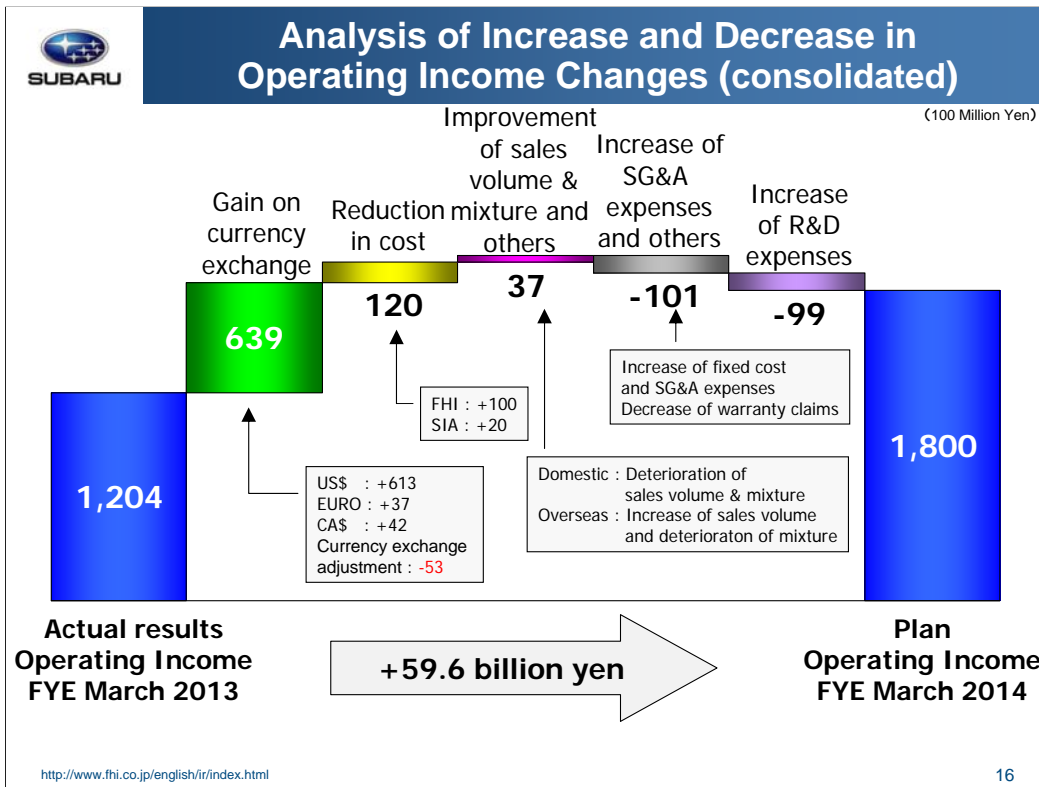
We will continue to aim for all-time high figures for net sales, operating income, ordinary income, as well as income before taxes and minority interests on a consolidated basis.

Net sales are expected to rise 137.0 billion yen year on year to total 2,050.0 billion yen. This surge will come from a gain of 18.4 billion yen resulting from a better sales mix variance in the North American and other markets as well as a gain of 3.6 billion yen from increased sales at the three FHI companies on top of a foreign exchange gain of 115.0 billion yen as a result of the corrected yen rate against other currencies. Operating income is projected to rise 59.6 billion yen year on year to total 180.0 billion yen. The factors behind this increase will include reduced materials costs, a better sales mix variance, and the positive effect of the weak yen, which will offset higher SG&A as well as R&D expenses.

Ordinary income is expected to increase 74.4 billion yen to total 175.0 billion yen. Income before taxes and minority interests will rise 74.9 billion yen to reach 168.0 billion yen.

Net income is projected to reach 110.0 billion yen, which is 9.6 billion yen less than it was last fiscal year when we reposted deferred tax assets.





Now let's look at the factors behind the projected year-on-year 59.6 billion yen increase in operating income that will take us from 120.4 billion yen to 180.0 billion yen.

The primary reason for the increase in operating income will be a foreign exchange gain of 63.9 billion yen. This includes a gain of 61.3 billion yen due to an approximate 8 yen depreciation against the dollar, a gain of 3.7 billion yen due to an approximate 14 yen appreciation against the euro, and a gain of 4.2 billion yen due to an approximate 7 yen depreciation against the Canadian dollar.

This figure also includes a loss of 5.3 billion yen due to foreign exchange adjustments for transactions between FHI and its overseas subsidiaries.

Another factor behind the expected increase in operating income will be a gain of 12.0 billion yen resulting from cost cuts. This will include a gain of 10.0 billion yen to be generated by FHI as well as a gain of 2.0 billion yen coming from SIA.

FHI is expected to generate a gain of 15.9 billion yen through cost reductions and a loss of 5.9 billion yen due to increasing material costs and other negative market factors.

SIA will generate a gain of 2.9 billion yen due to cost cuts and a loss of 0.9 billion yen as a result of higher material costs.

Another contributing factor that will bring operating income up is a favorable sales mix variance that will lead to a gain of 3.7 billion yen. This gain can be broken down into the following three areas.

First off there will be a loss of 16.4 billion yen due to lower domestic sales of new models. Sales of passenger vehicles will decline as sales of the Impreza slow down.

Next, we will see a gain of 16.5 billion yen from the sale of new models in overseas markets. Sales will exceed last year's level as sales of the new Forester pick up in North America and other markets.

Finally, we expect a gain of 3.6 billion yen due to inventory adjustments.

The primary factor that will bring operating income down will be a loss of 10.1 billion yen due to increases in SG&A and other expenses. This loss can be broken down into the following three areas.

First, we will see a loss of 4.3 billion yen due to an increase in fixed manufacturing costs. This includes a loss of 6.4 billion yen coming from FHI as well as a gain of 2.1 billion yen coming from SIA.

FHI is expected to generate a loss of 2.1 billion yen due to increased costs for suppliers' dies and a loss of 4.3 billion yen due to higher fixed processing costs.

SIA is expected to lose 0.2 billion yen due to higher costs for suppliers' dies and gain 2.3 billion yen due to a decrease in fixed processing costs.

Next we will see a loss of 10.6 billion yen due to an increase in SG&A expenses. Although FHI is projected to gain 2.3 billion yen with SG&A expenses remaining flat for domestic dealers.

SOA is expected generate a loss of 8.3 billion yen due to increasing advertising costs and sales incentives. The 10.6 billion yen loss will also include a loss of 2.6 billion yen at our Canadian subsidiary and a loss of 2.0 billion yen coming from other operations (+/-0 at European subsidiaries, -24 billion yen at Chinese subsidiaries, and +0.4 billion yen from other operations).

The third factor includes a decrease in costs associated with warranty claims that will lead to a gain of 4.8 billion yen.

Finally, an increase in R&D expenses is expected to result in a loss of 9.9 billion yen.

All these factors combined are expected to bring consolidated operating income for the fiscal year ending March 2014 up 59.6 billion yen year on year to total 180.0 billion yen.



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

(Million US\$)

SOA	Actual results FYE 2012	Plan FYE2013	Increase / Decrease
Net sales	8,805	9,537	+732
Operating income	133	137	+4
Net income	97	86	-11
Retail sales (Thousand units)	347.1	365.0	+17.9

SIA	Actual results FYE 2012	Plan FYE2013	Increase / Decrease
Net sales	4,158	3,869	-289
Operating income	71	209	+138
Net income	46	124	+78
Subaru production (Thousand units)	181.2	164.4	-16.8

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SOA's retail sales for fiscal year 2013 is expected to jump 18 thousand units year on year to total 365 thousand units. Net sales will increase by 732 million dollars year on year to reach 9,537 million dollars.

Operating income is expected to be up 4 million dollars year on year to total 137 million dollars. This increase will come from a gain of 108 million dollars due to favorable sales volumes and mix variances despite a loss of 104 million dollars due to higher SG&A expenses.

Net sales at SIA are expected to fall 289 million dollars year on year for a total of 3,869 million dollars.

Operating income will rise 138 million dollars year on year to reach 209 million dollars. Factors for the increase will include a gain of 86 million dollars due to sales price and volume variances, a gain of 26 million dollars to be brought by cost reduction efforts, as well as a gain of 26 million dollars due to a decrease in fixed costs.



## Capex / Depreciation / R&D / Interest bearing debt

(100 Million Yen)

	Actual Results FYE 2012	Actual results FYE2013 (a)	Plan FYE2014 (b)	Increase / Decrease (b) – (a)
Capex	543	702	670	-32
Depreciation	537	559	550	-9
R&D	481	491	590	+99
Interest bearing debt	3,410	3,072	2,800	-272

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Let's look at capital investments, depreciation costs, R&D expenses, and interest-bearing debt.

We plan to make capital investments totaling 67.0 billion yen this fiscal year.

This figure is lower than last year's since we have finished the work we were doing to boost the production capacity of the Oizumi Plant although we are planning to do the same at our main factory this summer. Once that's completed, we will shift our focus to increasing SIA's production capacity.

Depreciation costs will be slightly lower than last year's level, coming to a total of 55.0 billion yen.

R&D expenses, expected to reach 59.0 billion yen, will be higher than what they were last year as we move forward with an eye to taking our technological capability to new heights.

Interest-bearing debt is expected to total 280.0 billion yen by the end of this fiscal year as a result of our ongoing debt reduction efforts.

## Appendix



## Net Sales and Operating Income by Business Segment (consolidated)

(100 Million Yen)

	Net sales			Operating income		
	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
Automobile	13,891	17,790	+3,899	394	1,110	+716
Aerospace	803	891	+89	29	68	+39
Industrial products	336	301	-35	5	6	+1
Others	142	147	+5	10	16	+6
Elimination and corporate	/	/	/	2	4	+2
<b>Total</b>	<b>15,171</b>	<b>19,130</b>	<b>+3,959</b>	<b>440</b>	<b>1,204</b>	<b>+765</b>

<http://www.fhi.co.jp/english/ir/index.html>

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## Consolidated Operating Income by Geographic Area

(100 Million Yen)

	Net sales			Operating income		
	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
Japan	8,006	9,131	+1,125	189	1,114	+925
North America	6,613	8,372	+1,759	231	226	-6
Other	553	1,627	+1,074	9	2	-8
Elimination and corporate				10	-137	-147
Total	15,171	19,130	+3,959	440	1,204	+765

<http://www.fhi.co.jp/english/ir/index.html>

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## Overseas Net Sales

(100 Million Yen)

	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
North America	7,104	8,960	+1,856
Europe	1,128	1,272	+144
Asia	967	1,132	+165
Other	986	1,047	+61
Total	10,186	12,411	+2,225



## Non- Consolidated Automobiles Sales

(1,000 cars)

	Actual Results FYE 2012	Actual Results FYE 2013	Increase / Decrease
Domestic production	<b>468.0</b>	<b>583.1</b>	<b>+115.1</b>
Domestic sales	<b>180.0</b>	<b>166.7</b>	<b>-13.3</b>
Passenger cars	83.6	116.3	+32.8
Minicars	96.5	50.4	-46.1
Number of vehicles exported	<b>315.0</b>	<b>384.0</b>	<b>+69.0</b>
Components for overseas production	<b>175.3</b>	<b>185.7</b>	<b>+10.5</b>
Total	<b>670.3</b>	<b>736.4</b>	<b>+66.2</b>

\* Domestic Production figures include Toyota 86.

<http://www.fhi.co.jp/english/ir/index.html>

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## 4th Quarter : Consolidated Automobile Sales

(1,000 cars)

	Actual Results Q4 FYE 2012	Actual Results Q4 FYE 2013	Increase / Decrease
Passenger cars	28.3	35.9	+7.6
Minicars	30.3	15.7	-14.6
<b>Domestic Total</b>	<b>58.6</b>	<b>51.6</b>	<b>-7.0</b>
U.S.	91.7	98.2	+6.4
Canada	9.5	9.0	-0.4
Russia	4.8	1.5	-3.3
Europe	14.8	11.5	-3.3
Australia	12.8	9.9	-3.0
China	10.7	9.9	-0.8
Others	5.1	6.4	+1.3
<b>Overseas Total</b>	<b>149.4</b>	<b>146.3</b>	<b>-3.1</b>
<b>Total</b>	<b>208.0</b>	<b>197.8</b>	<b>-10.1</b>

<http://www.fhi.co.jp/english/ir/index.html>

\* Canada figures of FYE2012 and China figures of FYE2013 are consolidated on the calendar year basis from Oct. to Dec. 24



## 4th Quarter : Consolidated Statements of Income

(100 Million Yen)

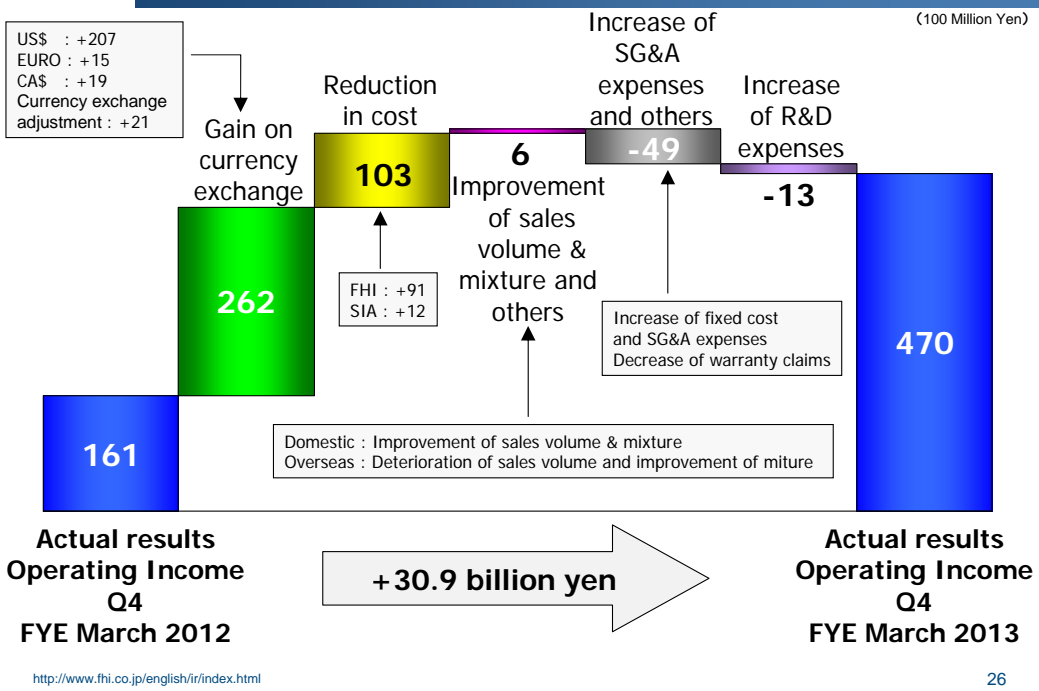
	Actual Results Q4 FYE 2012	Actual Results Q4 FYE 2013	Increase / Decrease
Net sales	<b>4,877</b>	<b>5,422</b>	<b>+545</b>
Domestic	1,610	1,895	+286
Overseas	3,267	3,527	+260
Operating Income	<b>161</b>	<b>470</b>	<b>+309</b>
Ordinary income	<b>86</b>	<b>372</b>	<b>+286</b>
Income before taxes and minority interests	<b>58</b>	<b>313</b>	<b>+255</b>
Net income	<b>17</b>	<b>665</b>	<b>+648</b>
FHI exchange rate	¥78/US\$	¥89/US\$	+¥11/US\$

<http://www.fhi.co.jp/english/ir/index.html>

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## 4th Quarter : Analysis of Increase and Decrease in Operating Income Changes (consolidated) <Appendix>





## Consolidated Automobile Sales Plan vs. Actual results

(1,000 cars)

	Plan FYE 2013	Actual results FYE 2013	Increase / Decrease
Passenger cars	108.8	112.8	+4.0
Minicars	50.9	50.4	-0.5
<b>Domestic Total</b>	<b>159.6</b>	<b>163.1</b>	<b>+3.5</b>
U.S.	357.2	357.6	+0.3
Canada	32.6	32.6	+0.0
Russia	14.8	14.7	-0.1
Europe	47.1	46.4	-0.7
Australia	38.7	38.1	-0.6
China	50.2	50.2	±0
Others	22.0	21.7	-0.3
<b>Overseas Total</b>	<b>562.7</b>	<b>561.3</b>	<b>-1.3</b>
<b>Total</b>	<b>722.3</b>	<b>724.5</b>	<b>+2.2</b>

<http://www.fhi.co.jp/english/ir/index.html>

\* China figures are consolidated on the calendar year basis from Jan. to Dec.

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## Consolidated Statement of Income Plan vs. Actual Results

(100 Million Yen)

	Plan FYE 2013	Actual results FYE 2013	Increase / Decrease
Net sales	<b>18,900</b>	<b>19,130</b>	<b>+230</b>
Domestic	6,596	6,718	+123
Overseas	12,304	12,411	+107
Operating Income	<b>1,070</b>	<b>1,204</b>	<b>+134</b>
Ordinary income	<b>990</b>	<b>1,006</b>	<b>+16</b>
Income before taxes and minority interests	<b>920</b>	<b>931</b>	<b>+11</b>
Net income	<b>760</b>	<b>1,196</b>	<b>+436</b>
FHI exchange rate	¥82/US\$	¥82/US\$	+¥1/US\$

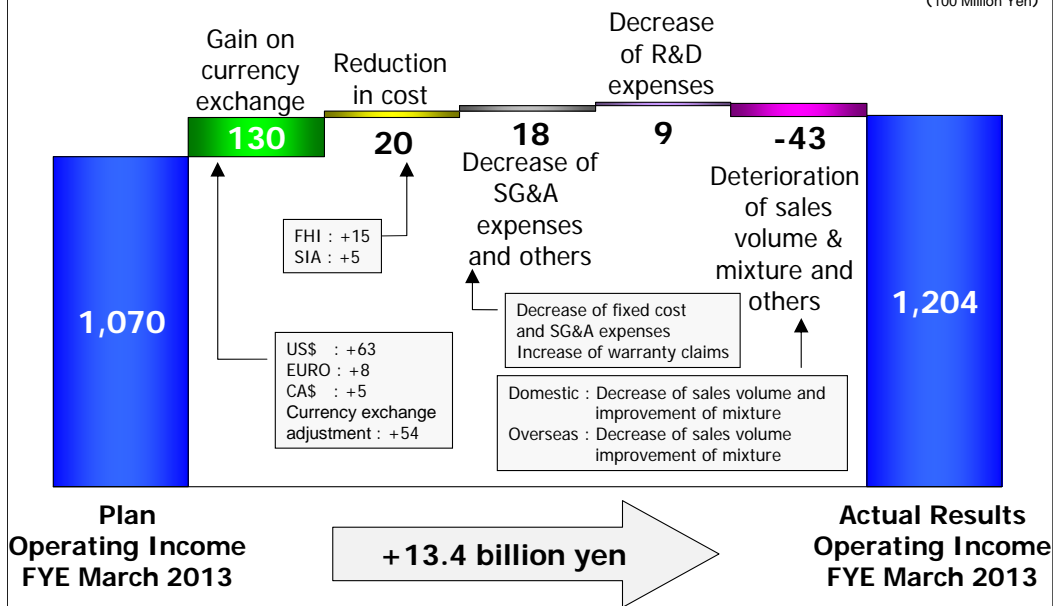
<http://www.fhi.co.jp/english/ir/index.html>

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## Analysis of Increase and Decrease in Operating Income Changes Plan vs. Actual Plan

(100 Million Yen)



<http://www.fhi.co.jp/english/ir/index.html>



## 1st Half : Consolidated Automobile Sales Plan

(1,000 cars)

	Actual Results 1st Half FYE 2013	Plan 1st Half FYE 2014	Increase / Decrease
Passenger cars	45.4	55.1	+9.7
Minicars	26.6	25.9	-0.7
<b>Domestic Total</b>	<b>72.0</b>	<b>80.9</b>	<b>+8.9</b>
U.S.	164.4	210.5	+46.2
Canada	16.3	18.7	+2.4
Russia	11.1	4.6	-6.5
Europe	25.4	16.7	-8.7
Australia	22.0	20.6	-1.4
China	26.6	20.8	-5.8
Others	10.7	11.0	+0.3
<b>Overseas Total</b>	<b>276.4</b>	<b>303.0</b>	<b>+26.5</b>
<b>Total</b>	<b>348.4</b>	<b>383.9</b>	<b>+35.5</b>

<http://www.fhi.co.jp/english/ir/index.html>

\* China figures are consolidated on the calendar year basis from Jan. to Jun.

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## 1st Half : Consolidated Operating Plan

(100 Million Yen)

	Actual Results 1st Half FYE 2013	Plan 1st Half FYE 2014	Increase / Decrease
Net sales	<b>8,980</b>	<b>10,300</b>	<b>+1,320</b>
Domestic	3,098	3,100	+3
Overseas	5,883	7,200	+1,317
Operating Income	<b>433</b>	<b>950</b>	<b>+517</b>
Ordinary income	<b>453</b>	<b>925</b>	<b>+472</b>
Income before taxes and minority interests	<b>459</b>	<b>910</b>	<b>+451</b>
Net income	<b>404</b>	<b>570</b>	<b>+166</b>
FHI exchange rate	¥80/US\$	¥90/US\$	+¥10/US\$

<http://www.fhi.co.jp/english/ir/index.html>

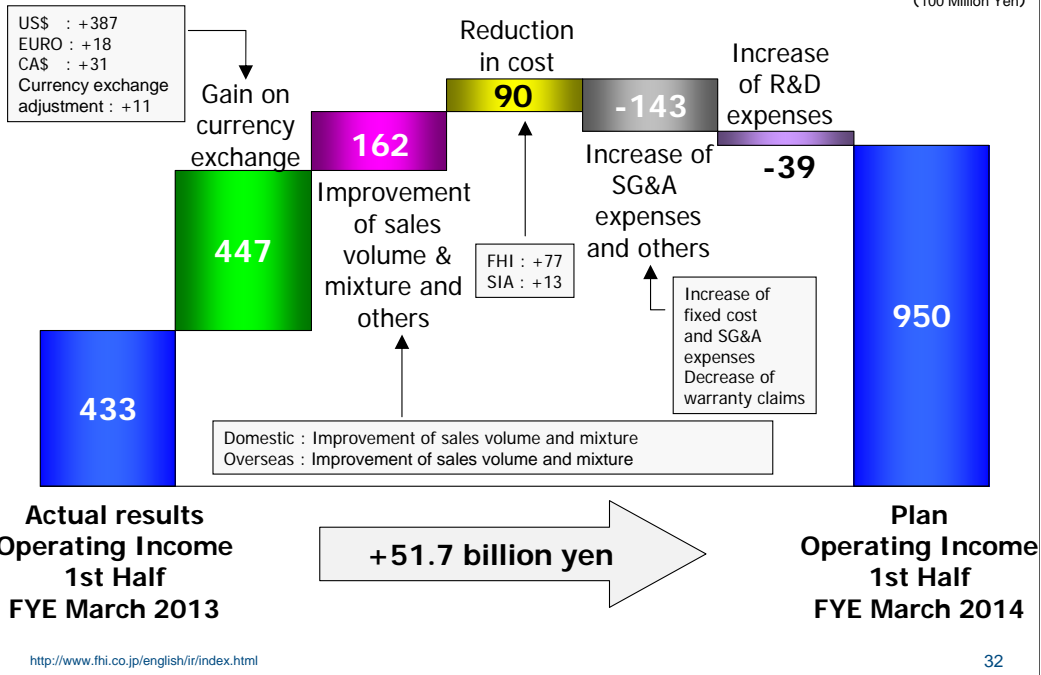
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# 1st Half : Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 Million Yen)





## 2nd Half : Consolidated Automobile Sales Plan

(1,000 cars)

	Actual Results 2nd Half FYE 2013	Plan 2nd Half FYE 2014	Increase / Decrease
Passenger cars	67.4	46.6	-20.8
Minicars	23.8	28.0	+4.2
<b>Domestic Total</b>	<b>91.1</b>	<b>74.6</b>	<b>-16.6</b>
U.S.	193.2	174.3	-18.9
Canada	16.3	16.8	+0.4
Russia	3.6	7.9	+4.3
Europe	21.0	25.1	+4.0
Australia	16.1	21.8	+5.8
China	23.6	30.4	+6.9
Others	11.0	16.6	+5.6
<b>Overseas Total</b>	<b>284.9</b>	<b>293.0</b>	<b>+8.1</b>
<b>Total</b>	<b>376.0</b>	<b>367.6</b>	<b>-8.4</b>

<http://www.fhi.co.jp/english/ir/index.html>

\* China figures are consolidated on the calendar year basis from Sep. to Dec.

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## 2nd Half : Consolidated Operating Plan

(100 Million Yen)

	Actual Results 2nd Half FYE 2013	Plan 2nd Half FYE 2014	Increase / Decrease
Net sales	<b>10,149</b>	<b>10,200</b>	<b>+51</b>
Domestic	3,621	2,980	<b>-640</b>
Overseas	6,529	7,220	+691
Operating Income	<b>772</b>	<b>850</b>	<b>+78</b>
Ordinary income	<b>553</b>	<b>825</b>	<b>+272</b>
Income before taxes and minority interests	<b>472</b>	<b>770</b>	<b>+298</b>
Net income	<b>791</b>	<b>530</b>	<b>-261</b>
FHI exchange rate	¥84/US\$	¥90/US\$	+¥6/US\$

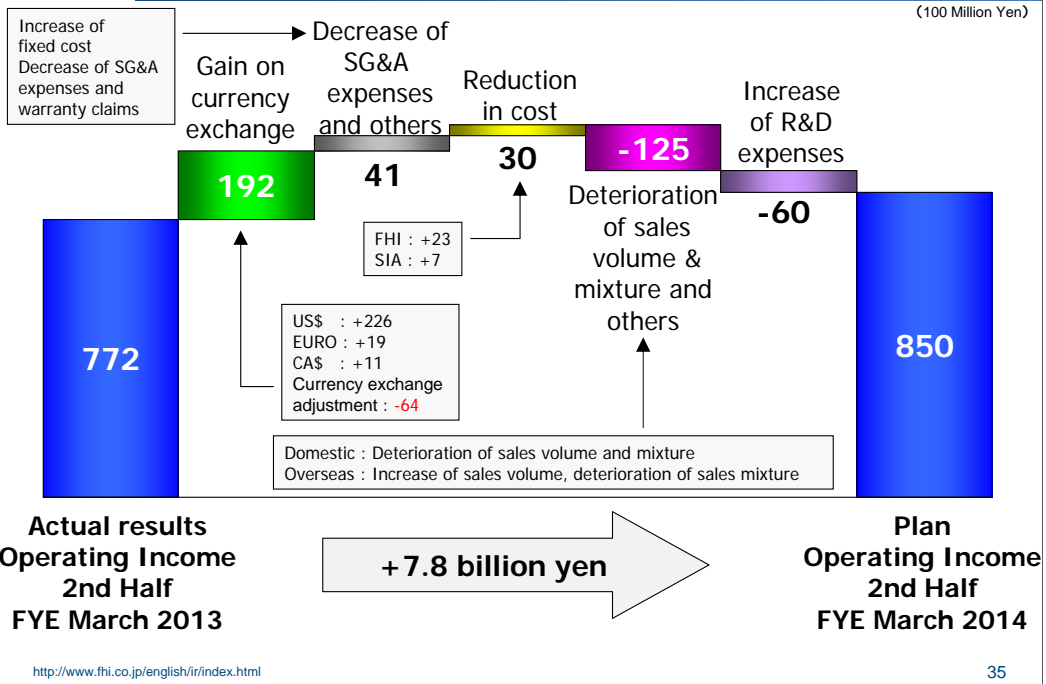
<http://www.fhi.co.jp/english/ir/index.html>

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## 2nd Half : Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 Million Yen)

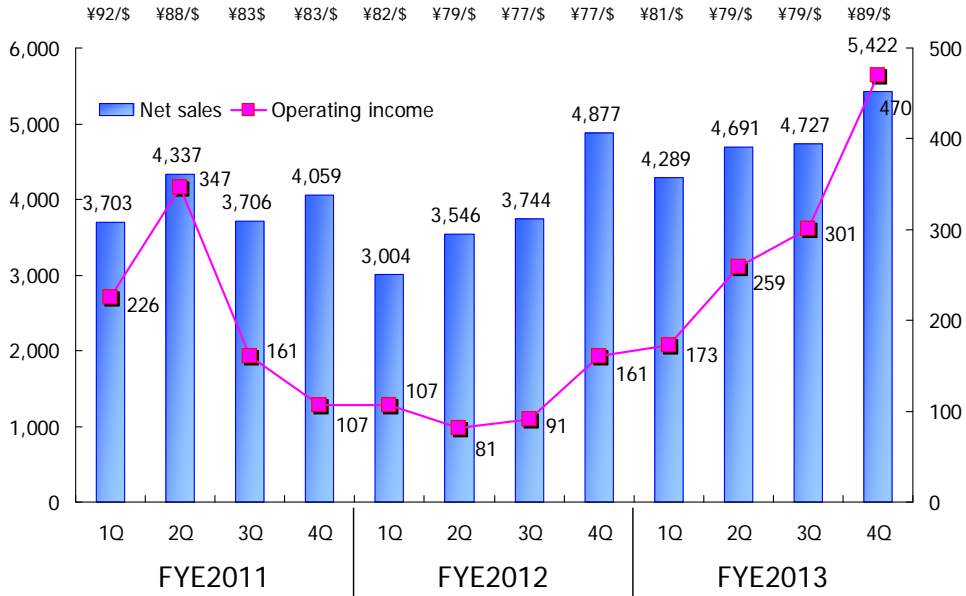




# Net Sales & Operating Income

**Operating Income**  
(100 million yen)

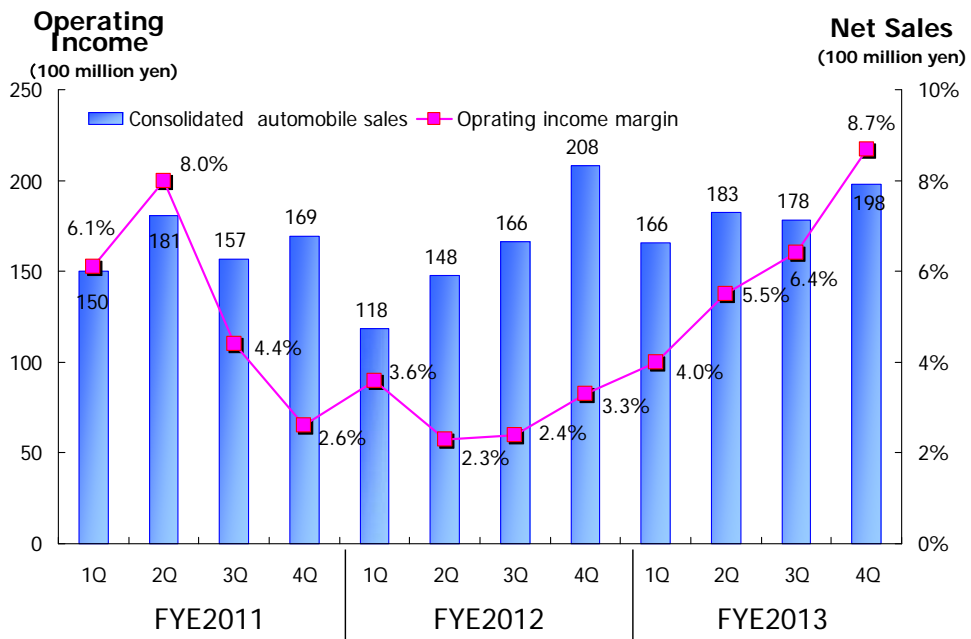
**Net Sales**  
(100 million yen)



<http://www.fhi.co.jp/english/ir/index.html>



## Consolidated Automobile Sales & Operating Income Margin



<http://www.fhi.co.jp/english/ir/index.html>

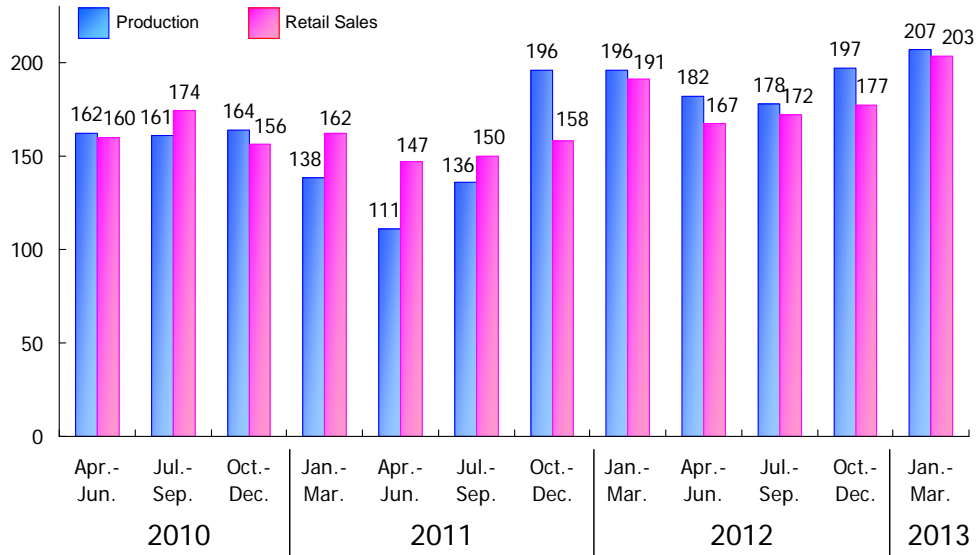
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## Retail Sales & Complete Cars Production

### Units

(1000 units)



\* Production figures include Toyota 86.

<http://www.fhi.co.jp/english/ir/index.html>

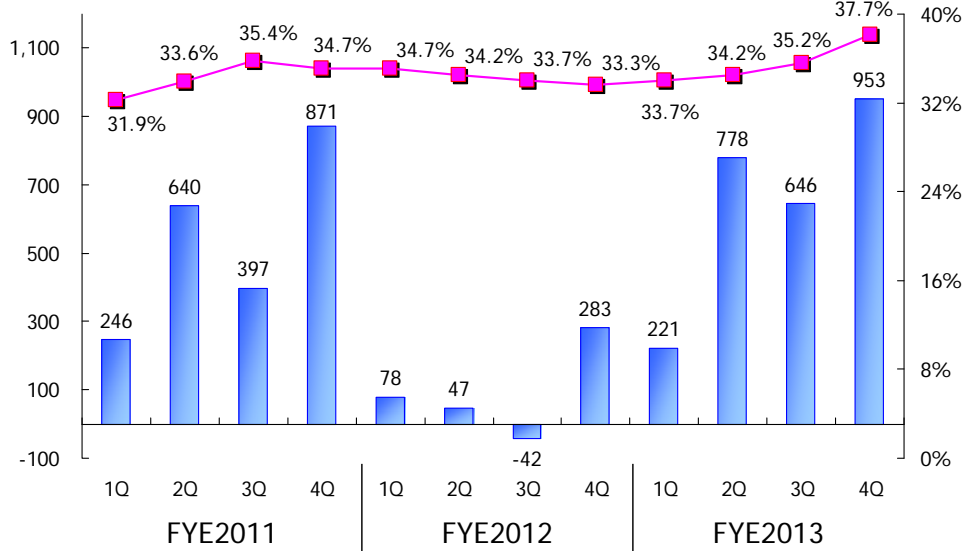
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## Free Cash Flows & Shareholders' Equity to Total Assets

**FCF in bar graph**  
(100 million yen)

**Shareholders' Equity to Total Assets in line graph**



<http://www.fhi.co.jp/english/ir/index.html>

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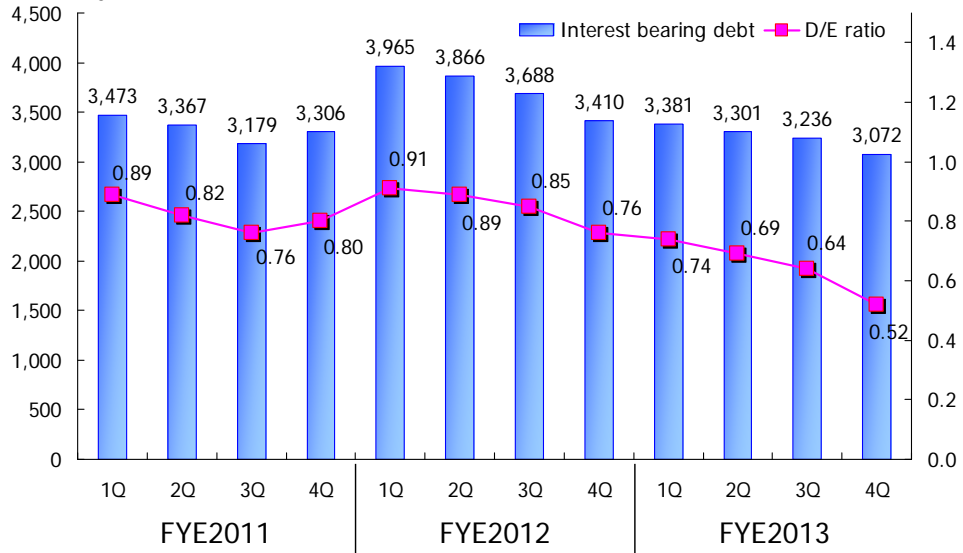




## Interest Bearing Debts & D/E Ratio

**Interest Bearing Debts**  
(100 million yen)

**D/E ratio**



<http://www.fhi.co.jp/english/ir/index.html>

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*Thank you !*

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