



President & CEO, Yasuyuki Yoshinaga  
Fuji Heavy Industries Ltd.

May 9, 2014



# Business Results for the FYE2014

(¥100M)

	Actual results FYE2013	Actual results FYE2014		YoY
Consolidated automobile sales	724,000	<b>825,000</b>	Record High	+13.9 %
Net sales	19,130	<b>24,081</b>	Record High	+25.9 %
Operating income	1,204	<b>3,265</b>	Record High	+171.1 %
Ordinary income	1,006	<b>3,144</b>	Record High	+212.5 %
Net income	1,196	<b>2,066</b>	Record High	+72.8 %
FHI exchange rate	¥82/US\$	<b>¥100/US\$</b>		+20.9 %

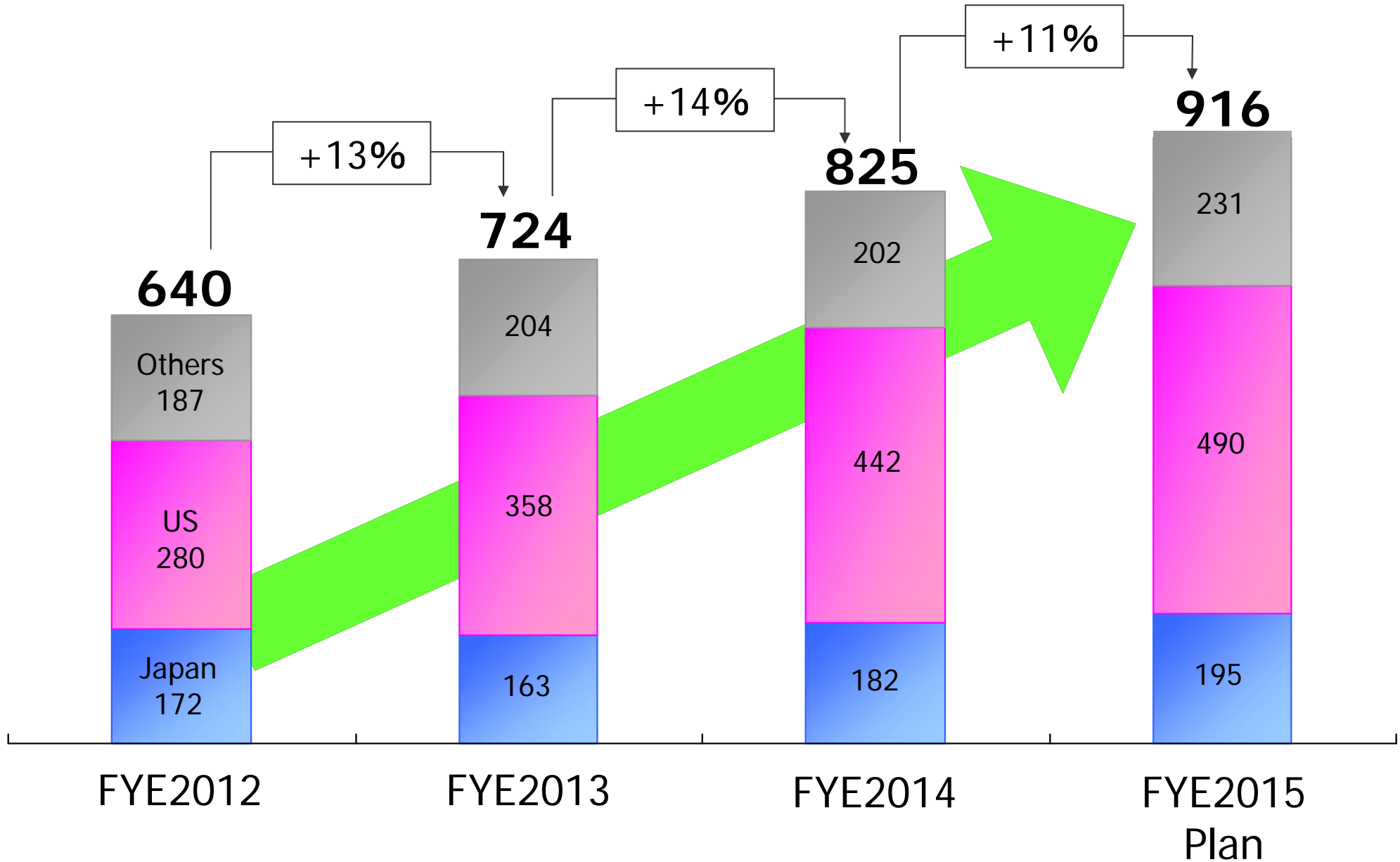
# Business plan for the FYE2015

(¥100M)

	Actual results FYE2014	Plan FYE2015		YoY
Consolidated automobile sales	825,000	<b>916,000</b>	Record High	+11.0 %
Net sales	24,081	<b>27,200</b>	Record High	+13.0 %
Operating income	3,265	<b>3,400</b>	Record High	+4.1 %
Ordinary income	3,144	<b>3,300</b>	Record High	+4.9 %
Net income	2,066	<b>2,150</b>	Record High	+4.1 %
FHI exchange rate	¥100/US\$	<b>¥100/US\$</b>		+0.5 %

# Consolidated automobile sales

(1,000 cars)



# Return to shareholders

	FYE2013	FYE2014		FYE2015	Increase / decrease (b) – (a)
	Actual results	Plan	Actual results (a)	Plan (b)	
End of 2nd quarter	¥5	¥20	<b>¥20</b>	<b>¥28</b>	+¥8
End of 4th quarter	¥10	¥20	<b>¥33</b>	<b>¥28</b>	-¥5
Year total	¥15	¥40	<b>¥53</b>	<b>¥56</b>	+¥3

\* Breakdown of the dividend as of FY2014 Year-end: Ordinary dividends 28yen Commemorative dividends 5yen



**SUBARU**



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

May 9, 2014

## Financial results full year for the FYE March 2014

- Due to healthy sales of Forester and Impreza, consolidated automobile sales set an all-time records for 2nd straight year of 825k units for a fiscal year period.
- In addition to gain on currency exchange, improvement in sales volume & mixture and cost reduction brought all time record high for 2nd straight year in net sales and all profit levels for a fiscal year period.

	Net sales	Operating income	Ordinary income	Net income	Consolidated automobile units
Actual results (YoY)	¥2,408.1bil. (+¥495.2bil.)	¥326.5bil. (+¥206.1bil.)	¥314.4bil. (+¥213.8bil.)	¥206.6bil. (+¥87.0bil.)	825.1k (+100.6k)

## Financial projections full year for the FYE March 2015

- Due to new car launches of Legacy, Outback and Levorg, consolidated automobile sales units plan are projected all-time records for 3rd straight year of 916k units for a fiscal year period.
- Increase of sales volume will offset increase of SG&A expenses from new cars introduction. Full year projections of net sales and all profit levels will be all time record high for 3rd straight year

	Net sales	Operating income	Ordinary income	Net income	Consolidated automobile units
Plan (YoY)	¥2,720.0bil. (+¥311.9bil.)	¥340.0bil. (+¥13.5bil.)	¥330.0bil. (+¥15.6bil.)	¥215.0bil. (+¥8.4bil.)	916.0k (+90.9k)



# Business results of the FYE March 2014



# Full year : Consolidated Automobile Units

(Thousand Units)

	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
Passenger cars	112.8	126.1	+13.4
Minicars	50.4	55.5	+5.1
<b>Domestic total</b>	<b>163.1</b>	<b>181.6</b>	<b>+18.5</b>
U.S.	357.6	441.8	+84.2
Canada	32.6	36.0	+3.4
Russia	14.7	15.3	+0.6
Europe	46.4	31.8	-14.6
Australia	38.1	39.5	+1.4
China	50.2	44.8	-5.4
Others	21.7	34.3	+12.6
<b>Overseas total</b>	<b>561.3</b>	<b>643.5</b>	<b>+82.2</b>
<b>Total</b>	<b>724.5</b>	<b>825.1</b>	<b>+100.6</b>



# Full year : Consolidated Income Statements

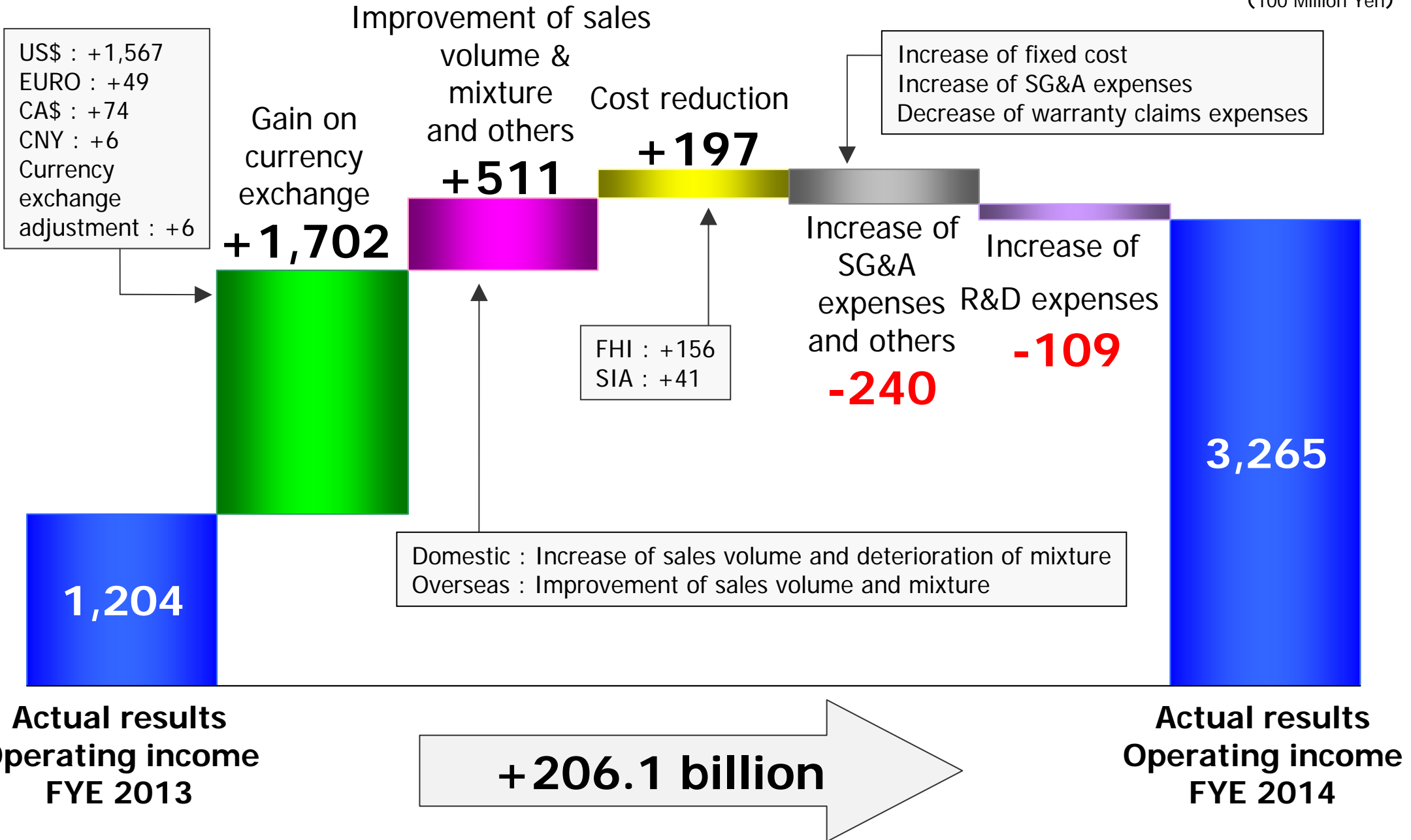
(100 Million Yen)

	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
<b>Net sales</b>	<b>19,130</b>	<b>24,081</b>	<b>+4,952</b>
Domestic	6,718	6,721	+2
Overseas	12,411	17,361	+4,949
<b>Operating income</b>	<b>1,204</b>	<b>3,265</b>	<b>+2,061</b>
Total non-operating income & expenses	-198	-121	+78
<b>Ordinary income</b>	<b>1,006</b>	<b>3,144</b>	<b>+2,138</b>
Total extraordinary income & loss	-75	144	+220
<b>Income before taxes and minority interests</b>	<b>931</b>	<b>3,289</b>	<b>+2,358</b>
<b>Net income</b>	<b>1,196</b>	<b>2,066</b>	<b>+870</b>
FHI exchange rate	¥82/US\$	¥100/US\$	+¥17/US\$



# Full year : Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 Million Yen)



# Consolidated Balance Sheets

(100 Million Yen)

	As of Mar. 2013	As of Mar. 2014	Increase / decrease
<b>Total assets</b>	<b>15,775</b>	<b>18,883</b>	<b>+3,109</b>
Current assets	9,440	12,738	+3,297
Noncurrent assets	6,334	6,146	-188
<b>Interest bearing debts</b>	<b>3,072</b>	<b>2,697</b>	<b>-375</b>
<b>Net assets</b>	<b>5,968</b>	<b>7,701</b>	<b>+1,733</b>
Retained earnings	3,014	4,839	+1,826
Shareholder's equity	5,954	7,655	+1,702
Shareholder's equity to total assets	37.7%	40.5%	+2.8
D/E ratio	0.52	0.35	-0.16



# Full year : Consolidated Statement of Cash Flows

(100 Million Yen)

	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
<b>Net cash provided by (used in) operating activities</b>	<b>1,667</b>	<b>3,130</b>	<b>+1,463</b>
<b>Net cash provided by (used in) investing activities</b>	<b>-714</b>	<b>-339</b>	<b>+375</b>
Free cash flows	953	2,791	+1,838
<b>Net cash provided by (used in) financing activities</b>	<b>-608</b>	<b>-630</b>	<b>-22</b>
Effect of exchange rate change on cash and cash equivalents	150	127	-23
Net increase (Decrease) in cash and cash equivalents	495	2,288	+1,793
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	213	1	-212
<b>Cash and cash equivalents at end of period</b>	<b>3,289</b>	<b>5,579</b>	<b>-</b>



# Full year : Operating Results of Subsidiaries in U.S.

(Million US\$)

<b>SOA</b>	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
Net sales	8,805	11,005	+2,200
Operating income	133	184	+51
Net income	97	111	+14
Retail sales (Thousand units)	347.1	442.3	+95.2

<b>SIA</b>	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
Net sales	4,158	3,848	<b>-310</b>
Operating income	71	265	+194
Net income	46	167	+121
Subaru production (Thousand units)	181.2	163.5	<b>-17.7</b>

# Outlook for the term Ending March 2015





# Full Year : Consolidated Automobile Sales Plan

(Thousand Units)

	Actual results FYE 2014	Plan FYE 2015	Increase / decrease
Passenger cars	126.1	143.7	+17.6
Minicars	55.5	51.2	-4.3
<b>Domestic total</b>	<b>181.6</b>	<b>194.9</b>	<b>+13.3</b>
U.S.	441.8	490.2	+48.4
Canada	36.0	40.4	+4.4
Russia	15.3	19.3	+4.0
Europe	31.8	40.3	+8.5
Australia	39.5	40.1	+0.6
China	44.8	57.3	+12.5
Others	34.3	33.5	-0.8
<b>Overseas total</b>	<b>643.5</b>	<b>721.1</b>	<b>+77.6</b>
<b>Total</b>	<b>825.1</b>	<b>916.0</b>	<b>+90.9</b>

# Full Year : Consolidated Operating Plan

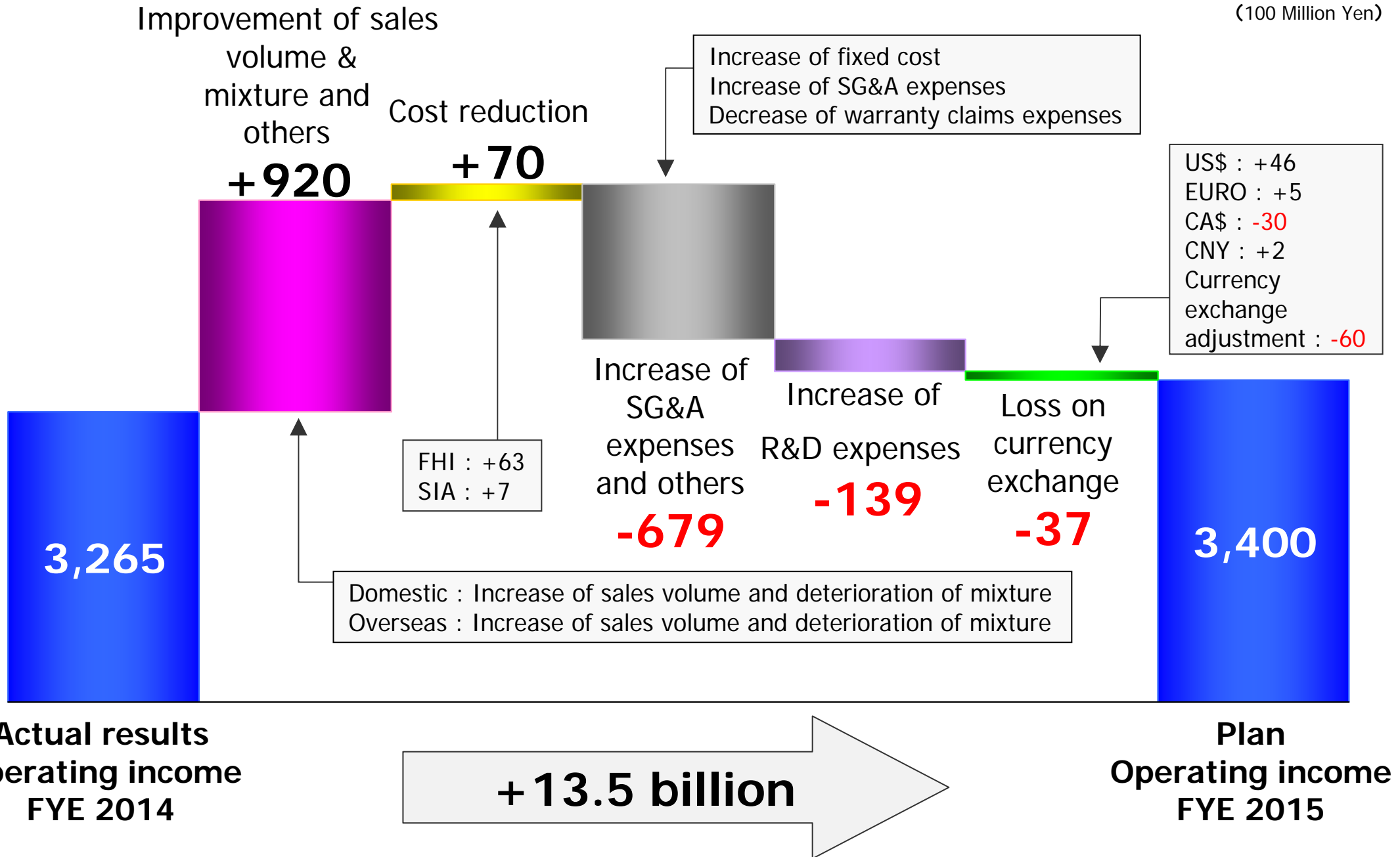
(100 Million Yen)

	Actual results FYE 2014	Plan FYE 2015	Increase / decrease
<b>Net sales</b>	<b>24,081</b>	<b>27,200</b>	<b>+3,119</b>
Domestic	6,721	7,032	+312
Overseas	17,361	20,168	+2,807
<b>Operating income</b>	<b>3,265</b>	<b>3,400</b>	<b>+135</b>
<b>Ordinary income</b>	<b>3,144</b>	<b>3,300</b>	<b>+156</b>
<b>Income before taxes and minority interests</b>	<b>3,289</b>	<b>3,240</b>	<b>-49</b>
<b>Net income</b>	<b>2,066</b>	<b>2,150</b>	<b>+84</b>
<b>FHI exchange rate</b>	<b>¥100/US\$</b>	<b>¥100/US\$</b>	<b>+¥0/US\$</b>



# Analysis of Increase and Decrease in Operating Income Changes (consolidated)

(100 Million Yen)





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

(Million US\$)

<b>SOA</b>	Actual results FYE 2014	Plan FYE 2015	Increase / decrease
Net sales	11,005	12,508	+1,503
Operating income	184	345	+161
Net income	111	202	+91
Retail sales (Thousand units)	442.3	470.0	+27.7

<b>SIA</b>	Actual results FYE 2014	Plan FYE 2015	Increase / decrease
Net sales	3,848	4,761	+913
Operating income	265	109	-156
Net income	167	65	-102
Subaru production (Thousand units)	163.5	208.8	+45.3



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

(100 Million Yen)

	Actual results FYE 2013	Actual results FYE 2014 (a)	Plan FYE2015 (b)	Increase / decrease (b) - (a)
Capex	702	685	1,200	+515
Depreciation	559	549	660	+111
R&D	491	601	740	+139
Interest bearing debt	3,072	2,697	2,400	-297

## Appendix (1)

- Non-operating income & expenses and extraordinary income & loss
- Segment information (by Business / Geographic)
- Overseas net sales
- Non-consolidated automobile sales
- 4th quarter (3 months), consolidated statements income
- Full year of FYE2014, plan vs. actual results
- 1st half, consolidated statements income



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

(100 Million Yen)

	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
Financial revenue and expenditure	-7	1	+8
FOREX effects	-172	-95	+77
Other	-19	-27	-8
<b>Total non-operating income &amp; expenses</b>	<b>-198</b>	<b>-121</b>	<b>+78</b>
Gain on sales of investment securities	6	473	+468
Provision of allowance for doubtful accounts	-	-296	-296
Other	-81	-33	+48
<b>Total extraordinary income &amp; loss</b>	<b>-75</b>	<b>144</b>	<b>+220</b>



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

(100 Million Yen)

	Net sales			Operating income		
	Actual Results FYE 2013	Actual Results FYE 2014	Increase / Decrease	Actual Results FYE 2013	Actual Results FYE 2014	Increase / Decrease
Automobile	17,790	22,466	+4,677	1,110	3,090	+1,980
Aerospace	891	1,244	+353	68	141	+73
Industrial products	301	298	-4	6	6	-0
Others	147	73	-74	16	21	+5
Elimination and corporate				4	6	+3
<b>Total</b>	<b>19,130</b>	<b>24,081</b>	<b>+4,952</b>	<b>1,204</b>	<b>3,265</b>	<b>+2,061</b>





# Full year : Consolidated Operating Income by Geographic Area

(100 Million Yen)

	Net sales			Operating income		
	Actual Results FYE 2013	Actual Results FYE 2014	Increase / Decrease	Actual Results FYE 2013	Actual Results FYE 2014	Increase / Decrease
Japan	9,131	9,674	+543	1,114	2,823	+1,709
North America	8,372	12,371	+3,999	226	528	+302
Other	1,627	2,036	+409	2	51	+49
Elimination and corporate				-137	-137	-0
Total	19,130	24,081	+4,952	1,204	3,265	+2,061



# Full year : Overseas Net Sales

(100 Million Yen)

	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
North America	8,960	13,228	+4,268
Europe	1,272	1,347	+75
Asia	1,132	1,544	+412
Other	1,047	1,242	+195
Total	12,411	17,361	+4,949



# Full year : Non-Consolidated Automobiles Units

(Thousand Units)

	Actual results FYE 2013	Actual results FYE 2014	Increase / decrease
<b>Domestic production</b>	<b>583.1</b>	<b>649.9</b>	<b>+66.8</b>
<b>Domestic sales</b>	<b>166.7</b>	<b>185.8</b>	<b>+19.1</b>
Passenger cars	116.3	128.1	+11.7
Minicars	50.4	57.8	+7.4
<b>Number of vehicles exported</b>	<b>384.0</b>	<b>499.2</b>	<b>+115.2</b>
<b>Components for overseas production</b>	<b>185.7</b>	<b>165.6</b>	<b>-20.2</b>
<b>Total</b>	<b>736.4</b>	<b>850.6</b>	<b>+114.1</b>

\* Domestic Production figures include Toyota 86.



# 4th Quarter : Consolidated Automobile Units

(Thousand Units)

	Actual results Q4 FYE 2013	Actual results Q4 FYE 2014	Increase / decrease
Passenger cars	35.9	39.3	+3.4
Minicars	15.7	18.5	+2.7
<b>Domestic total</b>	<b>51.6</b>	<b>57.7</b>	<b>+6.2</b>
U.S.	98.2	115.4	+17.2
Canada	9.0	8.8	-0.2
Russia	1.5	5.8	+4.4
Europe	11.5	8.3	-3.2
Australia	9.9	9.9	+0.0
China	9.9	15.2	+5.4
Others	6.4	10.5	+4.1
<b>Overseas total</b>	<b>146.3</b>	<b>174.0</b>	<b>+27.7</b>
<b>Total</b>	<b>197.8</b>	<b>231.7</b>	<b>+33.9</b>

# 4th Quarter : Consolidated Income Statements

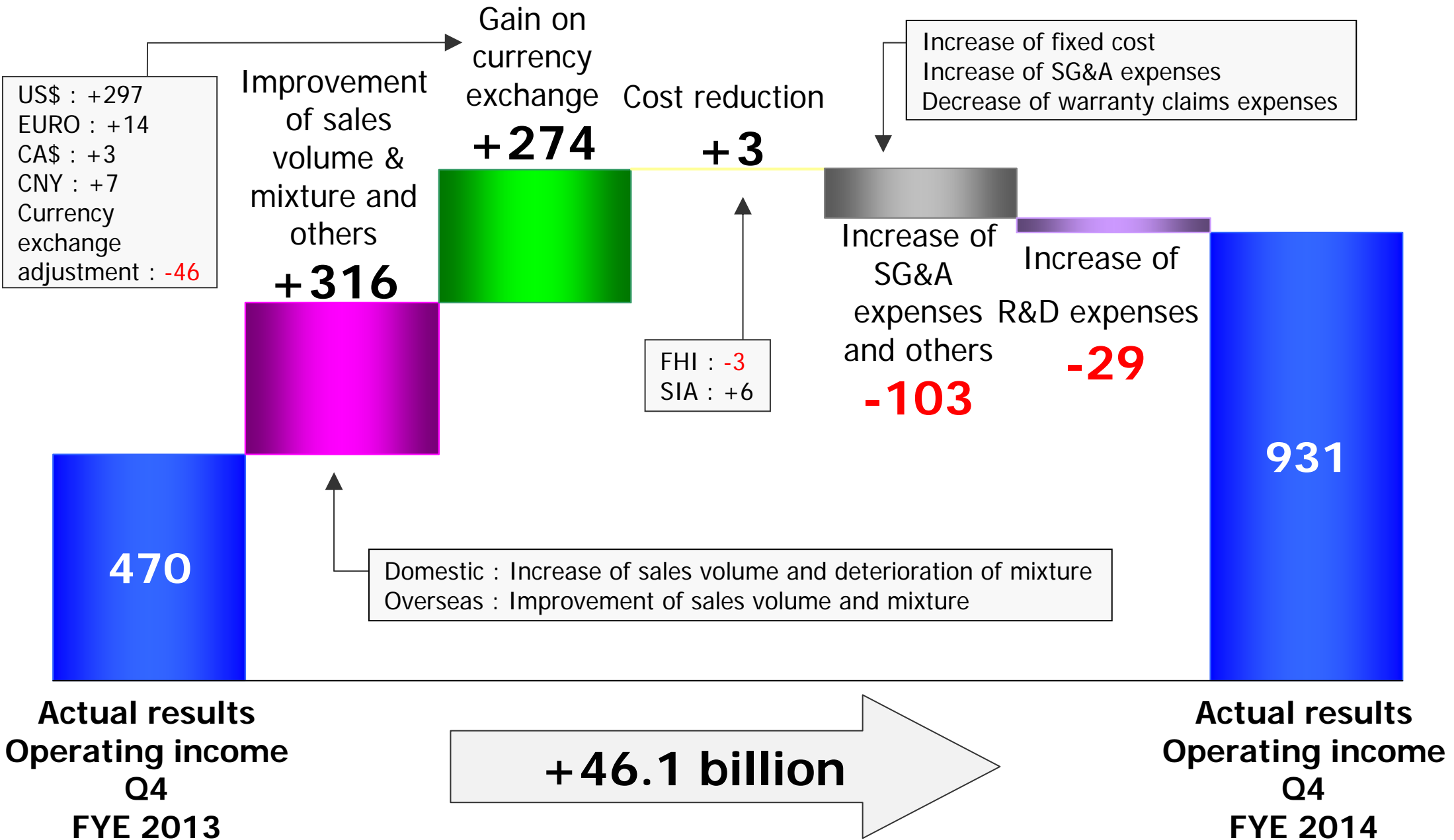
(100 Million Yen)

	Actual results Q4 FYE 2013	Actual results Q4 FYE 2014	Increase / decrease
<b>Net sales</b>	<b>5,422</b>	<b>6,996</b>	<b>+1,574</b>
Domestic	1,895	1,933	+38
Overseas	3,527	5,063	+1,536
<b>Operating income</b>	<b>470</b>	<b>931</b>	<b>+461</b>
<b>Ordinary income</b>	<b>372</b>	<b>930</b>	<b>+558</b>
<b>Income before taxes and minority interests</b>	<b>313</b>	<b>618</b>	<b>+304</b>
<b>Net income</b>	<b>665</b>	<b>251</b>	<b>-414</b>
FHI exchange rate	¥89/US\$	¥103/US\$	+¥13/US\$



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

(100 Million Yen)





# Full Year : Consolidated Automobile Units Plan vs. Actual results

(Thousand Units)

	Plan FYE 2014	Actual results FYE 2014	Increase / decrease
Passenger cars	135.0	126.1	-8.9
Minicars	53.8	55.5	+1.7
<b>Domestic total</b>	<b>188.8</b>	<b>181.6</b>	<b>-7.2</b>
U.S.	439.8	441.8	+2.0
Canada	36.0	36.0	+0.0
Russia	15.4	15.3	-0.1
Europe	31.9	31.8	-0.1
Australia	39.1	39.5	+0.4
China	44.8	44.8	±0
Others	33.4	34.3	+0.8
<b>Overseas total</b>	<b>640.5</b>	<b>643.5</b>	<b>+3.0</b>
<b>Total</b>	<b>829.3</b>	<b>825.1</b>	<b>-4.2</b>



# Full Year : Consolidated Income Statements Plan vs. Actual results

(100 Million Yen)

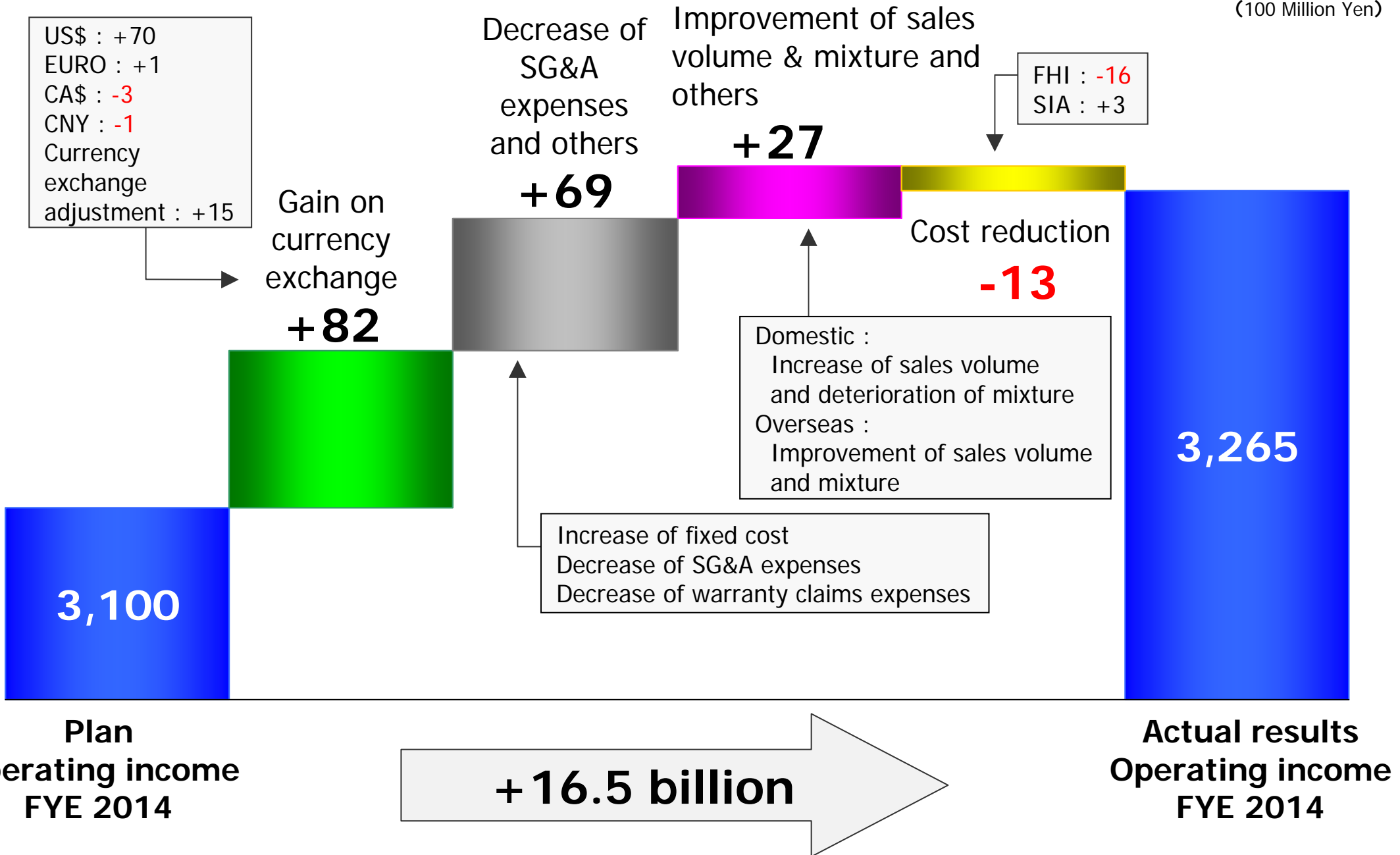
	Plan FYE 2014	Actual results FYE 2014	Increase / decrease
<b>Net sales</b>	<b>23,800</b>	<b>24,081</b>	<b>+281</b>
Domestic	6,495	6,721	+226
Overseas	17,305	17,361	+56
<b>Operating income</b>	<b>3,100</b>	<b>3,265</b>	<b>+165</b>
<b>Ordinary income</b>	<b>2,940</b>	<b>3,144</b>	<b>+204</b>
<b>Income before taxes and minority interests</b>	<b>3,034</b>	<b>3,289</b>	<b>+254</b>
<b>Net income</b>	<b>1,920</b>	<b>2,066</b>	<b>+146</b>
FHI exchange rate	¥99/US\$	¥100/US\$	+¥1/US\$





# Full Year : Analysis of Increase and Decrease in Operating Income Changes Plan vs. Actual results

(100 Million Yen)





# 1st Half : Consolidated Automobile Sales Plan

(Thousand Units)

	Actual results 1H FYE 2014	Plan 1H FYE 2015	Increase / decrease
Passenger cars	61.7	70.5	+8.8
Minicars	25.6	22.6	-3.0
<b>Domestic total</b>	<b>87.3</b>	<b>93.2</b>	<b>+5.8</b>
U.S.	208.9	233.9	+25.0
Canada	18.7	21.7	+3.0
Russia	6.8	9.2	+2.4
Europe	15.3	18.4	+3.1
Australia	21.3	19.0	-2.2
China	18.9	27.6	+8.6
Others	15.4	15.8	+0.4
<b>Overseas total</b>	<b>305.3</b>	<b>345.6</b>	<b>+40.3</b>
<b>Total</b>	<b>392.6</b>	<b>438.8</b>	<b>+46.1</b>

# 1st Half : Consolidated Operating Plan

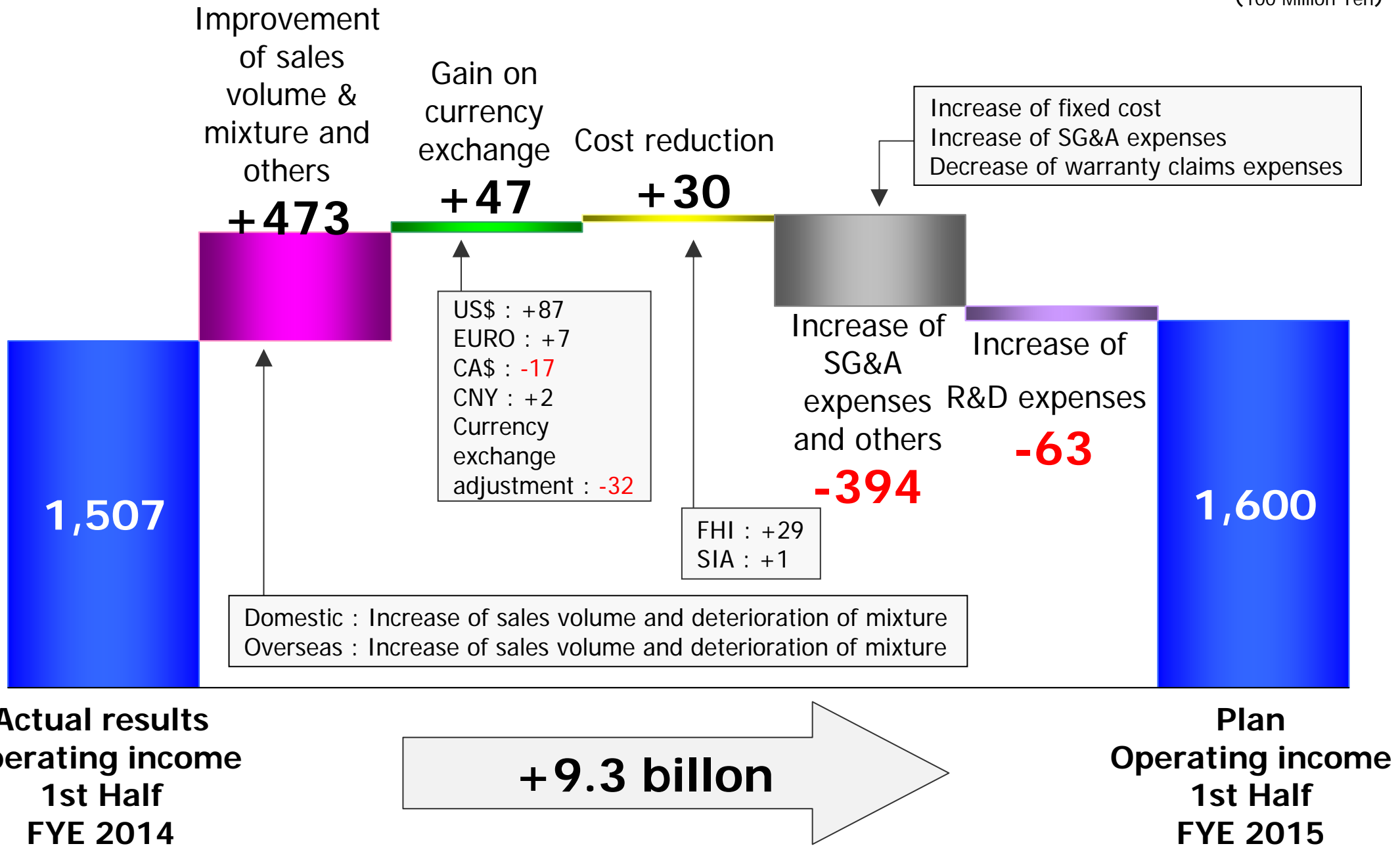
(100 Million Yen)

	Actual results 1H FYE 2014	Plan 1H FYE 2015	Increase / decrease
<b>Net sales</b>	<b>11,256</b>	<b>13,000</b>	<b>+1,744</b>
Domestic	3,306	3,426	+120
Overseas	7,951	9,574	+1,623
<b>Operating income</b>	<b>1,507</b>	<b>1,600</b>	<b>+93</b>
<b>Ordinary income</b>	<b>1,462</b>	<b>1,560</b>	<b>+98</b>
<b>Income before taxes and minority interests</b>	<b>1,453</b>	<b>1,540</b>	<b>+87</b>
<b>Net income</b>	<b>998</b>	<b>1,010</b>	<b>+12</b>
FHI exchange rate	¥98/US\$	¥100/US\$	+¥2/US\$



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

(100 Million Yen)

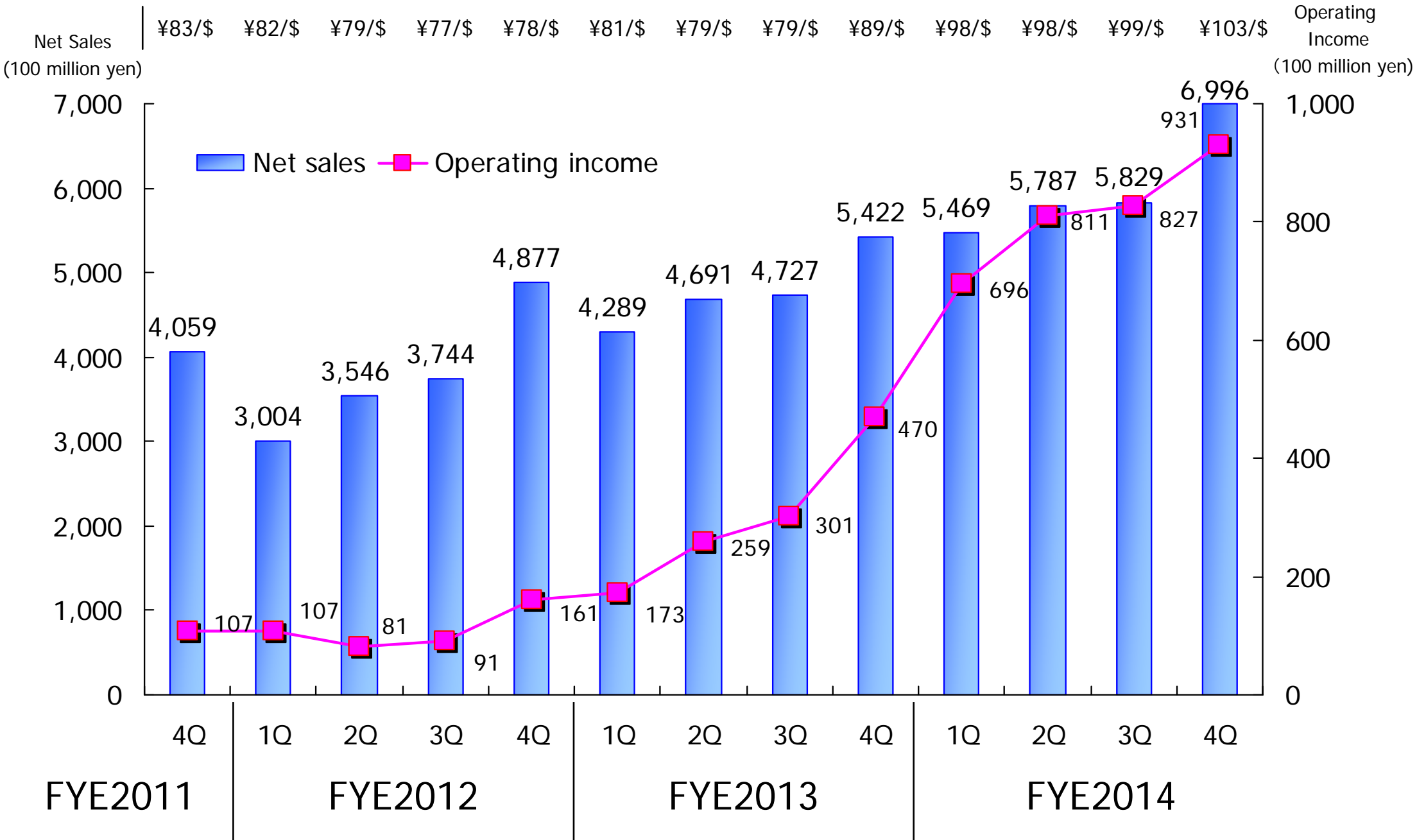


## Appendix (2)

- Net sales / Operating income
- Consolidated automobile units / OPM
- Complete cars production / Retail units
- FCF / Shareholders' equity to total assets
- Interest-bearing debt / D/E ratio



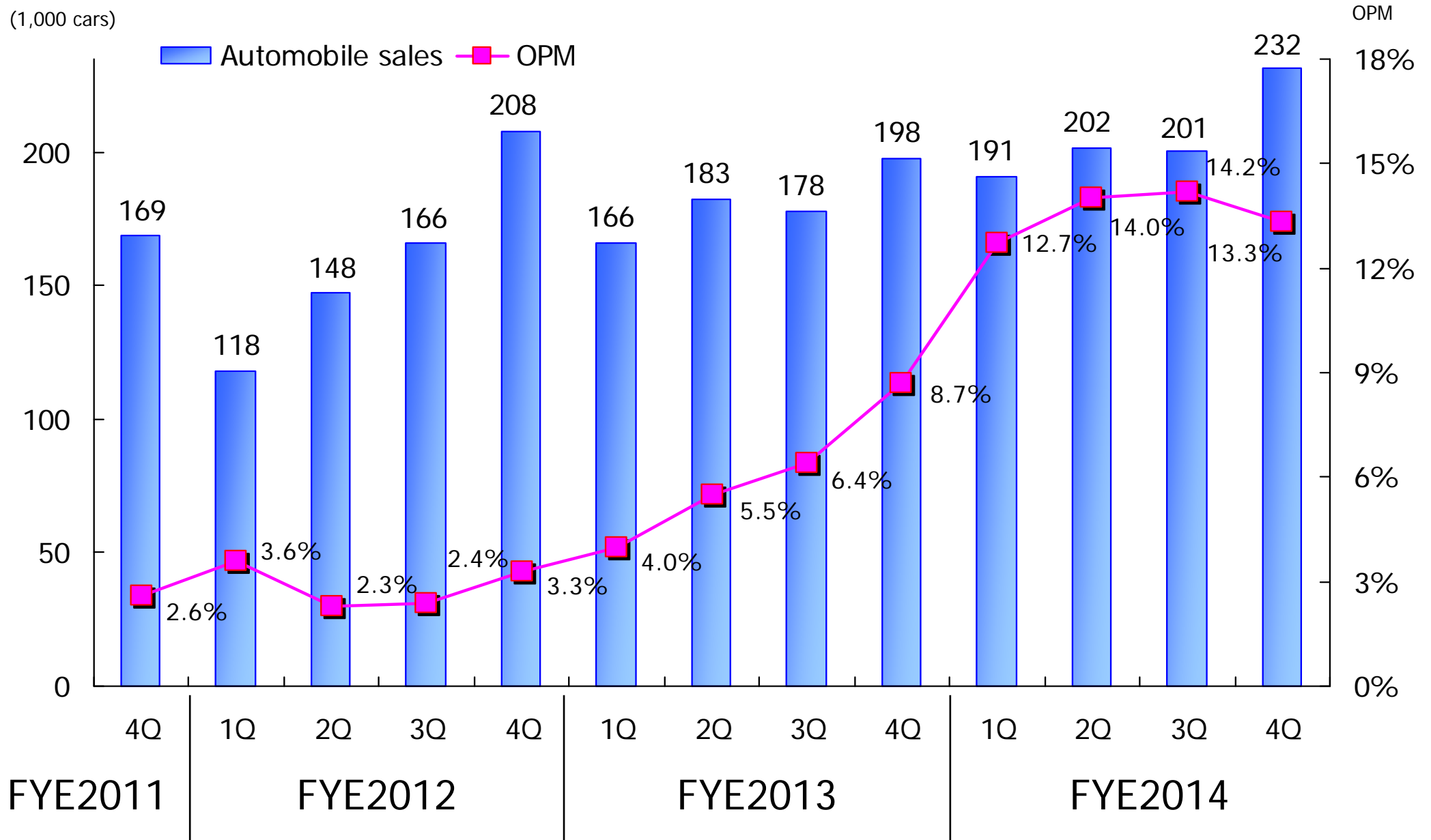
# Net Sales & Operating Income





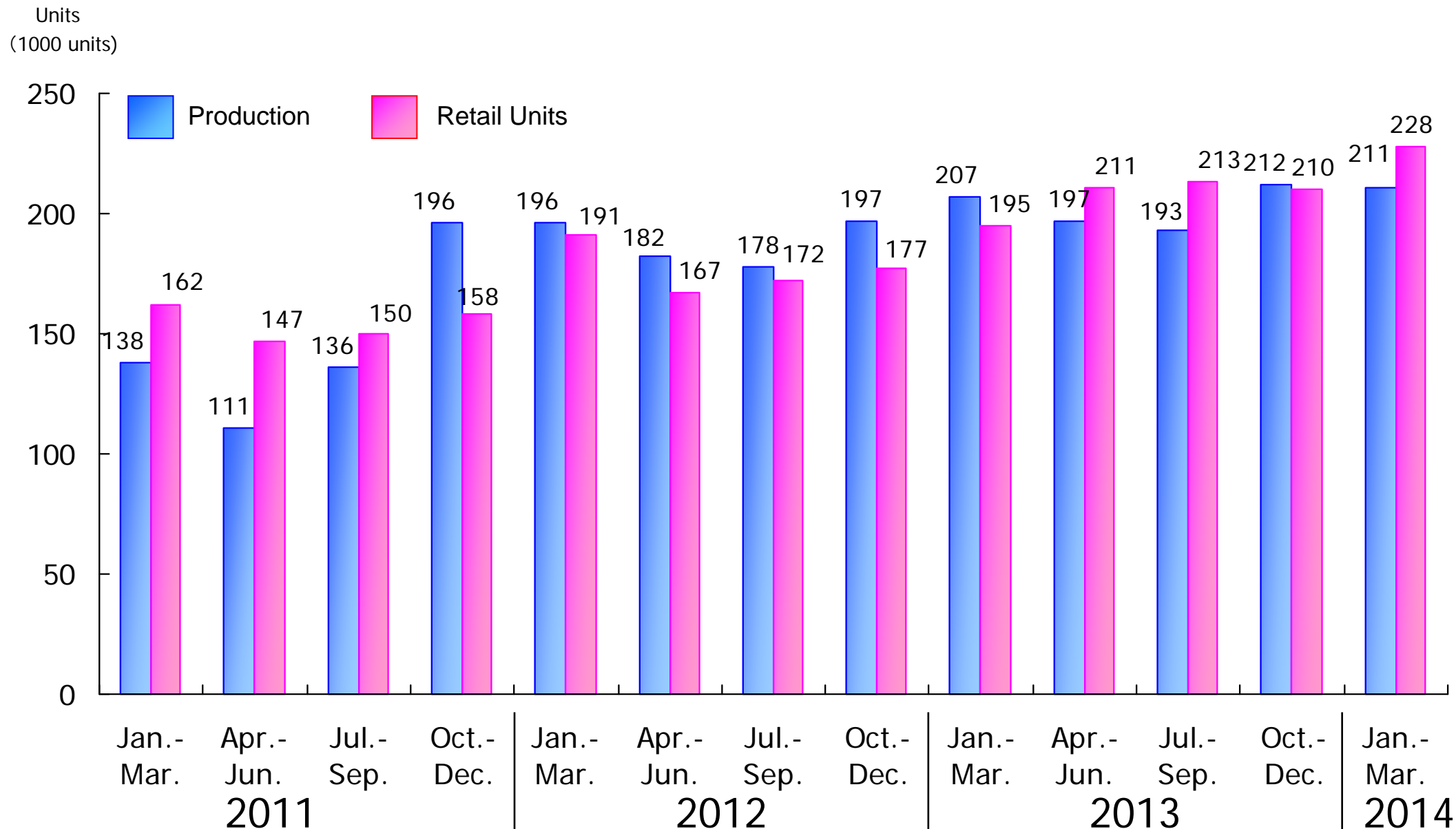
# Consolidated Automobile Units & Operating Income Margin

Automobile sales  
(1,000 cars)





# Complete Cars Production & Retail Units



\* Production figures include Toyota 86.

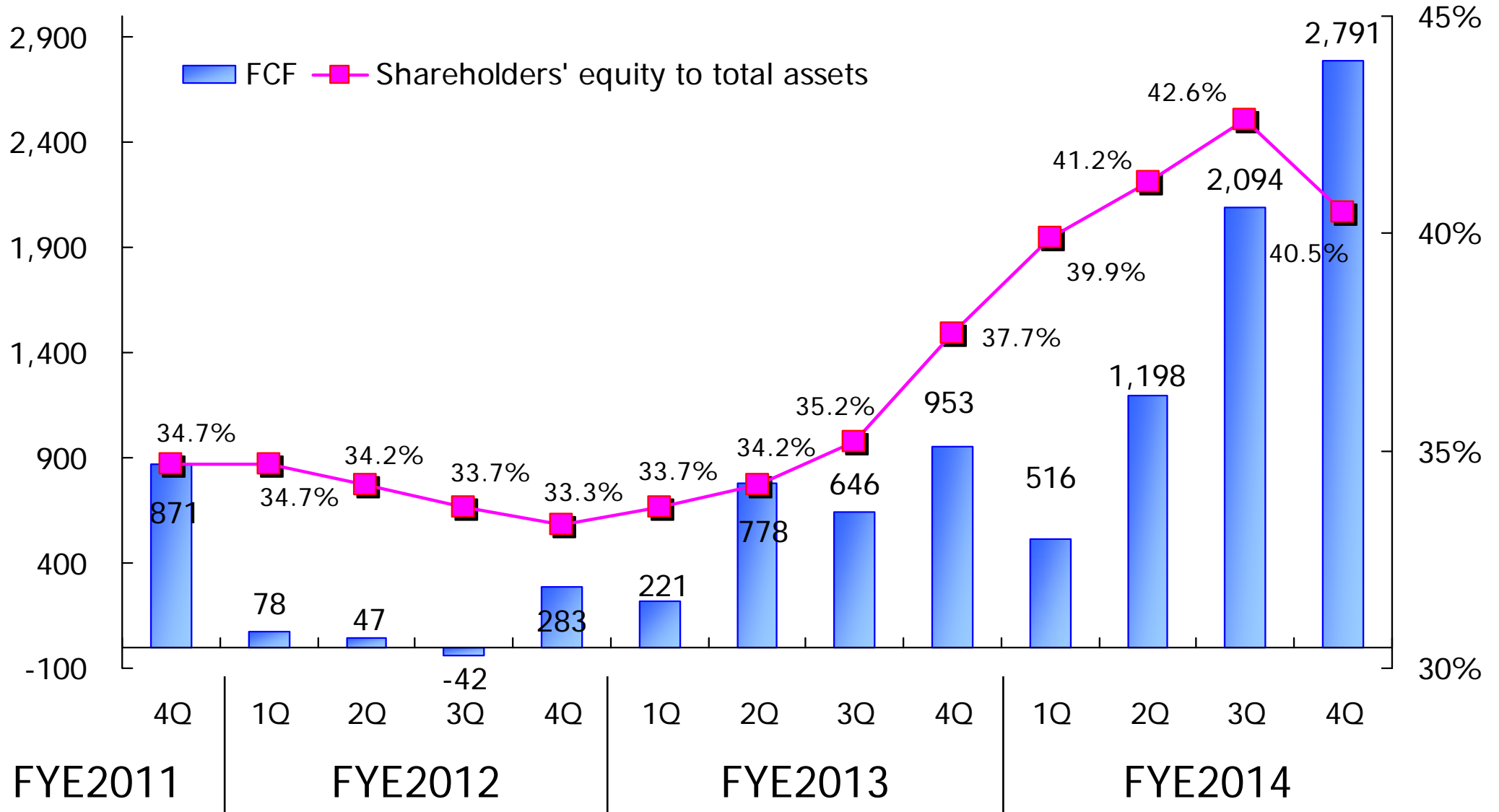




# Free Cash Flows & Shareholders' Equity to Total Assets

FCF  
(100 million yen)

Shareholders'  
Equity to  
Total Assets

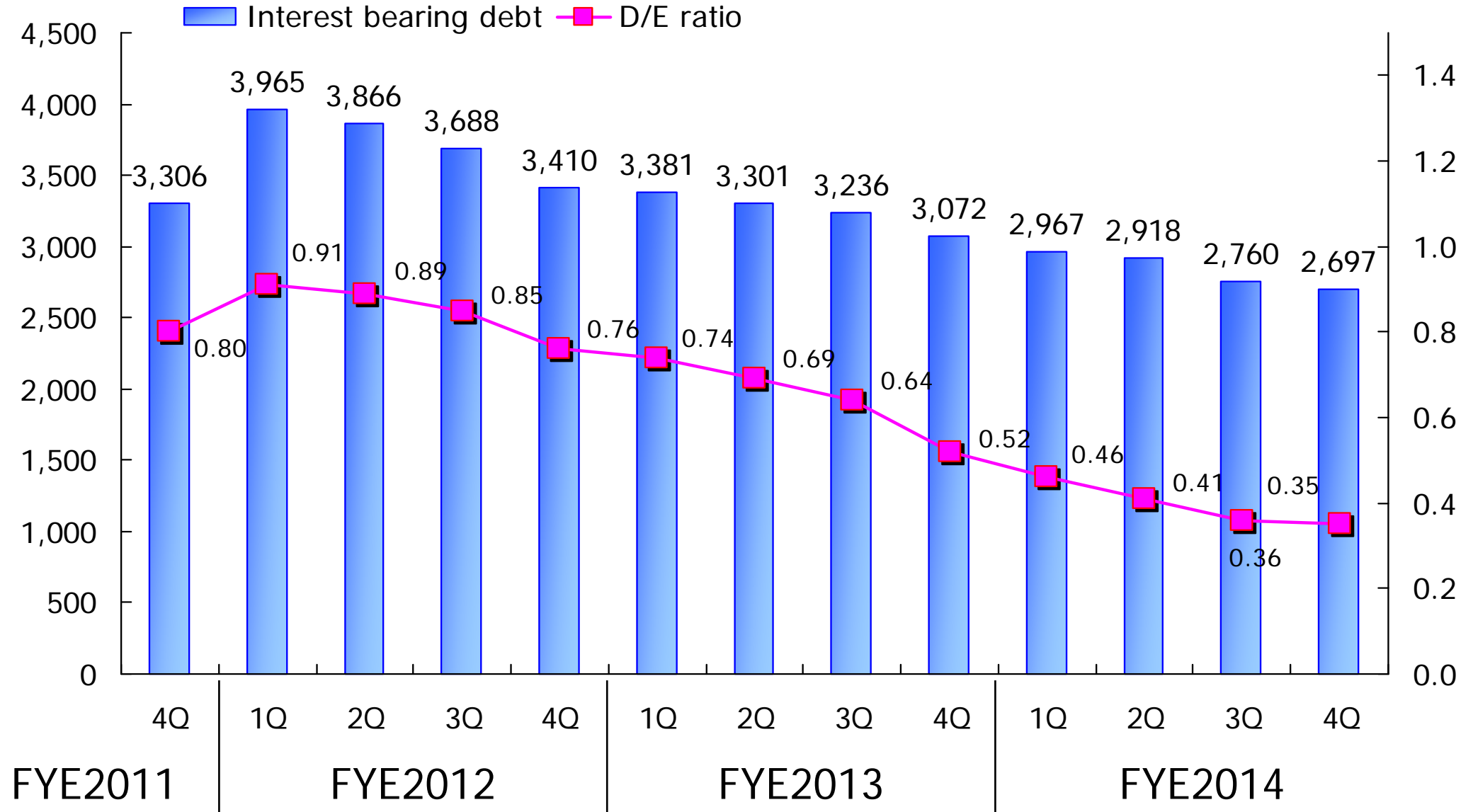




# Interest-Bearing Debt & D/E Ratio

Interest Bearing Debt (100 million yen)

D/E ratio





Forward-looking statements including projections and future strategies mentioned in this presentation are based on currently available information and assumptions and are subject to risks and uncertainties.

Actual results may vary materially as a result of various factors including, without limitation, economic conditions, market demand and fluctuations in foreign exchange rates.

Investors are asked not to rely solely on the information in this presentation when they make their final investment decisions.



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