

Consolidated Financial Results

For the First Quarter of the Fiscal Year Ending March 31, 2015 (Japan GAAP)



July 31, 2014

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 7, 2014
 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 2015 (April 1, 2014 to June 30, 2014)

(1) Consolidated Results of Operations (for three-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	
1st Quarter of FY2015	593,388	8.5%	78,721	13.0%	80,575	24.9%	52,246	7.8%
1st Quarter of FY2014	546,932	27.5%	69,635	301.8%	64,504	237.2%	48,467	196.4%

Note: Comprehensive income 1st Quarter of FY2015: 53,970 million yen ((10.7%)) 1st Quarter of FY2014: 60,458 million yen (558.4%)

	Net income per share, basic (Yen)	Net income per share, diluted (Yen)
1st Quarter of FY2015	66.95	—
1st Quarter of FY2014	62.10	—

(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 FY2015	1,848,424	799,658	42.9%
FY2014	1,888,363	770,071	40.5%

Reference: Shareholders' equity As of June 30, 2014: 793,412 million yen As of March 31, 2014: 765,544 million yen

2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2014	—	20.00	—	33.00	53.00
FY 2015	—	—	—	—	—
FY 2015 (Forecast)	—	28.00	—	28.00	56.00

Note: Revision of the forecasts in the first quarter of the fiscal year ending March 31, 2015: No

3. Projection of Consolidated Results for Fiscal Year 2015 (April 1, 2014 to March 31, 2015)

(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	1,300,000	15.5%	160,000	6.2%	156,000	6.7%	101,000	1.2%	129.42
Full year	2,720,000	13.0%	340,000	4.1%	330,000	4.9%	215,000	4.1%	275.50

Note: Revision of the forecasts at the timing of announcement of the results of first quarter of the fiscal year ending March 31, 2015: No

4. Others

- (1) Changes of significant subsidiaries in the first quarter of fiscal year 2015 : 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 : No
 - [4] Restatements : No
- (4) Number of outstanding shares (Common Stock)
- | | | | | |
|---|------------------------|--------------------|------------------------|--------------------|
| [1] Number of outstanding shares (including treasury stock) | As of June 30,2014: | 782,865,873 shares | As of March 31,2014: | 782,865,873 shares |
| [2] Number of treasury stock | As of June 30,2014: | 2,478,124 shares | As of March 31,2014: | 2,477,430 shares |
| [3] Average number of shares (for three-month period) | 1st Quarter of FY2015: | 780,388,103 shares | 1st Quarter of FY2014: | 780,422,165 shares |

*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 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) Explanation about Future Forecasts such as Projections for the Current Fiscal Year" on page 3.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation about Operating Performance

Consolidated net sales for the first quarter of the current fiscal year increased ¥46.5 billion (8.5%) from the same period of the previous fiscal year to ¥593.4 billion mainly due to higher automobile unit sales and higher yen-converted sales revenues owing to currency fluctuations.

Regarding the profit, operating income increased ¥9.1 billion (13.0%) from the same period of the previous fiscal year to ¥78.7 billion and ordinary income increased ¥16.1 billion (24.9%) from the same period of the previous fiscal year to ¥80.6 billion, reflecting the higher sales. Net income for the first quarter increased ¥3.8 billion (7.8%) from the same period of the previous fiscal year to ¥52.2 billion.

[Results by Business Segment]

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

[1] Automobile Division

In Japan, unit sales of Subaru passenger cars decreased 8 thousand (29.1%) units compared with the same period of the previous fiscal year to 20 thousand units, while unit sales of minicars decreased 5 thousand (43.2%) units compared with the same period of the previous fiscal year to 7 thousand units, and total unit sales decreased 14 thousand (33.2%) units compared with the same period of the previous fiscal year to 27 thousand units. The lower unit sales reflect the reverse effect that followed the rush of last-minute purchases ahead of the consumption tax rate increase at the end of the previous fiscal year and the situation where higher sales were recorded in the same period of the previous fiscal year owing to the launch of new models.

Overseas total unit sales increased 16 thousand (10.7%) units compared with the same period of the previous fiscal year to 166 thousand units. The increase was mainly due to strong sales of the Forester mostly in North America and China—key markets of FHI, and contributions to unit sales from the all-new WRX launched in North America as a debut.

By region, sales in North America increased 7 thousand (6.4%) units from the same period of the previous fiscal year to 123 thousand units, sales in Europe including Russia increased 1 thousand (12.5%) units from the same period of the previous fiscal year to 11 thousand units, sales in Australia decreased 2 thousand (18.9%) units from the same period of the previous fiscal year to 9 thousand units, sales in China increased 10 thousand (175.0%) units from the same period of the previous fiscal year to 16 thousand units, and sales in other regions decreased 0.3 thousand (4.0%) units from the same period of the previous fiscal year to 7 thousand units.

As a result, combined unit sales in Japan and overseas markets amounted to 194 thousand units, an increase of 3 thousand (1.3%) units from the same period of previous fiscal year.

Affected also by currency fluctuations, overall net sales increased ¥41.8 billion (8.1%) from the same period of the previous fiscal year to ¥555.1 billion, and segment income increased ¥10.3 billion (15.8%) from the same period of the previous fiscal year to ¥75.2 billion.

[2] Aerospace Division

Deliveries to the Japan Ministry of Defense saw sales fall below the level of the same period of the previous fiscal year mainly due to the decrease of mass production of the combat helicopter AH-64D and patrol aircraft P-1 as well as lower development construction sales of the transport aircraft XC-2, etc.

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

As a result, overall net sales increased ¥4.9 billion (20.2%) compared with the same period of the previous fiscal year to ¥29.2 billion. Segment income decreased ¥1.2 billion (31.9%) compared with the same period of the previous fiscal year to ¥2.6 billion.

[3] Industrial Products Division

Net sales decreased ¥0.3 billion (3.4%) compared with the same period of the previous fiscal year to ¥7.5 billion. Although engine sales increased in Middle East and Europe, sales in North America decreased centered on engines for leisure applications. Segment income decreased ¥0.02 billion (12.0%) compared with the same period of the previous fiscal year to ¥0.1 billion.

[4] Other Businesses

Net sales were almost unchanged compared with the same period of the previous fiscal year at ¥1.6 billion. Segment income increased ¥0.1 billion (17.1%) compared with the same period of the previous fiscal year to ¥0.7 billion.

(2) Explanation about Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets at the end of the first quarter of the current fiscal year were ¥1,848.4 billion, a decrease of ¥39.9 billion from the end of the previous fiscal year. This was mainly due to combined results, such as a ¥18.5 billion increase in merchandise and finished goods, a ¥22.4 billion increase in property, plant, and equipment, and a ¥54.7 billion decrease in combined funds on hand comprised of cash, deposits, and short-term investment securities for short-term fund management.

Total liabilities decreased ¥69.5 billion compared with the end of the previous fiscal year to ¥1,048.8 billion. This was mainly due to a ¥85.9 billion decrease in income taxes payable.

Net assets increased ¥29.6 billion compared with the end of the previous fiscal year to ¥799.7 billion. This was mainly due to a ¥27.9 billion increase in retained earnings from net income recognized for the period.

[2] Cash Flows

Cash and cash equivalents at the end of the first quarter of the current fiscal year (hereinafter “Cash”) totaled ¥502.3 billion.

(Net cash provided by operating activities)

Net cash provided by operating activities was ¥0.3 billion (compared with ¥71.2 billion in the same consolidated cumulative period of the previous fiscal year). Main factors included ¥80.7 billion in income before income taxes and minority interests, a ¥41.1 billion decrease in notes and accounts receivable-trade, a ¥25.1 billion increase in inventories, and ¥113.8 billion in income taxes paid.

(Net cash used in investment activities)

Net cash used in investing activities was ¥16.6 billion (compared with ¥19.6 billion in the same consolidated cumulative period of the previous fiscal year). Main factors included ¥16.1 billion in expenditures for the purchase of property, plant and equipment as well as intangible assets (net basis against proceeds from sales of property, plant and equipment).

(Net cash used in financing activities)

Net cash used in financing activities was ¥36.7 billion (compared with ¥18.6 billion in the same consolidated cumulative period of the previous fiscal year). Main factors included a ¥9.9 billion decrease in short-term loans payable and ¥25.0 billion in expenditures for cash dividends paid.

(3) Explanation about Future Forecasts such as Projections for the Current Fiscal Year

The consolidated results projection announced on May 9, 2014 remains unchanged.

2. Notes on Summary Information(Others)

(1) 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".

(2) Changes in Accounting Policy

The Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012 (hereinafter, the "Statement No.26")) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25, May 17, 2012 (hereinafter, the "Guidance No.25")) were applied from the period of the first quarter of fiscal year 2015, in accordance with the provisions stated in the article 35 of the Statement No.26 and the article 67 of the Guidance No.25. The method of calculating retirement benefit obligations and current service costs was revised, with the method of attributing expected benefits to periods changed from the straight-line basis to the benefit formula basis and the method of determination of discount rate changed from discount rate based on the average remaining service period for employees to the method that uses a single weighted average discount rate reflecting the expected payment period and the amount for each expected payment period.

In accordance with the article 37 of the Statement No.26, The effect of changing the determination of retirement benefit obligations and current service costs has been recognized in retained earnings at the beginning of the first quarter of fiscal year 2015.

As a result of the application, the influence of the amount is insignificant.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2014 (as of March 31, 2014)	1st Quarter of FY2015 (as of June 30, 2014)
ASSETS		
I Current assets		
Cash and deposits	351,125	211,618
Notes and accounts receivable-trade	181,646	138,118
Lease investment assets	23,633	23,104
Short-term investment securities	233,766	318,621
Merchandise and finished goods	159,536	178,078
Work in process	51,659	52,428
Raw materials and supplies	33,008	34,093
Deferred tax assets	64,214	65,159
Short-term loans receivable	122,681	122,280
Other	53,375	63,088
Allowance for doubtful accounts	(862)	(1,355)
Total current assets	1,273,781	1,205,232
II Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	114,810	115,593
Machinery, equipment and vehicles, net	113,519	121,610
Land	175,808	175,844
Vehicles and equipment on operating leases, net	11,512	18,913
Construction in progress	24,116	16,366
Other, net	21,048	34,840
Total property, plant and equipment	460,813	483,166
2. Intangible assets		
Other	14,712	14,749
Total intangible assets	14,712	14,749
3. Investments and other assets		
Investment securities	76,788	81,808
Net defined benefit asset	1,222	1,285
Deferred tax assets	18,332	16,734
Other	76,312	78,507
Allowance for doubtful accounts	(33,597)	(33,057)
Total investments and other assets	139,057	145,277
Total noncurrent assets	614,582	643,192
Total assets	1,888,363	1,848,424

(Unit: Millions of yen)

	FY2014 (as of March 31, 2014)	1st Quarter of FY2015 (as of June 30, 2014)
LIABILITIES		
I Current liabilities		
Notes and accounts payable-trade	279,926	271,385
Electronically recorded obligations-operating	67,637	72,823
Short-term loans payable	59,193	48,458
Current portion of long-term loans payable	42,557	59,124
Current portion of bonds	4,060	4,060
Income taxes payable	110,426	24,558
Accrued expenses	91,921	80,798
Provision for bonuses	20,446	30,842
Provision for product warranties	39,494	41,395
Provision for loss on construction contracts	1,032	572
Provision for loss on transfer of business	2,128	2,018
Other	114,088	142,083
Total current liabilities	832,908	778,116
II Noncurrent liabilities		
Bonds payable	10,000	10,000
Long-term loans payable	153,844	135,717
Deferred tax liabilities	9,827	9,756
Provision for directors' retirement benefits	504	319
Net defined benefit liability	22,852	21,697
Other	88,357	93,161
Total noncurrent liabilities	285,384	270,650
Total liabilities	1,118,292	1,048,766
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus	160,071	160,071
Retained earnings	483,910	511,775
Treasury stock	(1,395)	(1,397)
Total shareholders' equity	796,381	824,244
II Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,629	13,381
Foreign currency translation adjustment	(26,661)	(30,238)
Remeasurements of defined benefit plans	(13,886)	(13,071)
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	(919)	(904)
Total accumulated other comprehensive income	(30,837)	(30,832)
Minority interests	4,527	6,246
Total net assets	770,071	799,658
Total liabilities and net assets	1,888,363	1,848,424

(2) Quarterly Consolidated Statements of (Comprehensive) Income

Quarterly Consolidated Statements of Income(for three-month period)

(Unit: Millions of yen)

	FY2014 (April 1, 2013 to June 30, 2013)	FY2015 (April 1, 2014 to June 30, 2014)
I Net sales	546,932	593,388
II Cost of sales	396,974	423,657
Gross profit	149,958	169,731
III Selling, general and administrative expenses	80,323	91,010
Operating income	69,635	78,721
IV Non-operating income		
Interest income	372	510
Dividends income	389	331
Equity in earnings of affiliates	52	65
Real estate rent	135	128
Gain on valuation of derivatives	7,857	2,611
Other	393	617
Total non-operating income	9,198	4,262
V Non-operating expenses		
Interest expenses	695	822
Foreign exchange losses	13,057	873
Other	577	713
Total non-operating expenses	14,329	2,408
Ordinary income	64,504	80,575
VI Extraordinary income		
Gain on sales of noncurrent assets	41	295
Gain on sales of investment securities	80	104
Other	40	239
Total extraordinary income	161	638
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	445	535
Other	111	17
Total extraordinary losses	556	552
Income before income taxes and minority interests	64,109	80,661
Total Income taxes	15,614	26,522
Income before minority interests	48,495	54,139
Minority interests in income	28	1,893
Net income	48,467	52,246

Quarterly Consolidated Statements of Comprehensive Income(for three-month period)

(Unit: Millions of yen)

	FY2014 (April 1, 2013 to June 30, 2013)	FY2015 (April 1, 2014 to June 30, 2014)
Income before minority interests	48,495	54,139
Other comprehensive income		
Valuation difference on available-for-sale securities	2,611	2,752
Foreign currency translation adjustment	9,280	(3,705)
Remeasurements of defined benefit plans	—	815
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	—	15
Share of other comprehensive income of associates accounted for using equity method	72	(46)
Total other comprehensive income	11,963	(169)
Comprehensive income	60,458	53,970
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	60,430	52,251
Comprehensive income attributable to minority interests	28	1,719

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2014 (April 1, 2013 to June 30, 2013)	FY2015 (April 1, 2014 to June 30, 2014)
I Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	64,109	80,661
Depreciation and amortization	15,023	14,420
Increase (decrease) in allowance for doubtful accounts	57	(46)
Interest and dividends income	(761)	(841)
Interest expenses	695	822
Loss (gain) on sales and retirement of noncurrent assets	404	240
Decrease (increase) in operating loans receivable	(5,111)	(1,554)
Decrease (increase) in notes and accounts receivable-trade	13,363	41,056
Decrease (increase) in inventories	17,196	(25,123)
Increase (decrease) in notes and accounts payable-trade	(15,778)	(1,654)
Other, net	(7,040)	5,717
Subtotal	82,157	113,698
Interest and dividends income received	763	832
Interest expenses paid	(611)	(412)
Income taxes paid	(11,113)	(113,801)
Net cash provided by (used in) operating activities	71,196	317
II Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(948)	(34)
Purchase of short-term investment securities	(4,972)	(4,689)
Proceeds from sales of short-term investment securities	8,849	5,186
Purchase of non-current assets	(19,488)	(16,380)
Proceeds from sales of non-current assets	256	235
Purchase of investment securities	(7,848)	(8,077)
Proceeds from sales of investment securities	4,923	5,410
Payments of loans receivable	(26,722)	(23,088)
Collection of loans receivable	26,653	24,840
Other, net	(326)	(22)
Net cash provided by (used in) investing activities	(19,623)	(16,619)
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(9,265)	(9,881)
Proceeds from long-term loans payable	1,172	350
Repayment of long-term loans payable	(2,721)	(1,933)
Cash dividends paid	(7,449)	(24,995)
Other, net	(297)	(259)
Net cash provided by (used in) financing activities	(18,560)	(36,718)

	FY2014 (April 1, 2013 to June 30, 2013)	FY2015 (April 1, 2014 to June 30, 2014)
IV Effect of exchange rate change on cash and cash equivalents	5,842	(2,561)
V Net increase (decrease) in cash and cash equivalents	38,855	(55,581)
VI Cash and cash equivalents at beginning of period	328,947	557,870
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	122	—
VIII Cash and cash equivalents at end of period	367,924	502,289

(4) Note to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

FY2015 (April 1, 2014 to June 30, 2014)
Not Applicable

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

FY2015 (April 1, 2014 to June 30, 2014)
Not Applicable

(Segment Information)

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

1st Quarter of FY 2014 (April 1, 2013 to June 30, 2013)

(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	513,252	24,330	7,747	545,329	1,603	546,932	—	546,932
(2) Inter-segment	784	—	114	898	3,212	4,110	(4,110)	—
Total sales	514,036	24,330	7,861	546,227	4,815	551,042	(4,110)	546,932
Operating income(loss)	64,898	3,887	150	68,935	585	69,520	115	69,635

Note: *1. Other means the category which is not included into any business segment reported. It consists of 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.

1st Quarter of FY 2015 (April 1, 2014 to June 30, 2014)

(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	555,064	29,239	7,486	591,789	1,599	593,388	—	593,388
(2) Inter-segment	858	—	73	931	3,882	4,813	(4,813)	—
Total sales	555,922	29,239	7,559	592,720	5,481	598,201	(4,813)	593,388
Operating income	75,159	2,646	132	77,937	685	78,622	99	78,721

Note: *1. Other means the category which is not included into any business segment reported. It consists of 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.

(Significant Subsequent Event)

Not Applicable

< Reference for the 1st Quarter of FYE2015 Consolidated Financial Results >

(Yen in 100 Millions, Units in Thousands)

	RESULTS FYE2014 Q1 2013. 4-6	RESULTS FYE2015 1st Qtr 2014.4.1—6.30				FORECASTS FYE2015 1st Half 2014.4.1—9.30			FORECASTS FYE2015 Full Year 2014.4.1—2015.3.31		
			Change	%	Change	%	Change	%	Change	%	
Net sales	5,469	5,934	465	8.5	13,000	1,744	15.5	27,200	3,119	13.0	
Japan	1,577	1,162	(416)	(26.3)	3,426	120	3.6	7,032	311	4.6	
Overseas	3,892	4,772	880	22.6	9,574	1,623	20.4	20,168	2,807	16.2	
Operating income	696	787	91	13.0	1,600	93	6.2	3,400	135	4.1	
Profit margin (%)	12.7	13.3			12.3			12.5			
Ordinary income	645	806	161	24.9	1,560	98	6.7	3,300	156	4.9	
Profit margin (%)	11.8	13.6			12.0			12.1			
Net income	485	522	38	7.8	1,010	12	1.2	2,150	84	4.1	
Profit margin (%)	8.9	8.8			7.8			7.9			
Change Factors in Operating income											
			Gain on currency exchange	92	Improvements on model mix, etc	473	Improvements on model mix, etc	920			
			Improvements on model mix, etc	80	Gain on currency exchange	47	Cost reduction effort, etc	70			
			Cost reduction effort, etc	30	Cost reduction effort, etc	30	Increase in SG&A exp, etc	(679)			
			Increase in SG&A exp, etc	(80)	Increase in SG&A exp, etc	(394)	Increase in R&D exp	(139)			
			Increase in R&D exp	(31)	Increase in R&D exp	(63)	Loss on currency exchange	(37)			
Exchange rates	JPY/US\$ 98/US\$ JPY/EUR 127/EUR	102/US\$ 141/EUR	100/US\$ 135/EUR	100/US\$ 135/EUR							
Capital expenditures	124	280	680	1,200							
Depreciation and amortization	133	127	290	660							
R&D expenses	128	159	360	740							
Interest bearing debts	2,967	2,574	2,500	2,400							
Performance description		- Net sales, operating income and ordinary income increased for 3rd straight yr. - Net income increased for 2nd straight yr. - 1st-qr record unit sales, net sales and all profits	- Net sales and all profits to increase for 3rd straight yr. - 1st-half record unit sales, net sales and all profits	- Net sales and all profits to increase for 3rd straight yr. - Full-year record unit sales, net sales and all profits							
Unit sales (Japan)	41	27	(14)	(33.2)	93	6	6.7	195	13	7.3	
Passenger Cars	29	20	(8)	(29.1)	71	9	14.2	144	18	13.9	
Minicars	12	7	(5)	(43.2)	23	(3)	(11.6)	51	(4)	(7.8)	
Unit sales (Overseas)	150	166	16	10.7	346	40	13.2	721	78	12.1	
North America	116	123	7	6.4	256	28	12.3	531	53	11.0	
Europe	10	11	1	12.5	28	5	24.8	60	13	26.6	
China	6	16	10	175.0	28	9	45.4	57	12	27.8	
Other	19	17	(3)	(13.0)	35	(2)	(4.9)	74	(0)	(0.2)	
Unit sales total	191	194	3	1.3	439	46	11.8	916	91	11.0	
Production units total	197	211	14	6.9	434	43	11.1	910	97	11.9	
Japan	153	169	16	10.5	342	32	10.3	702	52	8.0	
U.S.	44	42	(2)	(5.6)	92	11	13.9	209	45	27.7	
Net sales by business segment	Automobile 5,133 Aerospace 243 Industrial Products 77 Other 16	5,551 292 75 16	418 49 (3) (0)	8.1 20.2 (3.4) (0.2)							
Operating income by business segment	Automobile 649 Aerospace 39 Industrial Products 2 Other 6 Elimination & Corporate 1	752 26 1 7 1	103 (12) (0) 1 (0)	15.8 (31.9) (12.0) 17.1 (13.9)							

* Exchange Rates are the rates used for FHI's non-consolidated sales recording.

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

* Production in Japan includes production of the 86/FR-S models for Toyota.

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



FHI Announces First Quarter Consolidated Financial Results for FYE2015

Tokyo, July 31, 2014 - Fuji Heavy Industries Ltd. (FHI), the manufacturer of Subaru automobiles, today announced its consolidated financial results for the first quarter of fiscal year ending March 31, 2015.

< 1st Quarter Results: Consolidated Net Sales >

Subaru's Japan sales fell 33.2% from a year ago to 27,000 units due to the consumption tax hike, posting a decrease in both passenger car and mini car sales. Overseas sales rose 10.7% to 166,000 units led by North American sales growth of 6.4% to 123,000 units as the Forester maintained its momentum and the all-new WRX series got off to a strong start. In total, Subaru's global sales increased 1.3% to 194,000 units.

Due to the unit sales growth, foreign exchange gains and other factors, FHI's consolidated net sales rose 8.5% from a year earlier to 593.4 billion yen.

Net sales, overseas unit sales and global unit sales marked all-time records for the first quarter. ^(*)

< 1st Quarter Results: Consolidated Profit and Loss >

As increases in costs such as SG&A expenses associated with unit sales increase and R&D spending for future growth were covered by exchange rate gains, unit sales mix/volume improvements, cost reduction progress and other factors, operating income rose 13.0% to 78.7 billion yen and ordinary income grew 24.9% to 80.6 billion yen. Net income was up 7.8% to 52.2 billion yen.

Operating income, ordinary income and net income posted all-time records for the first quarter. ^(*)

< FYE2015 Full-Year Forecasts >

Full-year forecasts for FYE2015 remain unchanged from the previous announcement of May 9, 2014.

Forecasts for FYE2015 (Announced on May 9, 2014)

Net sales: 2,720 billion yen

Operating income: 340 billion yen

Ordinary income: 330 billion yen

Net income: 215 billion yen

Currency rate assumptions: 100 yen/US\$, 135 yen/euro

*1: Since fiscal year ended March 2004 - the year FHI started quarterly consolidated financial reporting.

Forward-looking statements in this document including financial and other forecasts are based on the information available at the time of the announcement and are subject to various risks and uncertainties that could cause actual results to vary materially.