

Consolidated Financial Results

For the Third Quarter of the Fiscal Year Ending March 31, 2016 (Japan GAAP)



February 4, 2016

Company Name : **Fuji Heavy Industries Ltd.** (Tokyo Stock Exchange First Section, Code No.: 7270)
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 Scheduled date of submitting Quarterly Report : February 10, 2016
 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 Third Quarter of Fiscal Year 2016 (April 1, 2015 to December 31, 2015)

(1) Consolidated Results of Operations (for nine-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 attributable to owners of parent	
3rd Quarter of FY2016	2,418,630	17.4%	435,741	40.5%	433,978	50.5%	337,792	77.5%
3rd Quarter of FY2015	2,060,724	20.6%	310,150	32.9%	288,360	30.2%	190,351	4.9%

Note: Comprehensive income 3rd Quarter of FY2016: 336,041 million yen (38.8%) 3rd Quarter of FY2015: 242,046 million yen (27.8%)

	Net income per share, basic (Yen)	Net income per share, diluted (Yen)
3rd Quarter of FY2016	432.86	—
3rd Quarter of FY2015	243.92	—

(2) Consolidated Financial Position (Unit: Millions of yen, except for per share figures)

	Total assets	Net assets	Shareholders' equity to total assets (%)
3rd Quarter of FY2016	2,429,399	1,281,692	52.5%
FY2015	2,199,714	1,030,719	46.5%

Reference: Shareholders' equity As of December 31, 2015: 1,274,343 million yen As of March 31, 2015: 1,022,417 million yen

2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2015	—	31.00	—	37.00	68.00
FY 2016	—	72.00			
FY 2016 (Forecast)			—	72.00	144.00

Note: Revision of the forecasts in the third quarter of the fiscal year ending March 31, 2016: No

3. Projection of Consolidated Results for Fiscal Year 2016 (April 1, 2015 to March 31, 2016)

(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 attributable to owners of parent		Net income per share, basic (Yen)
Full year	3,210,000	11.5%	550,000	30.0%	547,000	39.0%	414,000	58.1%	530.51

Note: Revision of the forecasts at the timing of announcement of the results of third quarter of the fiscal year ending March 31, 2016: No

4. Others

- (1) Changes of significant subsidiaries in the third quarter of fiscal year 2016 : No
- (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 December 31,2015:	782,865,873 shares	As of March 31,2015:	782,865,873 shares
[2] Number of treasury stock	As of December 31,2015:	2,487,072 shares	As of March 31,2015:	2,483,395 shares
[3] Average number of shares (for nine-month period)	3rd Quarter of FY2016:	780,380,730 shares	3rd Quarter of FY2015:	780,386,582 shares

*The status of the implementation of the third quarterly review

The third 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 third quarter of the current fiscal year increased ¥357.9 billion (17.4%) from the same period of the previous fiscal year to ¥2,418.6 billion mainly due to higher automobile unit sales and higher sales revenues owing to foreign exchange rate fluctuations.

Regarding the profit, operating income increased ¥125.6 billion (40.5%) from the same period of the previous fiscal year to ¥435.7 billion and ordinary income increased ¥145.6 billion (50.5%) from the same period of the previous fiscal year to ¥434.0 billion, reflecting the higher sales. Net income attributable to owners of the parent increased ¥147.4 billion (77.5%) from the same period of the previous fiscal year to ¥337.8 billion, due in part to the recording of ¥48.2 billion in extraordinary income associated with the ruling in the lawsuit concerning claims of initial investment fees related to the AH-64D combat helicopter for the Japan Ministry of Defense.

[Results by Business Segment]

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

[1] Automobile Division

Regarding registered cars in Japan, unit sales decreased 8 thousand units (9.1%) compared with the same period of the previous fiscal year to 76 thousand units. Sales of the Legacy and Crossover 7 performed strongly but sales of the Levorg, which was launched one year before, declined. On the other hand, unit sales of minicars increased 2 thousand (7.4%) units compared with the same period of the previous fiscal year to 24 thousand units due to favorable conditions of the Stella and other factors. As a result of these factors, total unit sales in Japan decreased 6 thousand (5.6%) units compared with the same period of the previous fiscal year to 100 thousand units.

Overseas total unit sales increased 54 thousand (9.8%) units compared with the same period of the previous fiscal year to 612 thousand units mainly due to favorable conditions surrounding sales of the Outback and Crosstrek (Japanese name: SUBARU XV) primarily in North America, the key market of FHI.

By region, sales in North America increased 52 thousand (12.2%) units from the same period of the previous fiscal year to 483 thousand units, sales in Europe including Russia remained nearly unchanged from the same period of the previous fiscal year at 33 thousand units, sales in Australia increased 5 thousand (16.8%) units from the same period of the previous fiscal year to 33 thousand units, sales in China decreased 11 thousand (26.1%) units from the same period of the previous fiscal year to 30 thousand units, and sales in other regions increased 8 thousand (34.1%) units from the same period of the previous fiscal year to 33 thousand units.

As a result, combined unit sales in Japan and overseas markets amounted to 712 thousand units, an increase of 49 thousand (7.3%) units from the same period of the previous fiscal year. Affected also by currency fluctuations, overall net sales increased ¥340.2 billion (17.6%) from the same period of the previous fiscal year to ¥2,277.2 billion, and segment income increased ¥123.0 billion (41.4%) from the same period of the previous fiscal year to ¥420.3 billion.

[2] Aerospace Division

Deliveries to the Japan Ministry of Defense saw sales rise compared with the level of the same period of the previous fiscal year mainly with an increase in production of the patrol aircraft P-1. Sales to the commercial sector also rose compared with the same period of the previous fiscal year thanks to increased sales of Boeing 787 and Boeing 777 aircraft and effects from foreign exchange rate fluctuations.

As a result, overall net sales increased ¥12.3 billion (12.5%) compared with the same period of the previous fiscal year to ¥110.2 billion. Segment income increased ¥1.5 billion (14.4%) compared with the same period of the previous fiscal year to ¥12.2 billion.

[3] Industrial Products Division

Net sales increased ¥5.1 billion (25.0%) compared with the same period of the previous fiscal year to ¥25.4 billion with an increase in sales of engines for leisure vehicles to North America and effects from foreign exchange rate fluctuations.

Segment income increased ¥0.5 billion (528.2%) compared with the same period of the previous fiscal year to ¥0.6 billion.

[4] Other Businesses

Net sales increased ¥0.3 billion (6.0%) compared with the same period of the previous fiscal year to ¥5.9 billion. Segment income increased ¥0.5 billion (28.8%) compared with the same period of the previous fiscal year to ¥2.1 billion.

(2) Explanation about Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets at the end of the third quarter of the current fiscal year were ¥2,429.4 billion, an increase of ¥229.7 billion from the end of the previous fiscal year. Main factors included a ¥221.6 billion increase in combined funds on hand comprised of cash, deposits, and short-term investment securities, a ¥29.5 billion decrease in merchandise and finished goods, and a ¥33.8 billion increase in property, plant and equipment.

Total liabilities decreased ¥21.3 billion compared with the end of the previous fiscal year to ¥1,147.7 billion. Main factors included a ¥26.8 billion decrease in long-term debt.

Net assets increased ¥251.0 billion compared with the end of the previous fiscal year to ¥1,281.7 billion. Main factors included a ¥252.7 billion increase in retained earnings from net income attributable to owners of the parent recognized for the period.

[2] Cash Flows

Cash and cash equivalents at the end of the third quarter of the current fiscal year (hereinafter “Cash”) totaled ¥753.9 billion.

(Net cash provided by operating activities)

Net cash provided by operating activities was ¥434.3 billion (net cash provided in the same consolidated cumulative period of the previous fiscal year was ¥177.3 billion). Main factors included ¥480.5 billion in income before income taxes and minority interests, a ¥23.7 billion decrease in notes and accounts receivable-trade, a ¥25.2 billion decrease in inventories, receipt of ¥48.1 billion in compensation for damages, and ¥131.7 billion in income taxes paid.

(Net cash used in investment activities)

Net cash used in investing activities was ¥180.8 billion (net cash used in the same consolidated cumulative period of the previous fiscal year was ¥116.5 billion). Main factors included ¥88.3 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 ¥110.2 billion (net cash used in the same consolidated cumulative period of the previous fiscal year was ¥93.5 billion). Main factors included ¥20.2 billion in repayment of long-term loans payable (net basis against proceeds from long-term loans payable) and ¥84.8 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 December 24, 2015 remains unchanged.

2. Notes on Summary Information

(1) Application of specific accounting for preparing the quarterly consolidated financial statements

Income tax expense was calculated as multiplying income before income taxes 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. "Income taxes-deferred" was included in "Total income taxes".

(2) Changes in Accounting Policy

The Accounting Standard for Business Combinations (ASBJ Statement No.21, September 13, 2013) and Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013) and Business Divestitures (ASBJ Statement No.7, September 13, 2013) were applied from the period of the first quarter of fiscal year 2016.

The presentation method of net income was amended and the reference to "minority interests" was changed to "non-controlling interests". To reflect these changes in presentation, the quarterly consolidated financial statements and consolidated financial statements in the previous fiscal year have been reclassified.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2015 (as of March 31, 2015)	3rd Quarter of FY2016 (as of December 31, 2015)
ASSETS		
I Current assets		
Cash and deposits	228,821	437,354
Notes and accounts receivable-trade	164,540	140,429
Lease investment assets	24,098	22,043
Short-term investment securities	444,737	457,769
Merchandise and finished goods	203,347	173,880
Work in process	52,734	55,944
Raw materials and supplies	39,569	37,160
Deferred tax assets	78,789	78,421
Short-term loans receivable	157,070	148,900
Other	80,796	84,637
Allowance for doubtful accounts	(1,233)	(1,155)
Total current assets	1,473,268	1,635,382
II Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	128,225	143,456
Machinery, equipment and vehicles, net	130,433	118,159
Land	177,075	182,296
Vehicles and equipment on operating leases, net	8,765	8,865
Construction in progress	28,611	59,244
Other, net	41,588	36,439
Total property, plant and equipment	514,697	548,459
2. Intangible assets		
Other	16,850	18,301
Total intangible assets	16,850	18,301
3. Investments and other assets		
Investment securities	111,558	122,877
Net defined benefit asset	3,659	3,328
Deferred tax assets	13,113	14,609
Other	99,648	89,904
Allowance for doubtful accounts	(33,079)	(3,461)
Total investments and other assets	194,899	227,257
Total noncurrent assets	726,446	794,017
Total assets	2,199,714	2,429,399

(Unit: Millions of yen)

	FY2015 (as of March 31, 2015)	3rd Quarter of FY2016 (as of December 31, 2015)
LIABILITIES		
I Current liabilities		
Notes and accounts payable-trade	317,801	289,889
Electronically recorded obligations-operating	74,420	90,786
Short-term loans payable	41,443	36,969
Current portion of long-term loans payable	44,329	50,873
Current portion of bonds	—	10,000
Income taxes payable	54,987	61,413
Accrued expenses	126,007	128,986
Provision for bonuses	21,668	10,012
Provision for product warranties	49,708	52,335
Provision for loss on construction contracts	0	39
Other	142,693	138,379
Total current liabilities	873,056	869,681
II Noncurrent liabilities		
Bonds payable	10,000	—
Long-term loans payable	115,420	88,667
Deferred tax liabilities	13,996	14,349
Provision for directors' retirement benefits	409	437
Net defined benefit liability	17,963	17,869
Other	138,151	156,704
Total noncurrent liabilities	295,939	278,026
Total liabilities	1,168,995	1,147,707
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus	160,071	160,071
Retained earnings	697,414	950,155
Treasury stock	(1,382)	(1,399)
Total shareholders' equity	1,009,898	1,262,622
II Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,986	16,818
Foreign currency translation adjustment	10,025	8,602
Remeasurements of defined benefit plans	(11,616)	(9,815)
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	(3,876)	(3,884)
Total accumulated other comprehensive income	12,519	11,721
Non-controlling interests	8,302	7,349
Total net assets	1,030,719	1,281,692
Total liabilities and net assets	2,199,714	2,429,399

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

(Unit: Millions of yen)

	FY2015 (April 1, 2014 to December 31, 2014)	FY2016 (April 1, 2015 to December 31, 2015)
I Net sales	2,060,724	2,418,630
II Cost of sales	1,449,456	1,639,088
Gross profit	611,268	779,542
III Selling, general and administrative expenses	301,118	343,801
Operating income	310,150	435,741
IV Non-operating income		
Interest income	1,651	2,340
Dividends income	1,310	1,442
Equity in earnings of affiliates	238	525
Real estate rent	399	378
Gain on valuation of derivatives	—	5,587
Other	2,617	507
Total non-operating income	6,215	10,779
V Non-operating expenses		
Interest expenses	2,179	1,900
Foreign exchange losses	7,762	7,030
Loss on valuation of derivatives	15,201	—
Other	2,863	3,612
Total non-operating expenses	28,005	12,542
Ordinary income	288,360	433,978
VI Extraordinary income		
Gain on sales of noncurrent assets	618	139
Gain on sales of investment securities	938	238
Reversal of allowance for doubtful accounts	—	※1 29,624
State subsidy	—	2,993
Other	409	※1 18,839
Total extraordinary income	1,965	51,833
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	2,775	3,083
Loss on reduction of noncurrent assets	—	1,656
Other	885	598
Total extraordinary losses	3,660	5,337
Income before income taxes	286,665	480,474
Total Income taxes	93,034	143,487
Net income	193,631	336,987
Net income (loss) attributable to non-controlling interests	3,280	(805)
Net income attributable to owners of parent	190,351	337,792

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

(Unit: Millions of yen)

	FY2015 (April 1, 2014 to December 31, 2014)	FY2016 (April 1, 2015 to December 31, 2015)
Net income	193,631	336,987
Other comprehensive income		
Valuation difference on available-for-sale securities	5,647	(1,168)
Foreign currency translation adjustment	40,858	(1,530)
Remeasurements of defined benefit plans	2,038	1,801
Remeasurements of other postretirement benefits of foreign consolidated subsidiaries	(156)	(8)
Share of other comprehensive income of associates accounted for using equity method	28	(41)
Total other comprehensive income	48,415	(946)
Comprehensive income	242,046	336,041
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	238,496	336,994
Comprehensive income attributable to non-controlling interests	3,550	(953)

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2015 (April 1, 2014 to December 31, 2014)	FY2016 (April 1, 2015 to December 31, 2015)
I Net cash provided by (used in) operating activities		
Income (loss) before income taxes	286,665	480,474
Depreciation and amortization	50,026	53,673
Increase (decrease) in allowance for doubtful accounts	(127)	(29,696)
Interest and dividends income	(2,961)	(3,782)
Interest expenses	2,179	1,900
Loss (gain) on sales and retirement of noncurrent assets	2,157	2,944
Other extraordinary income	(409)	(18,839)
Decrease (increase) in operating loans receivable	(14,295)	(2,246)
Decrease (increase) in notes and accounts receivable-trade	49,708	23,697
Decrease (increase) in inventories	(42,285)	25,247
Increase (decrease) in notes and accounts payable-trade	29,374	(11,317)
Other, net	(1,923)	(6,343)
Subtotal	358,109	515,712
Interest and dividends income received	3,200	4,266
Interest expenses paid	(1,553)	(2,026)
Proceeds from compensation for damage	—	48,081
Income taxes paid	(182,461)	(131,733)
Net cash provided by (used in) operating activities	177,295	434,300
II Net cash provided by (used in) investing activities		
Net decrease (increase) in time deposits	(12,143)	(70,779)
Purchase of short-term investment securities	(21,794)	(4,132)
Proceeds from sales of short-term investment securities	14,414	10,135
Purchase of non-current assets	(82,641)	(89,198)
Proceeds from sales of non-current assets	1,563	876
Purchase of investment securities	(37,075)	(34,400)
Proceeds from sales of investment securities	22,265	15,095
Payments of loans receivable	(77,532)	(80,991)
Collection of loans receivable	78,556	82,531
Other, net	(2,137)	(9,975)
Net cash provided by (used in) investing activities	(116,524)	(180,838)
III Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(9,898)	(4,336)
Proceeds from long-term loans payable	4,750	5,760
Repayments of long-term loans payable	(33,736)	(25,977)
Redemption of bonds	(4,005)	—
Cash dividends paid	(49,809)	(84,791)
Other, net	(834)	(839)
Net cash provided by (used in) financing activities	(93,532)	(110,183)
IV Effect of exchange rate change on cash and cash Equivalents	27,330	(1,318)
V Net increase (decrease) in cash and cash equivalents	(5,431)	141,961
VI Cash and cash equivalents at beginning of period	557,870	612,085
VII Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	(127)
VIII Cash and cash equivalents at end of period	552,439	753,919

(4) Note to Quarterly Consolidated Financial Statements
(Notes on Premise of Going Concern)

FY2016 (April 1, 2015 to December 31, 2015)

Not Applicable

(Notes on Quarterly Consolidated Statements of Income)

*1.Details of extraordinary income is as follows:

FY2016 (April 1, 2015 to December 31, 2015)

Reversal of allowance for doubtful accounts

Allowance for receivables of the initial investment fees associated with the AH-64D combat helicopter for the Japan Ministry of Defense was released because the lawsuit against the Government of Japan over the claims of the initial investment fees was concluded.

Other extraordinary income

Other extraordinary income includes 18,561 million yen of accrued delay damages receivable recognized due to the conclusion of the lawsuit against the Government of Japan over the claims of the initial investment fees associated with the AH-64D combat helicopter for the Japan Ministry of Defense.

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

FY2016 (April 1, 2015 to December 31, 2015)

Not Applicable

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

3rd Quarter of FY 2015 (April 1, 2014 to December 31, 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	1,936,958	97,953	20,293	2,055,204	5,520	2,060,724	—	2,060,724
(2) Inter-segment	3,036	—	168	3,204	11,498	14,702	(14,702)	—
Total sales	1,939,994	97,953	20,461	2,058,408	17,018	2,075,426	(14,702)	2,060,724
Operating income	297,295	10,638	103	308,036	1,658	309,694	456	310,150

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.

3rd Quarter of FY 2016 (April 1, 2015 to December 31, 2015)

(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	2,277,192	110,215	25,371	2,412,778	5,852	2,418,630	—	2,418,630
(2) Inter-segment	3,498	—	148	3,646	12,412	16,058	(16,058)	—
Total sales	2,280,690	110,215	25,519	2,416,424	18,264	2,434,688	(16,058)	2,418,630
Operating income	420,288	12,165	647	433,100	2,136	435,236	505	435,741

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 First Nine Months of FYE2016 Consolidated Financial Results >

(Yen in 100 Millions, Units in Thousands)

	RESULTS FYE2015 First 9 Months 2014. 4-12	RESULTS FYE2016 First 9 Months 2015. 4-12			RESULTS FYE2015 Full Year '14.4-'15.3	FORECASTS FYE2016 Full Year 2015. 4 – 2016. 3			PREVIOUS FORECASTS FYE2016 Full Year '15.4-'16.3
		Change	%			Change	%		
Net sales	20,607	24,186	3,579	17.4	28,779	32,100	3,321	11.5	32,100
Japan	4,419	4,282	(137)	(3.1)	6,529	5,962	(567)	(8.7)	5,721
Overseas	16,189	19,904	3,716	23.0	22,250	26,138	3,888	17.5	26,379
Operating income	3,102	4,357	1,256	40.5	4,230	5,500	1,270	30.0	5,500
Profit margin (%)	15.1	18.0			14.7	17.1			17.1
Ordinary income	2,884	4,340	1,456	50.5	3,936	5,470	1,534	39.0	5,470
Profit margin (%)	14.0	17.9			13.7	17.0			17.0
Net income attributable to owners of parent	1,904	3,378	1,474	77.5	2,619	4,140	1,521	58.1	4,140
Profit margin (%)	9.2	14.0			9.1	12.9			12.9
Change factors in operating income									
		Gain on currency exchange	1,232			Gain on currency exchange	1,040		
		Improvements on unit sales volume/mix, etc	371			Improvements on unit sales volume/mix, etc	509		
		Cost reduction effort, etc	218			Cost reduction effort, etc	353		
		Increase in SG&A exp, etc	(397)			Increase in SG&A exp, etc	(453)		
		Increase in R&D exp	(168)			Increase in R&D exp	(179)		
Exchange rates	JPY/US\$ 105/US\$ JPY/EUR 140/EUR	122/US\$ 135/EUR			108/US\$ 140/EUR	120/US\$ 133/EUR			120/US\$ 133/EUR
Capital expenditures	828	830			1,107	1,300			1,300
Depreciation and amortization	445	473			648	670			670
R&D expenses	549	717			835	1,015			990
Interest bearing debts	2,268	1,865			2,112	1,800			1,800
Performance description		- 4th consecutive year of increases in net sales and all profits - April-December records for consolidated unit sales, net sales and all profits				- 4th consecutive year of increases in net sales and all profits - Fiscal year records for consolidated unit sales, net sales and all profits			
Consolidated unit sales (Japan)	106	100	(6)	(5.6)	163	143	(19)	(11.9)	142
Passenger Cars	84	76	(8)	(9.1)	128	110	(18)	(14.1)	108
Minicars	22	24	2	7.4	35	33	(1)	(3.9)	34
Consolidated unit sales (Overseas)	558	612	54	9.8	748	812	64	8.5	811
North America	431	483	52	12.2	570	630	60	10.5	624
Europe	34	33	(0)	(1.0)	47	47	0	0.3	51
China	41	30	(11)	(26.1)	54	44	(9)	(17.5)	47
Other	53	66	13	24.9	77	90	13	16.7	89
Consolidated unit sales total	664	712	49	7.3	911	955	44	4.8	953
Production units total	677	702	24	3.6	914	949	35	3.8	946
Japan	528	530	2	0.4	708	713	6	0.8	711
U.S.	149	171	22	14.8	207	236	29	14.1	236
Net sales by business segment									
Automobile	19,370	22,772	3,402	17.6	26,990				
Aerospace	980	1,102	123	12.5	1,428				
Industrial Products	203	254	51	25.0	290				
Other	55	59	3	6.0	71				
Operating income by business segment									
Automobile	2,973	4,203	1,230	41.4	4,009				
Aerospace	106	122	15	14.4	189				
Industrial Products	1	6	5	528.2	8				
Other	17	21	5	28.8	19				
Elimination & Corporate	5	5	0	10.7	6				

*1 Starting FYE2016 reporting, figures previously reported as "Net Income" are stated as "Net Income Attributable to Owners of Parent".

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

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

*4 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 Consolidated Financial Results for Nine Months of FYE2016

Tokyo, February 4, 2016 - Fuji Heavy Industries Ltd. (FHI), the manufacturer of Subaru automobiles, today announced its consolidated financial results for the first nine months of the fiscal year ending March 31, 2016.

< April-December 2015 Results: Consolidated Net Sales >

Subaru's consolidated global unit sales rose 7.3% to 712,000 units. Unit sales in Japan fell 5.6% to 100,000 units, as an increase in mini vehicle sales was offset by a decrease in passenger car sales due to a decline in new model launch effects. Overseas unit sales grew 9.8% to 612,000 units, driven by continued high demand for the Legacy and Outback, especially in North America. FHI's consolidated net sales rose 17.4% to 2,418.6 billion yen due to foreign exchange gains, unit sales growth and other factors. Consolidated net sales, global unit sales, overseas unit sales and North American unit sales each posted a record high for the April-December period.^{*1}

< April-December 2015 Results: Consolidated Profit and Loss >

Operating income rose 40.5% to 435.7 billion yen, as increases in SG&A and R&D expenses were offset by exchange rate gains, unit sales growth, cost reduction progress and other factors. Ordinary income grew 50.5% to 434.0 billion yen and net income attributable to owners of parent increased 77.5% to 337.8 billion yen. All profit figures posted record highs for the April-December period.^{*1}

< FYE2016 Full-Year Forecasts >

Full-year forecasts for FYE2016 remain unchanged from the previous announcement made on December 24, 2015. Currency rate assumptions: 120 yen/US\$, 133 yen/euro

< Previous Forecasts for FYE2016 (Announced on December 24, 2015) >

Net sales: 3,210 billion yen
Operating income: 550 billion yen
Ordinary income: 547 billion yen
Net income attributable to owners of parent: 414 billion yen
Currency rate assumptions: 120 yen/US\$, 133 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.