



Business Results for the 1st Half of FYE2014

Fuji Heavy Industries Ltd.

President & CEO Yasuyuki Yoshinaga

October 31, 2013



1st half : Consolidated operating results

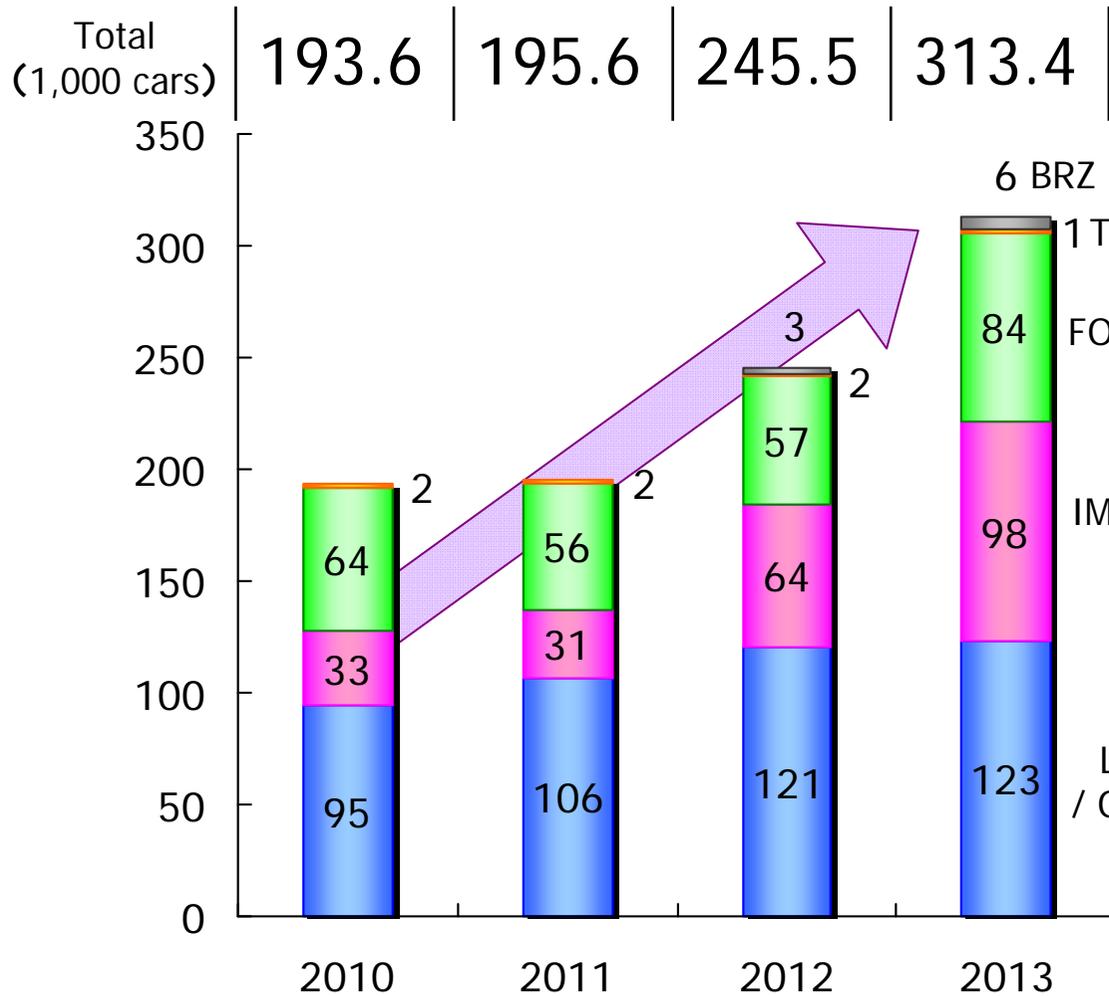
(100 Million Yen)

	Actual results 1st half FYE2013	Actual results 1st half FYE2014		YoY
Consolidated automobile sales	348.4	392.6	Record - high	+12.7%
Net sales	8,980	11,256	Record - high	+25.3%
Operating income	433	1,507	Record - high	+248.4%
Ordinary income	453	1,462	Record - high	+222.9%
Net income	404	998	Record - high	+146.8%
FHI exchange rate	¥80/US\$	¥98/US\$		+22.4%



US market : Retail sales from Jan. to Sep.

Retail sales from Jan. to Sep. : 313,400 (YoY+27.7%)



Successful launch of new model (149.1% vs.2012)



Keeping sales momentum (153.5% vs.2012)



Maintaining solid sales (102.2% vs.2012)





<Forester>

- Posted an all-time monthly sales record with 13,119 units in August.
- Awarded MOTOR TREND's 2014 SUV of the year.



<IIHS>

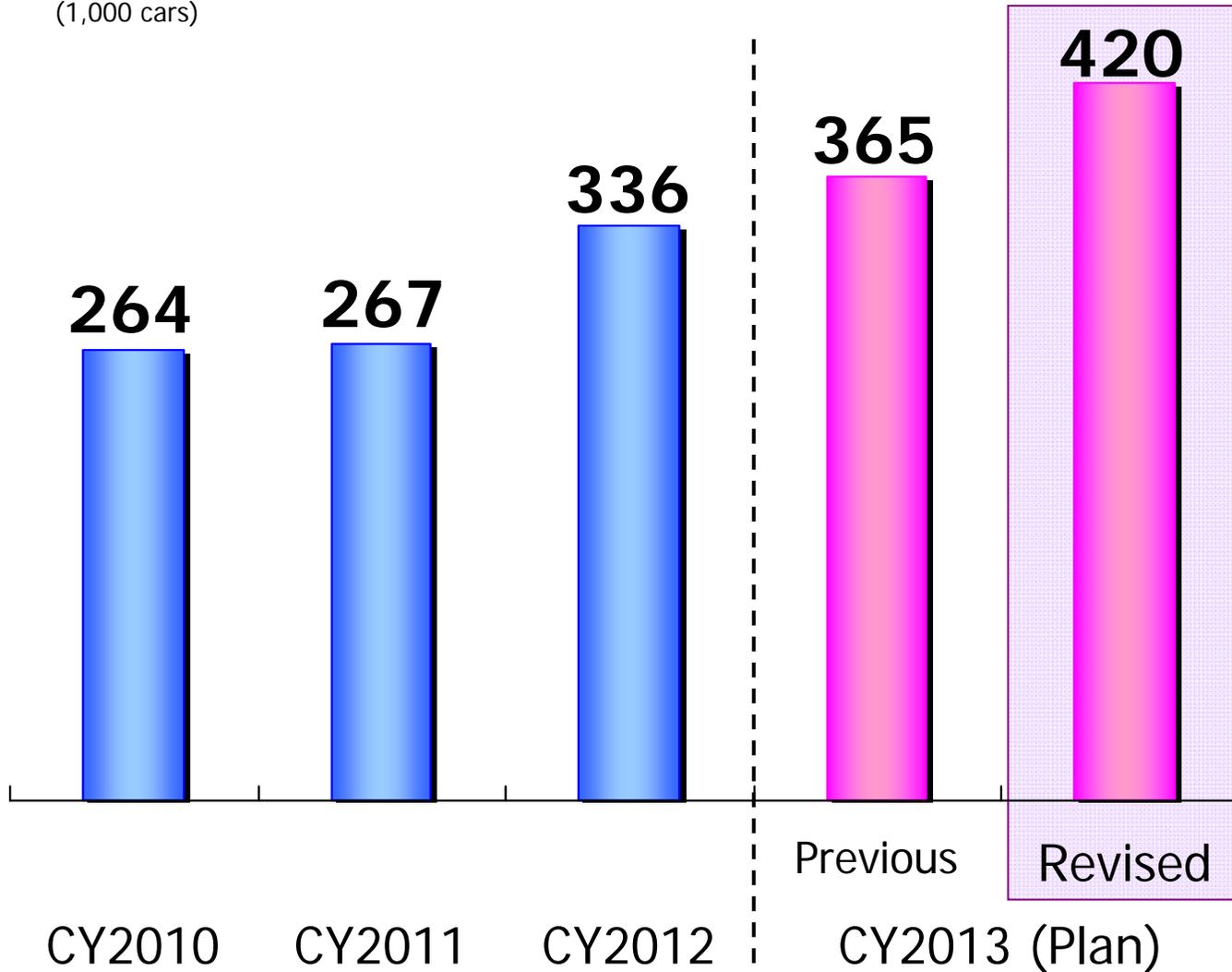
- All Subaru models awarded the 2013 TOP SAFETY PICK for four consecutive year.
 - Subaru remains the only manufacture -
- Legacy and Outback (EyeSight models) received the highest possible score in the new test program for Crash Avoidance Ratings.

US market : Retail sales plan

CY2013 : 420,000 units (YoY+24.9%)

YoY increase for the 6th consecutive year; All time record for the 5th consecutive year

(1,000 cars)



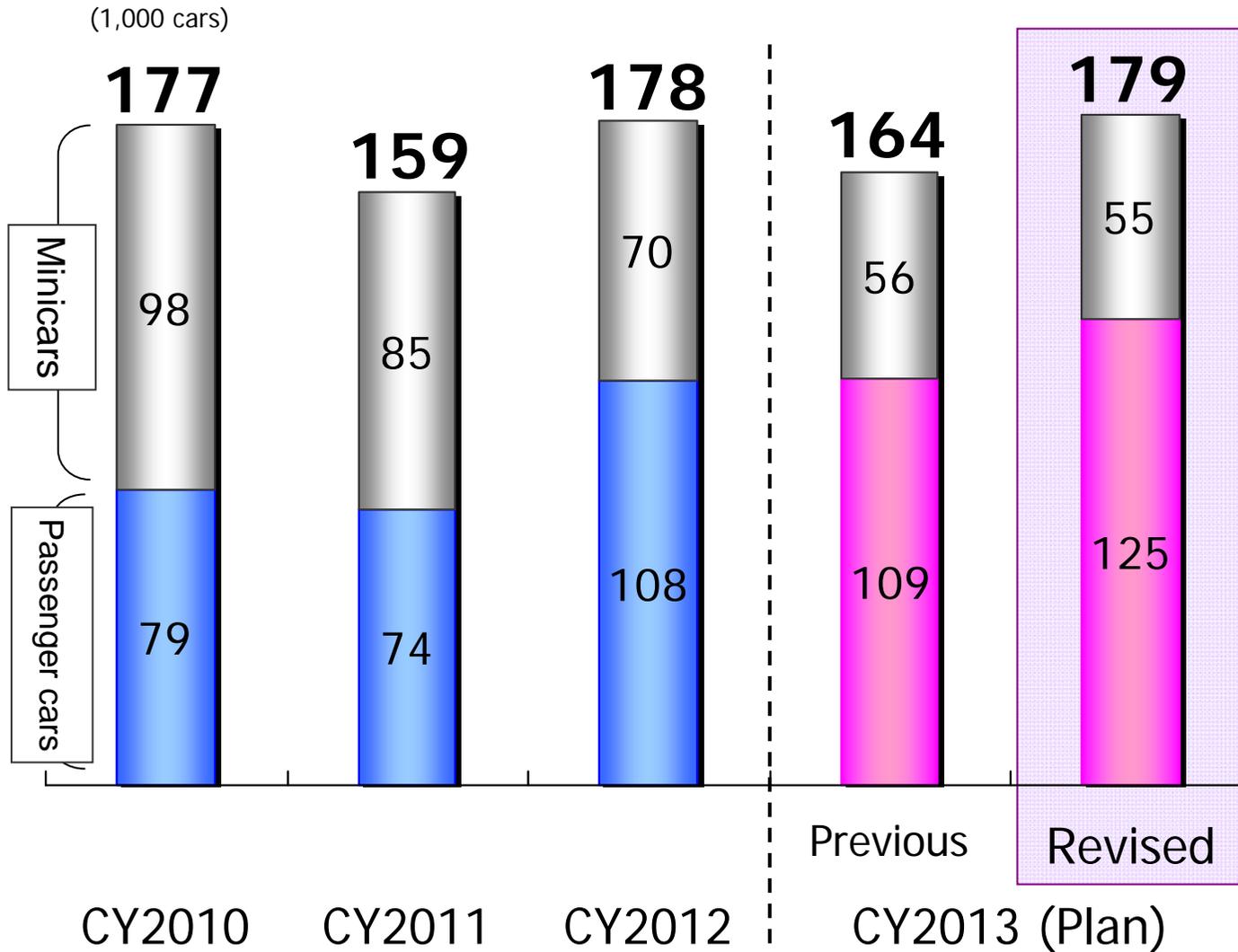
Forester



XV Crosstrek

Japan : Retail sales plan

CY2013 : 179,000 units (YoY+0.9%)
 Continued good sales of Forester and Subaru XV



Forester



XV Hybrid

Full year : Consolidated operating plan

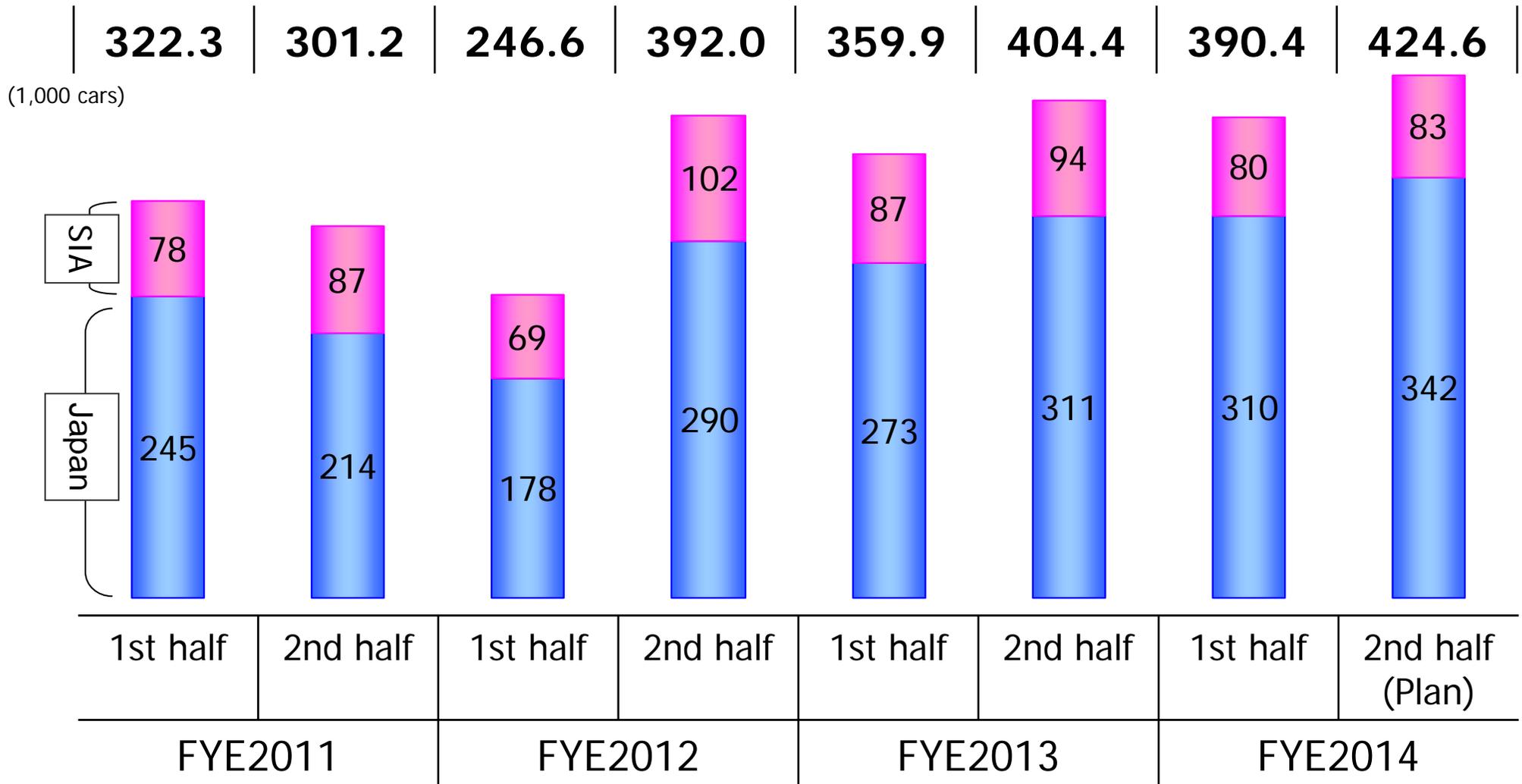
(100 Million Yen)

	FYE2013	FYE2014		YoY
	Actual results	Previous plan	Revised plan	
Consolidated automobile sales	724.5	751.5	807.3 <small>Record - high</small>	+11.4%
Net sales	19,130	20,800	23,000 <small>Record - high</small>	+20.2%
Operating income	1,204	1,980	2,780 <small>Record - high</small>	+130.9%
Ordinary income	1,006	1,930	2,720 <small>Record - high</small>	+170.4%
Net income	1,196	1,210	1,780 <small>Record - high</small>	+48.8%
FHI exchange rate	¥82/US\$	¥92/US\$	¥97/US\$	+17.3%



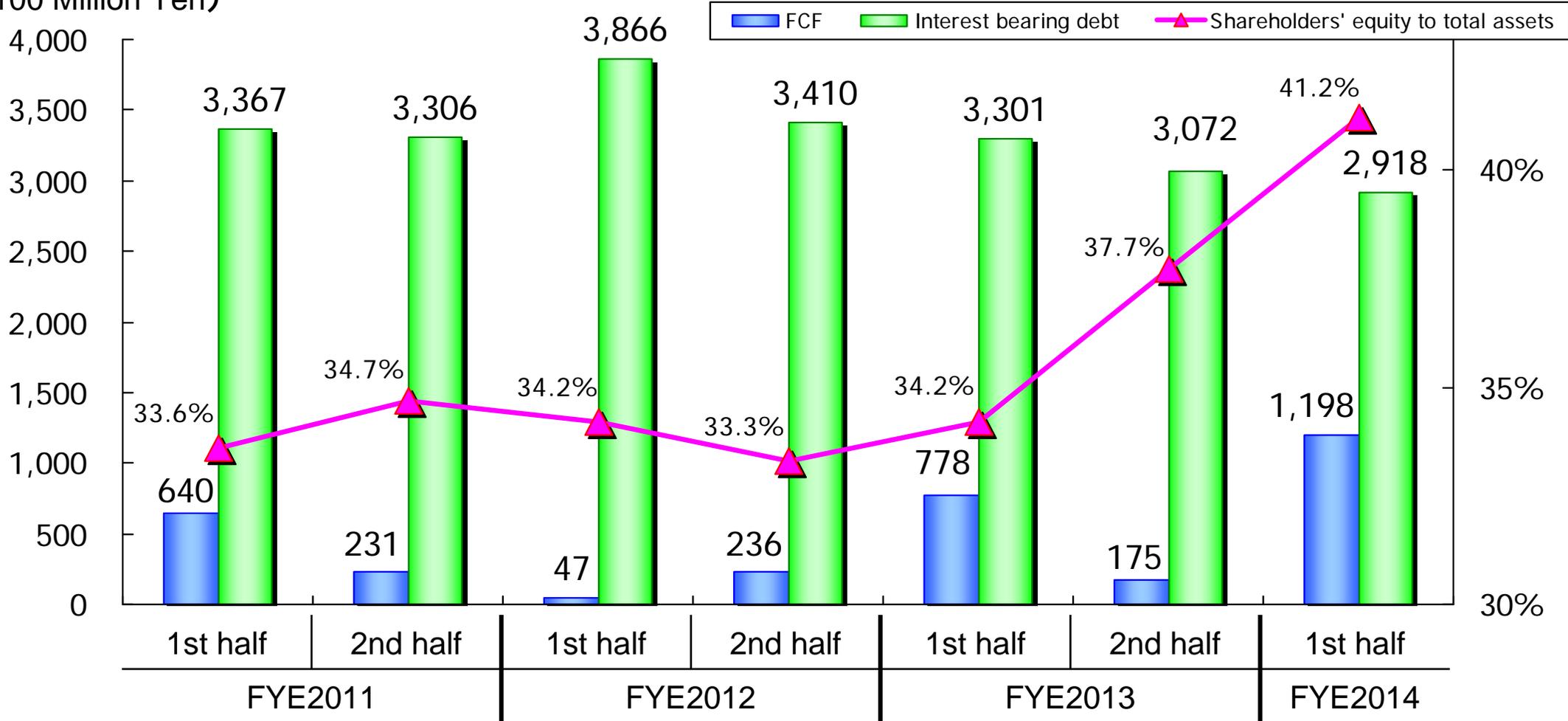
Number of vehicle production

Plan of FYE2014 : 815,000 (YoY+6.6%)



Strengthening of financial underpinnings

(100 Million Yen)



- R & D (including environmental technologies)
- Capital investment in production capacity
- Return to stakeholders

Dividend plan

(Cash dividends per share)

	FYE2013	FYE2014		Increase / Decrease (b) – (a)
	Actual results	Previous plan (a)	Revised plan (b)	
2nd quarter	¥5	¥10	¥20	+¥10
Year-end	¥10	¥10	¥20	+¥10
Annual	¥15	¥20	¥40	+¥20



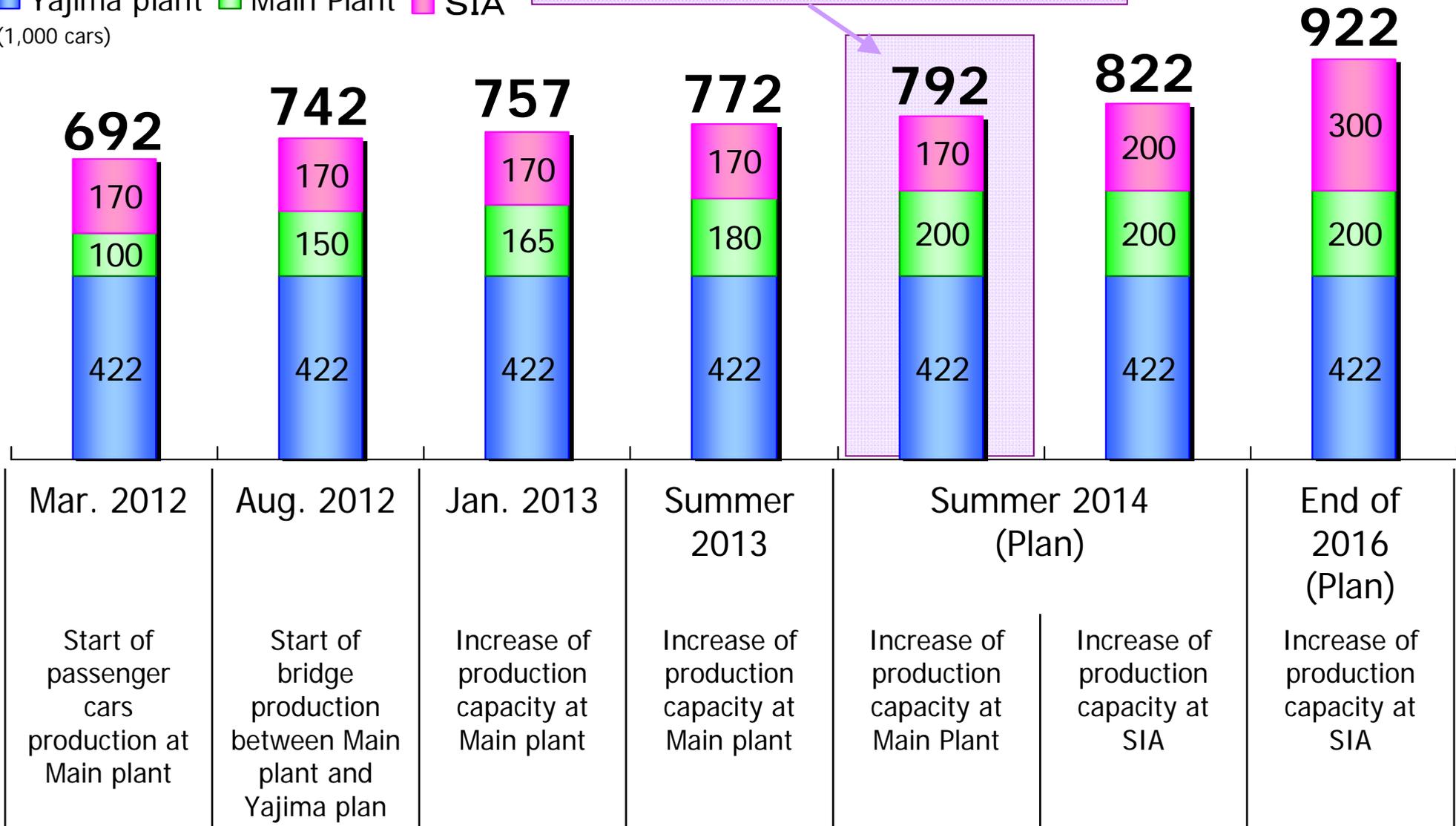
Further enhancement of production capacity

Motion-**V** mid-term management plan

Next plan

Additional capacity increase

■ Yajima plant ■ Main Plant ■ SIA
(1,000 cars)



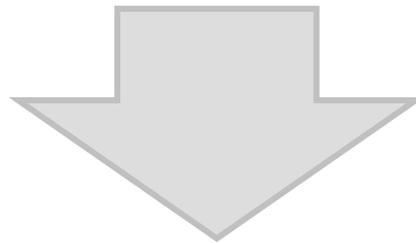
Progress of Motion-V mid-term management plan

Interim evaluation:

- To be achieved major numerical targets
- Activities are mostly progressing well

New themes:

- Further enhancement of product appeals including environmental response
- Upgrading customer care including after-sales service



Aiming at the further growth by incorporating new themes into the next mid-term management plan

LEVORG



VIZIV EVOLUTION CONCEPT

Next generation "EyeSight"



- Fully revamped the current EyeSight (ver.2)
- Improved recognition accuracy by adopting color recognition stereo camera technology
- Approximately 40% increase of viewing angle and visibility distance
- Steering assist controls further enhancing its safety performance
- The new system to be employed on the LEVORG model





SUBARU



Presentation of Business Results for the 1st Half of FYE 2014

Director of the Boards & CFO, Mitsuru Takahashi

October 31, 2013

Financial results for the 1st half of FYE March 2014

- Due to strong sales of Forester and Impreza series in Japan and North America, consolidated vehicle sales set an all-time records for a fiscal half-year period.
- Due to gain on currency exchange, unit sales increase and mix improvement, cost reduction progress and others, net sales and all profits reached all time high levels for a fiscal half-year period

	Net sales	Operating income	Ordinary income	Net income	Automobile sales
Actual results (YoY)	¥1,125.6bil. (+227.6bil.)	¥150.7bil. (+107.4bil.)	146.2bil. (+100.9bil.)	¥99.8bil. (+59.4bil)	392.6k (+44.2k)

Projections for the FYE March 2014

- Reflecting the changes including currency rate assumption, unit sales increase and cost reduction progress, the full-year projections are revised upward.

	Net sales	Operating income	Ordinary income	Net income	Automobile sales
Plan (YoY)	¥2,300.0bil. (+387.0bil.)	¥278.0bil. (+157.6bil.)	¥272.0bil. (+171.4bil.)	178.0bil. (+58.4bil.)	807.3k (+82.8k)

Business results for the 1st half of FYE March 2014



1st Half : Consolidated Automobile Sales

(Thousand Units)

	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Passenger car	45.4	61.7	+16.4
Minicar	26.6	25.6	-1.0
Domestic total	72.0	87.3	+15.4
U.S.	164.4	208.9	+44.6
Canada	16.3	18.7	+2.4
Russia	11.1	6.8	-4.3
Europe	25.4	15.3	-10.0
Australia	22.0	21.3	-0.8
China	26.6	18.9	-7.7
Others	10.7	15.4	+4.7
Overseas total	276.4	305.3	+28.9
Total	348.4	392.6	+44.2



1st Half : Consolidated Income Statement

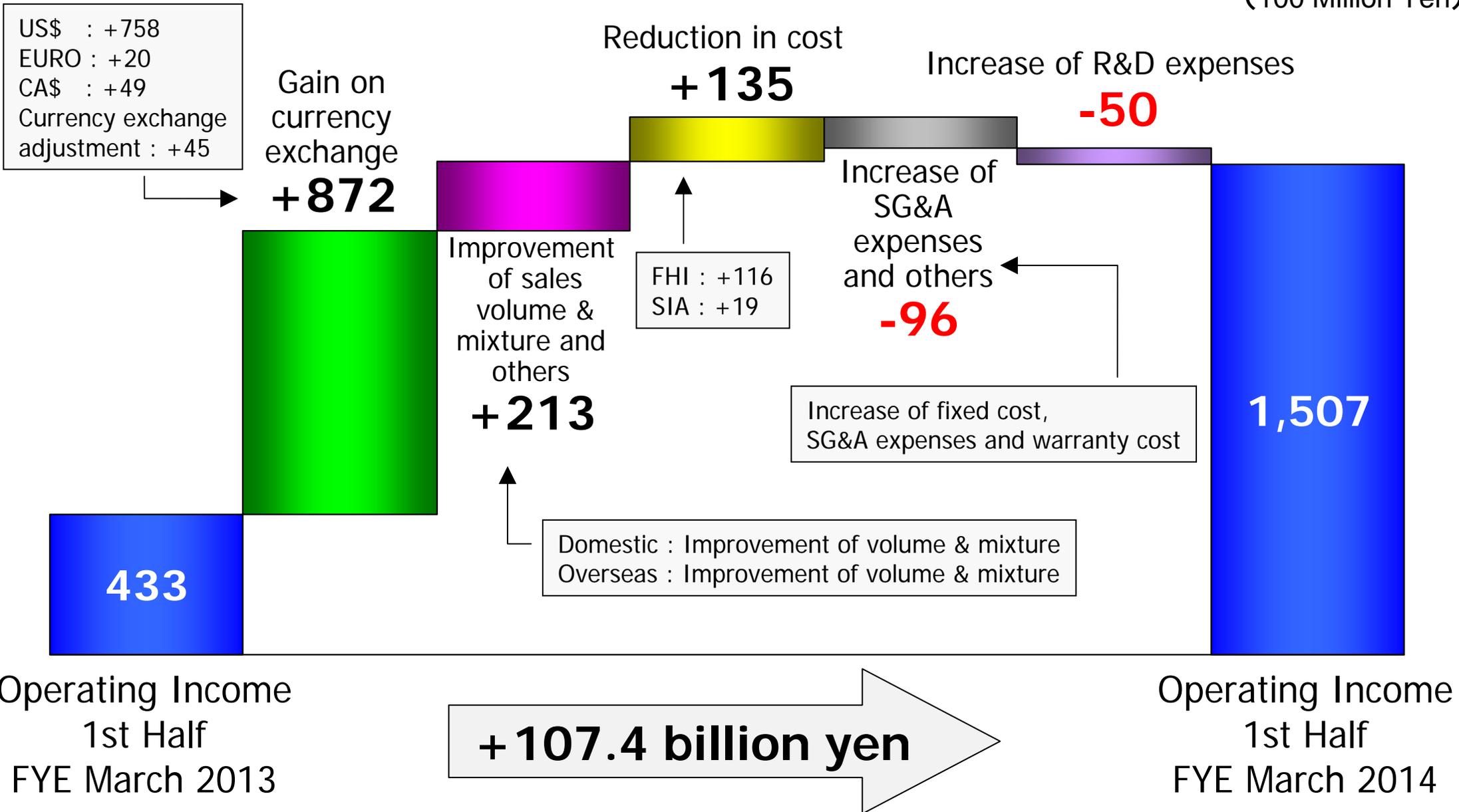
(100 Million Yen)

	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Net sales	8,980	11,256	+2,276
Domestic	3,098	3,306	+208
Overseas	5,883	7,951	+2,068
Operating income	433	1,507	+1,074
Ordinary income	453	1,462	+1,009
Income before income taxes and minority interests	459	1,453	+994
Net income	404	998	+594
FHI exchange rate	¥80/US\$	¥98/US\$	+¥18/US\$



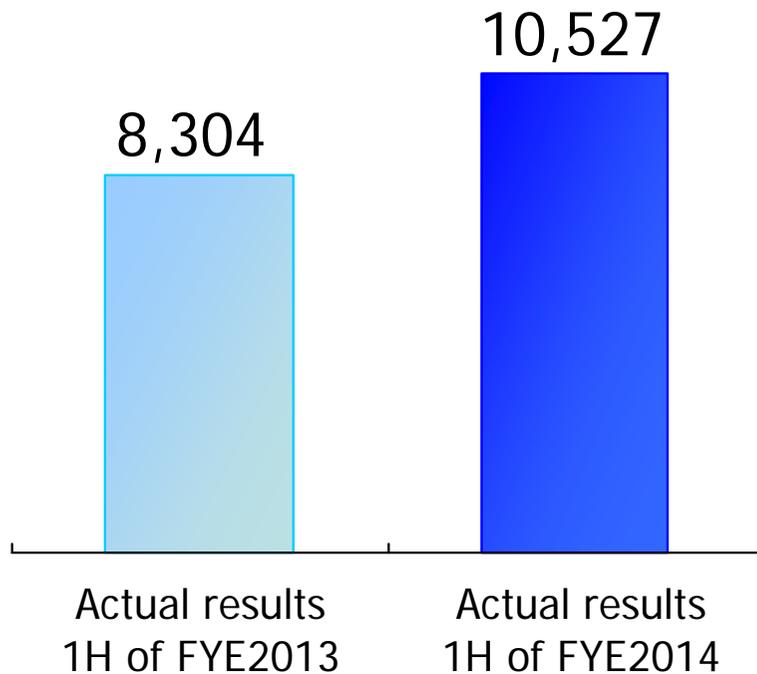
1st Half : Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

(100 Million Yen)



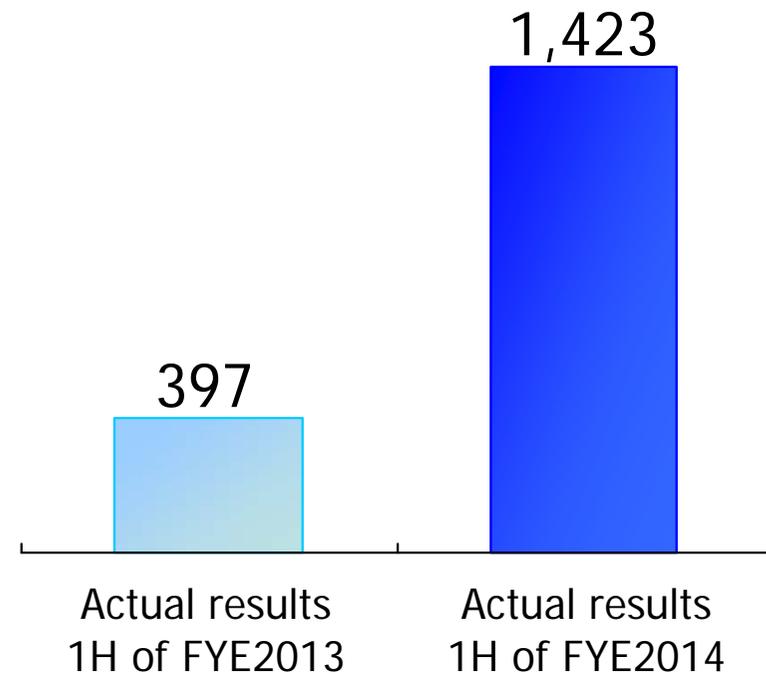
Net sales

+26.8 %



Operating income

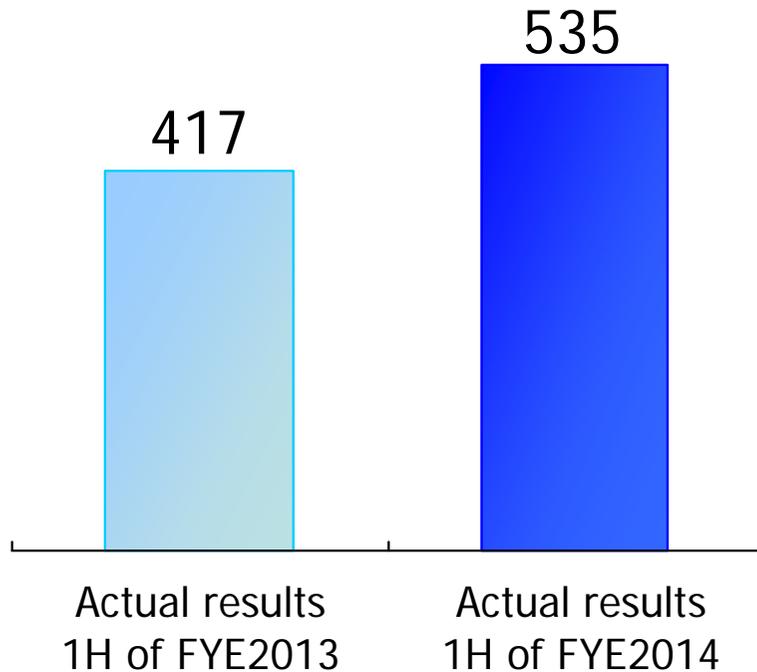
+258.4 %



- Mainly due to gain on currency exchange and sales increase in Japan and the US, net sales were increased.
- Gain on currency exchange, units sales mix improvement and cost reduction progress offset increase of SG&A costs, increasing operating profit.

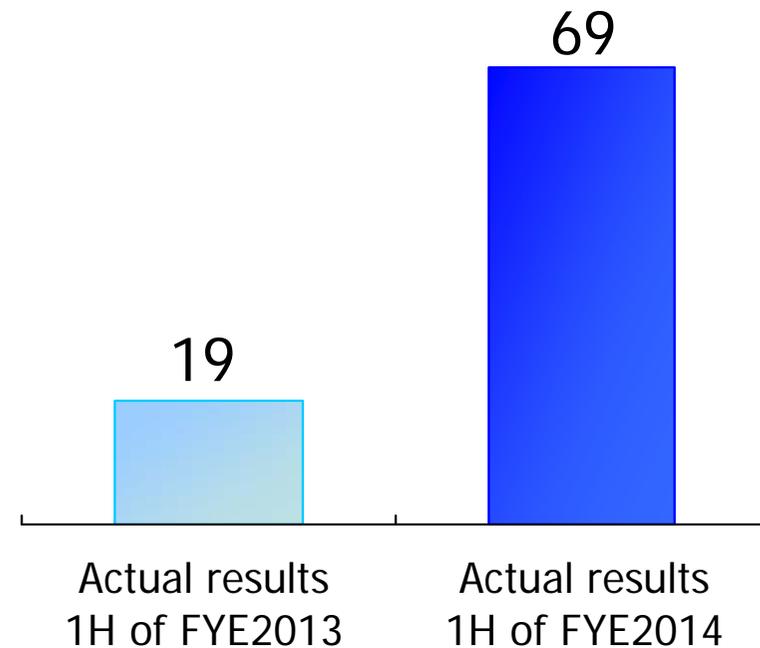
Net sales

+28.4 %



Operating income

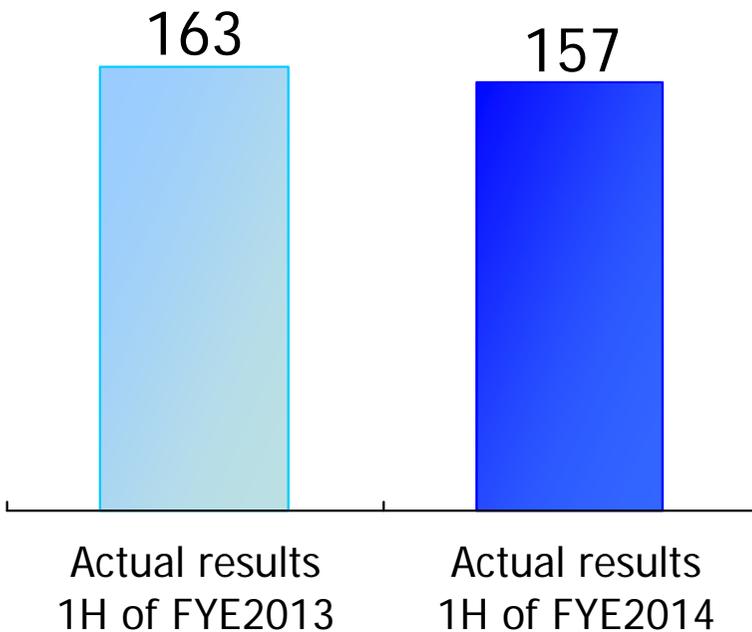
+266.1 %



- Both net sales and operating income were increased.
- In both Defense and Commercial Sectors net sales were increased and gain on currency exchange contributed.

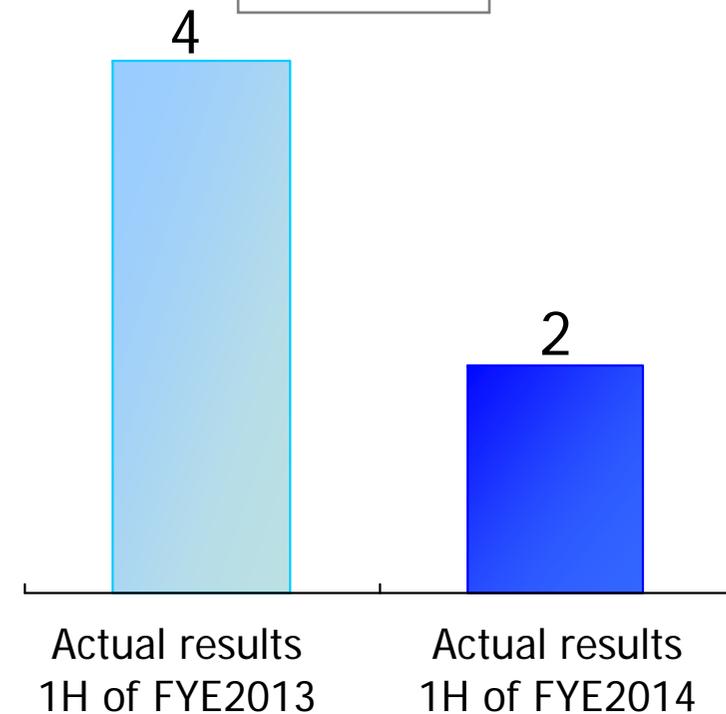
Net sales

-3.6 %



Operating income

-57.5 %



- Despite gain on currency exchange and net sales increase in Japan, both net sales and operating income were decreased mainly due to sales decrease of engines for leisure vehicles in North America.



1st Half : Non-Operating Income & Expenses and Extraordinary Income & Loss (Consolidated)

(100 Million Yen)

	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Financial revenue and expenditure	-6	+0	+7
FOREX effects	34	-39	-73
Equity in earnings of affiliates	1	1	+1
Other	-8	-7	+1
Total non-operating income & expenses	20	-45	-65
Loss on sales and retirement of noncurrent assets	-8	-10	-2
Impairment loss	-0	-0	+0
Other	14	1	-14
Total extraordinary income & loss	6	-9	-15



Consolidated Balance Sheets

(100 Million Yen)

	As of Mar. 2013	As of Sep. 2013	Increase / Decrease
Total assets	15,775	17,193	+1,418
Current assets	9,440	10,511	+1,071
Noncurrent assets	6,334	6,681	+347
Interest bearing debts	3,072	2,918	-153
Net assets	5,968	7,112	+1,144
Retained earnings	3,014	3,934	+920
Shareholder's equity	5,954	7,082	+1,128
Shareholder's equity to total assets	37.7%	41.2%	+3.5
D/E ratio	0.52	0.41	-0.10



1st Half : Consolidated Statement of Cash Flows

(100 Million Yen)

	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Net cash provided by (used in) operating activities	1,103	1,579	+477
Net cash provided by (used in) investing activities	-324	-381	-57
Free cash flows	778	1,198	+420
Net cash provided by (used in) financing activities	-327	-243	+84
Effect of exchange rate change on cash and cash equivalents	-53	59	+112
Net increase (Decrease) in cash and cash equivalents	398	1,014	+616
Cash and cash equivalents at beginning of period	2,581	3,289	+709
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	213	1	-212
Cash and cash equivalents at end of period	3,192	4,305	-



1st Half : Operating Results of Subsidiaries in U.S.

(Million US\$)

SOA	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Net sales	4,074	5,179	+1,105
Operating income	100	117	+17
Net income	64	72	+8
Retail sales (Thousand units)	164.4	220.3	+55.9
SIA	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Net sales	1,995	1,883	-112
Operating income	18	88	+70
Net income	11	56	+45
Subaru production (Thousand units)	87.3	80.3	-7.0

Outlook for the term ending FYE March 2014



Full Year : Consolidated Automobile Sales

(Thousand Units)

	Actual results FYE 2013	Plan FYE 2014	Increase / Decrease
Passenger cars	112.8	116.3	+3.5
Minicars	50.4	53.6	+3.2
Domestic Total	163.1	169.9	+6.7
U.S.	357.6	434.8	+77.2
Canada	32.6	35.9	+3.3
Russia	14.7	15.4	+0.7
Europe	46.4	34.6	-11.8
Australia	38.1	39.9	+1.8
China	50.2	44.2	-6.0
Others	21.7	32.5	+10.8
Overseas Total	561.3	637.4	+76.1
Total	724.5	807.3	+82.8



Full Year : Consolidated Operating Plan

(100 Million Yen)

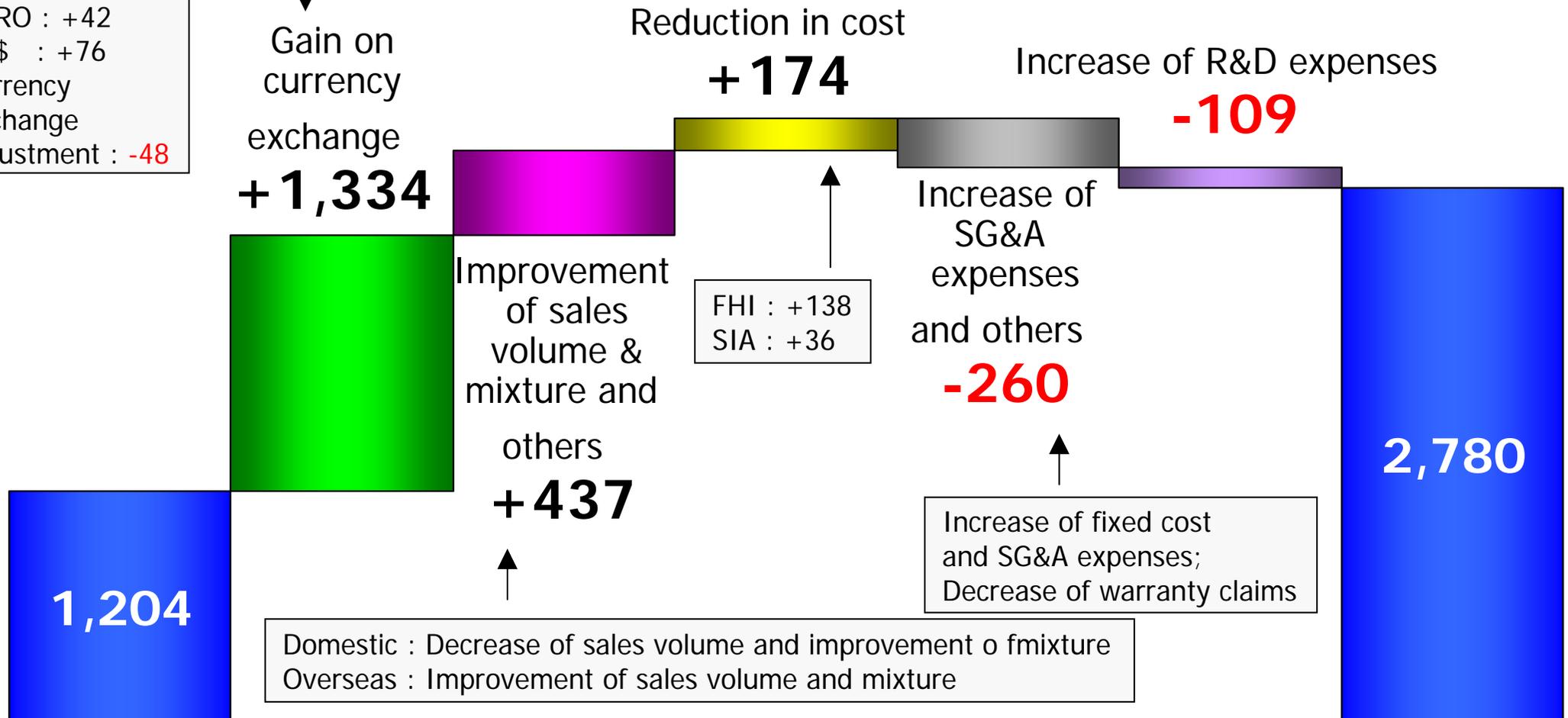
	Actual results FYE 2013	Plan FYE 2014	Increase / Decrease
Net sales	19,130	23,000	+ 3,870
Domestic	6,718	6,437	-281
Overseas	12,411	16,563	+4,151
Operating income	1,204	2,780	+ 1,576
Ordinary income	1,006	2,720	+ 1,714
Income before income taxes and minority interests	931	2,640	+ 1,709
Net income	1,196	1,780	+ 584
FHI exchange rate	¥82/US\$	¥97/US\$	+ ¥14/US\$



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

(100 Million Yen)

US\$: +1,264
 EURO : +42
 CA\$: +76
 Currency exchange adjustment : -48



FHI : +138
 SIA : +36

+157.6 billion yen

Actual results
 Operating Income
 FYE March 2013

Plan
 Operating Income
 FYE March 2014



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

(million US\$)

SOA	Actual results FYE 2013	Plan FYE 2014	Increase / Decrease
Net sales	8,805	10,808	+2,003
Operating income	133	175	+42
Net income	97	109	+12
Retail sales (Thousand units)	347.1	430.0	+82.9

SIA	Actual results FYE 2013	Plan FYE 2014	Increase / Decrease
Net sales	4,158	3,791	-367
Operating income	71	233	+162
Net income	46	141	+95
Subaru production (Thousand units)	181.2	161.8	-19.4



Capex / Depreciation / R&D / Interest bearing debt

(100 Million Yen)

	FYE2013		FYE2014		Increase / Decrease (b) - (a)
	Actual results 1st half FYE2013	Actual Results FYE2013 (a)	Actual Results 1st half FYE 2014	Plan FYE2014 (b)	
Capex	339	702	273	720	+18
Depreciation	247	559	260	550	-9
R&D	249	491	299	600	+109
Interest bearing debt	3,301	3,072	2,918	2,700	-372

Appendix (1)

- Segment information
- Overseas net sales
- Non-consolidated automobile sales
- 2nd quarter, consolidated statements income
- 2nd half, consolidated statements income



1st Half : Consolidated Net Sales and Operating Income by Business Segment

(100 Million Yen)

	Net sales			Operating income		
	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Automobile	8,304	10,527	+2,223	397	1,423	+1,026
Aerospace	417	535	+119	19	69	+50
Industrial products	163	157	-6	4	2	-2
Others	96	37	-59	10	11	+1
Elimination & corporate				2	2	+0
Total	8,980	11,256	+2,276	433	1,507	+1,074



1st Half : Consolidated Operating Income by Geographic Area

(100 Million Yen)

	Net sales			Operating income		
	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Japan	4,376	4,691	+314	344	1,324	+981
North America	3,745	5,817	+2,073	87	231	+144
Other	860	749	-111	-1	3	+4
Elimination and corporate				3	-51	-55
Total	8,980	11,256	+2,276	433	1,507	+1,074



1st Half : Overseas Net Sales

(100 Million Yen)

	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
North America	4,017	6,172	+2,155
Europe	719	562	-157
Asia	578	582	+5
Other	569	635	+65
Total	5,883	7,951	+2,068



1st Half : Non-Consolidated Automobiles Sales

(100 Million Yen)

	Actual results 1st half FYE 2013	Actual results 1st half FYE 2014	Increase / Decrease
Domestic production	272.5	310.1	+37.6
Domestic sales	72.6	91.9	+19.3
Passenger cars	47.4	64.8	+17.3
Minicars	25.2	27.2	+2.0
Number of vehicles exported	188.8	231.6	+42.8
Components for overseas production	87.0	79.9	-7.1
Total	348.5	403.5	+55.0

* Domestic Production figures include Toyota 86.



2nd Quarter : Consolidated Automobile Sales

(Thousand Units)

	Actual Results 2nd Quarter FYE March 2013	Actual Results 2nd Quarter FYE March 2014	Increase / Decrease
Passenger car	27.7	33.0	+5.3
Minicar	13.4	13.6	+0.2
Domestic total	41.1	46.6	+5.5
U.S.	81.9	102.5	+20.6
Canada	9.6	9.3	-0.3
Russia	5.5	4.3	-1.2
Europe	12.7	8.1	-4.6
Australia	10.2	9.6	-0.6
China	15.9	13.3	-2.6
Others	5.6	7.8	+2.2
Overseas total	141.4	154.9	+13.4
Total	182.5	201.5	+18.9



2nd Quarter : Consolidated Income Statement

(100 Million Yen)

	Actual Results 2nd Quarter FYE March 2013	Actual Results 2nd Quarter FYE March 2014	Increase / Decrease
Net sales	4,691	5,787	+1,096
Domestic	1,671	1,729	+58
Overseas	3,020	4,058	+1,038
Operating income	259	811	+551
Ordinary income	262	817	+556
Income before income taxes and minority interests	269	812	+543
Net income	241	513	+273
FHI exchange rate	¥79/US\$	¥98/US\$	+¥19/US\$



2nd Quarter : Analysis of Increase and Decrease in Operating Income Changes (Consolidated)

(100 Million Yen)

US\$: +410
 EURO : +13
 CA\$: +28
 Currency exchange adjustment : +20

Gain on currency exchange
+471

Reduction in cost
+55

Increase of R&D expenses
-52

Improvement of sales volume & mixture and others
+75

Decrease of SG&A expenses and others
+2

FHI : +47
 SIA : +8

Decrease of fixed cost and warranty claims
 Increase of SG&A expenses

Domestic : Improvement of sales volume & mixture
 Overseas : Improvement of sales volume & mixture

259

811

+55.1 billion yen

Operating Income
 2nd Quarter
 FYE March 2012

Operating Income
 2nd Quarter
 FYE March 2013



2nd Half : Consolidated Automobile Sales

(Thousand Units)

	Actual Results 2nd Half FYE March 2013	Plan 2nd Half FYE March 2014	Increase / Decrease
Passenger car	67.4	54.5	-12.8
Minicar	23.8	28.0	+4.2
Domestic total	91.1	82.5	-8.6
U.S.	193.2	225.9	+32.7
Canada	16.3	17.2	+0.9
Russia	3.6	8.6	+5.0
Europe	21.0	19.3	-1.7
Australia	16.1	18.7	+2.6
China	23.6	25.3	+1.7
Others	11.0	17.1	+6.1
Overseas total	284.9	332.1	+47.2
Total	376.0	414.6	+38.6



2nd Half : Consolidated Statements Income

(100 Million Yen)

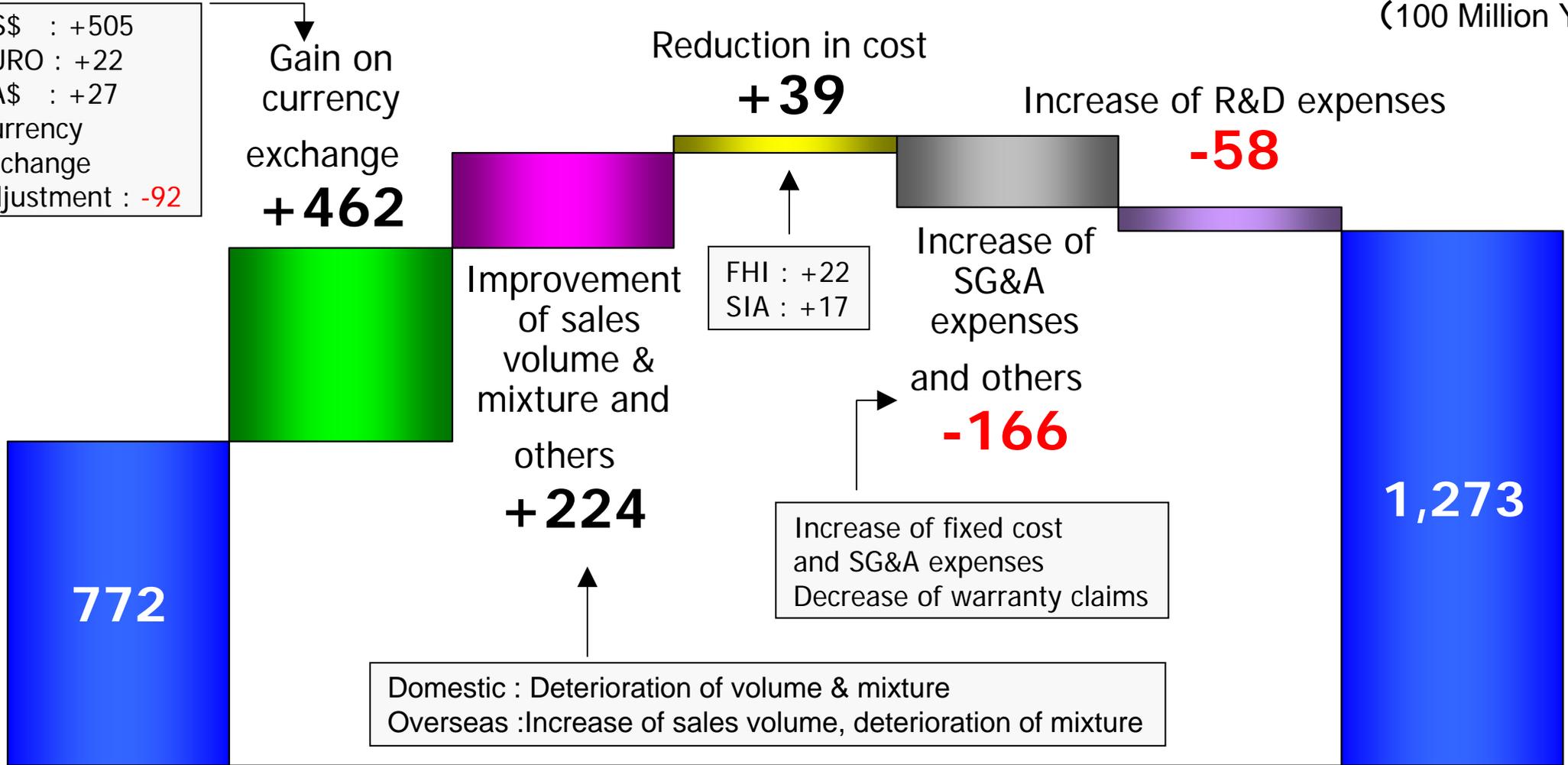
	Actual Results 2nd Half FYE March 2013	Plan 2nd Half FYE March 2014	Increase / Decrease
Net sales	10,149	11,744	+1,594
Domestic	3,621	3,131	-489
Overseas	6,529	8,612	+2,083
Operating income	772	1,273	+501
Ordinary income	553	1,258	+705
Income before income taxes and minority interests	472	1,187	+715
Net income	791	782	-10
FHI exchange rate	¥84/US\$	¥95/US\$	+ ¥11/US\$



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

(100 Million Yen)

US\$: +505
 EURO : +22
 CA\$: +27
 Currency exchange adjustment : -92



Operating Income
 2nd Half
 FYE March 2013

Operating Income
 2nd Half
 FYE March 2014

Appendix (2)

- 1st half, Plan vs. Actual results
- Full year, Previous plan vs. revised plan



1st Half : Consolidated Automobile Sales Plan vs. Actual Results

(Thousand Units)

	Plan 1st Half FYE March 2014	Actual Results 1st Half FYE March 2014	Increase / Decrease
Passenger car	55.1	61.7	+6.7
Minicar	25.9	25.6	-0.3
Domestic total	80.9	87.3	+6.4
U.S.	210.5	208.9	-1.6
Canada	18.7	18.7	-0.1
Russia	4.6	6.8	+2.2
Europe	16.7	15.3	-1.4
Australia	20.6	21.3	+0.6
China	20.8	18.9	-1.8
Others	11.0	15.4	+4.4
Overseas total	303.0	305.3	+2.3
Total	383.9	392.6	+8.8



1st Half : Consolidated Income Statement Plan vs. Actual Results

(100 Million Yen)

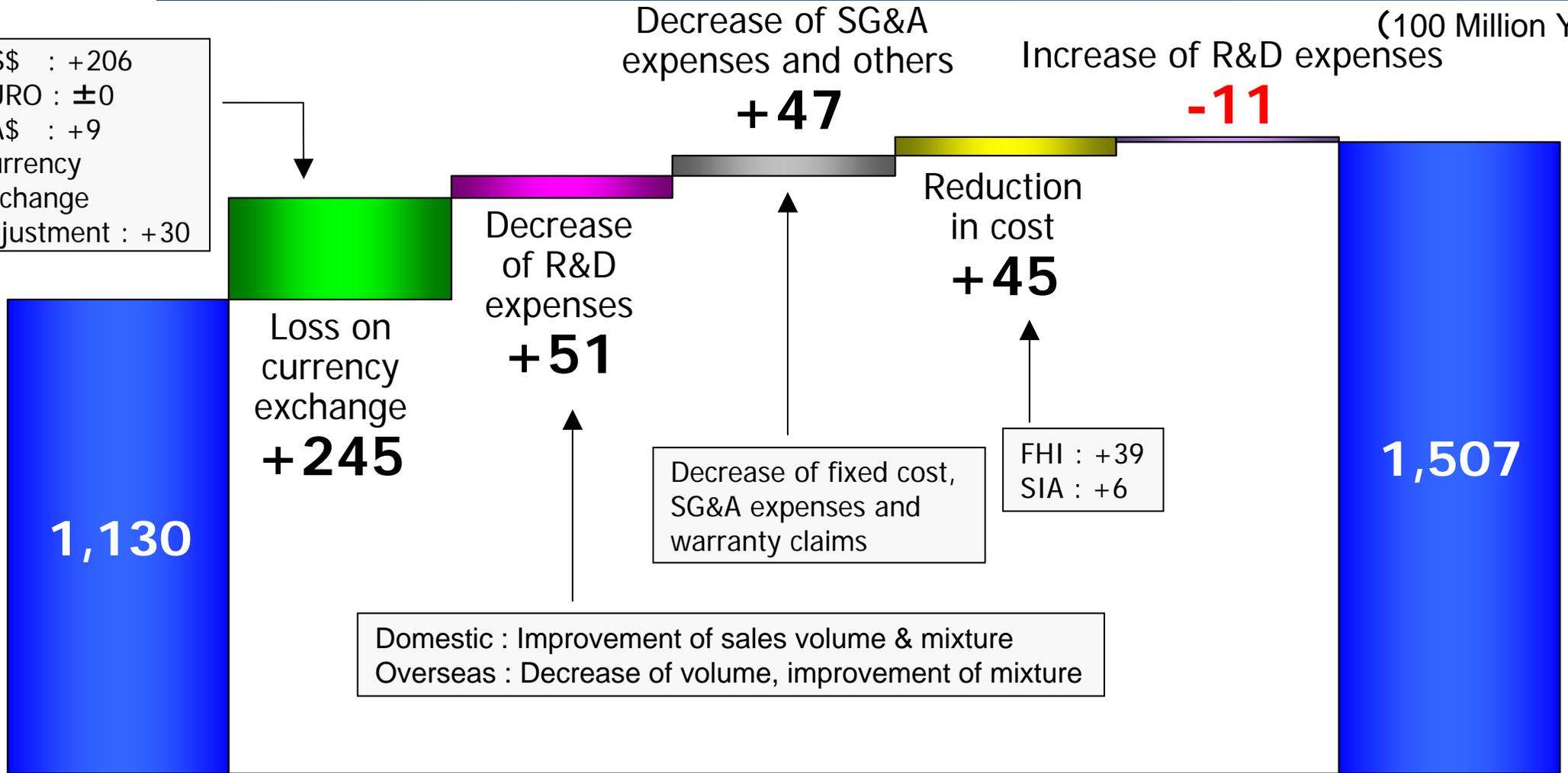
	Plan 1st Half FYE March 2014	Actual Results 1st Half FYE March 2014	Increase / Decrease
Net sales	10,600	11,256	+656
Domestic	3,100	3,306	+205
Overseas	7,500	7,951	+451
Operating income	1,130	1,507	+377
Ordinary income	1,105	1,462	+357
Income before income taxes and minority interests	1,090	1,453	+363
Net income	680	998	+318
FHI exchange rate	¥94/US\$	¥98/US\$	+¥4/US\$



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

(100 Million Yen)

US\$: +206
 EURO : ±0
 CA\$: +9
 Currency exchange adjustment : +30



+ 37.7 billion yen

Plan
 Operating Income
 1st Half
 FYE March 2014

Actual results
 Operating Income
 1st Half
 FYE March 2014



Full year : Consolidated Automobile Sales Previous Plan vs. Revised Plan

(Thousand Units)

	Previous Plan FYE March 2014	Revised Plan FYE March 2014	Increase / Decrease
Passenger car	101.6	116.3	+14.6
Minicar	53.9	53.6	-0.3
Domestic total	155.5	169.9	+14.4
U.S.	384.9	434.8	+49.9
Canada	35.5	35.9	+0.4
Russia	12.6	15.4	+2.9
Europe	41.8	34.6	-7.2
Australia	42.5	39.9	-2.6
China	51.2	44.2	-7.0
Others	27.6	32.5	+4.9
Overseas total	596.0	637.4	+41.4
Total	751.5	807.3	+55.8



Full year : Consolidated Income Statement Previous Plan vs. Actual Results

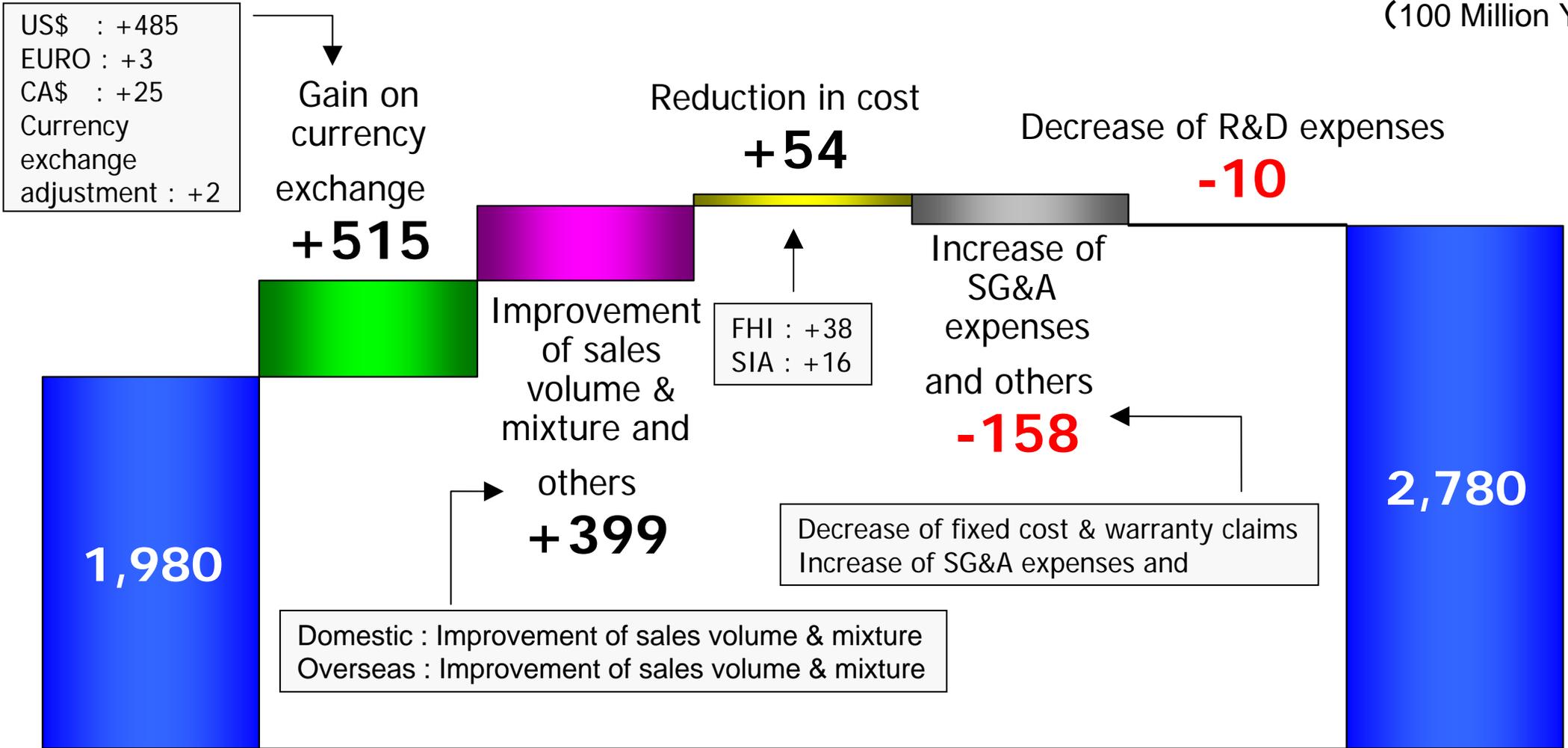
(100 Million Yen)

	Previous Plan FYE March 2014	Revised Plan FYE March 2014	Increase / Decrease
Net sales	20,800	23,000	+2,200
Domestic	6,081	6,437	+357
Overseas	14,719	16,563	+1,843
Operating income	1,980	2,780	+800
Ordinary income	1,930	2,720	+790
Income before income taxes and minority interests	1,860	2,640	+780
Net income	1,210	1,780	+570
FHI exchange rate	¥92/US\$	¥97/US\$	+¥5/US\$



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

(100 Million Yen)



Previous Plan
Operating Income
FYE March 2014

+80.0 billion yen

Revised Plan
Operating Income
FYE March 2014

Appendix (3)

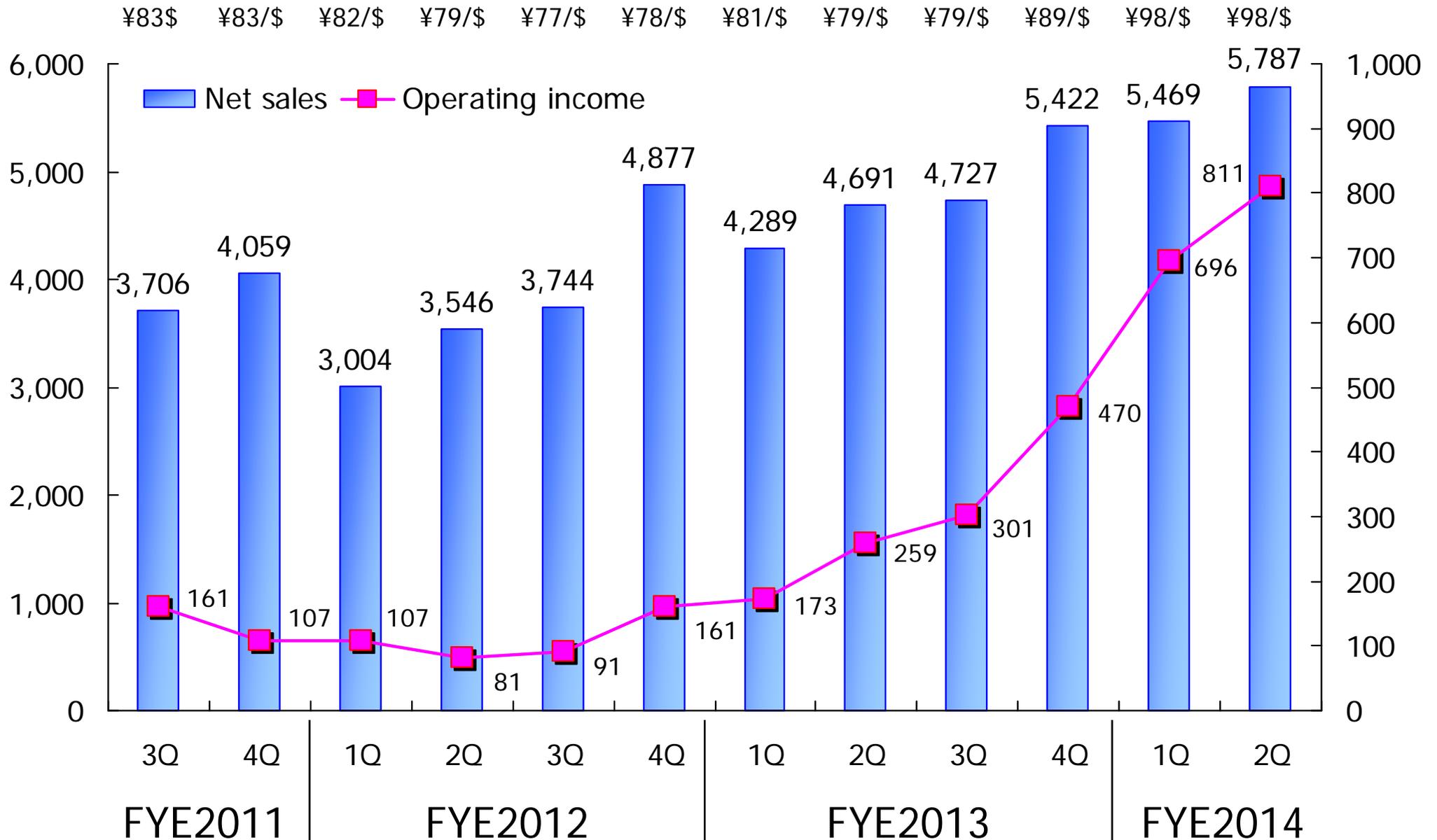
- Net sales / Operating income
- Consolidated automobile sales / OPM
- Complete cars production / Retail sales
- FCF / Shareholders' equity to total assets
- Interest bearing debt / D/E ratio



Net Sales & Operating Income

Net Sales
(100 million yen)

Operating Income
(100 million yen)

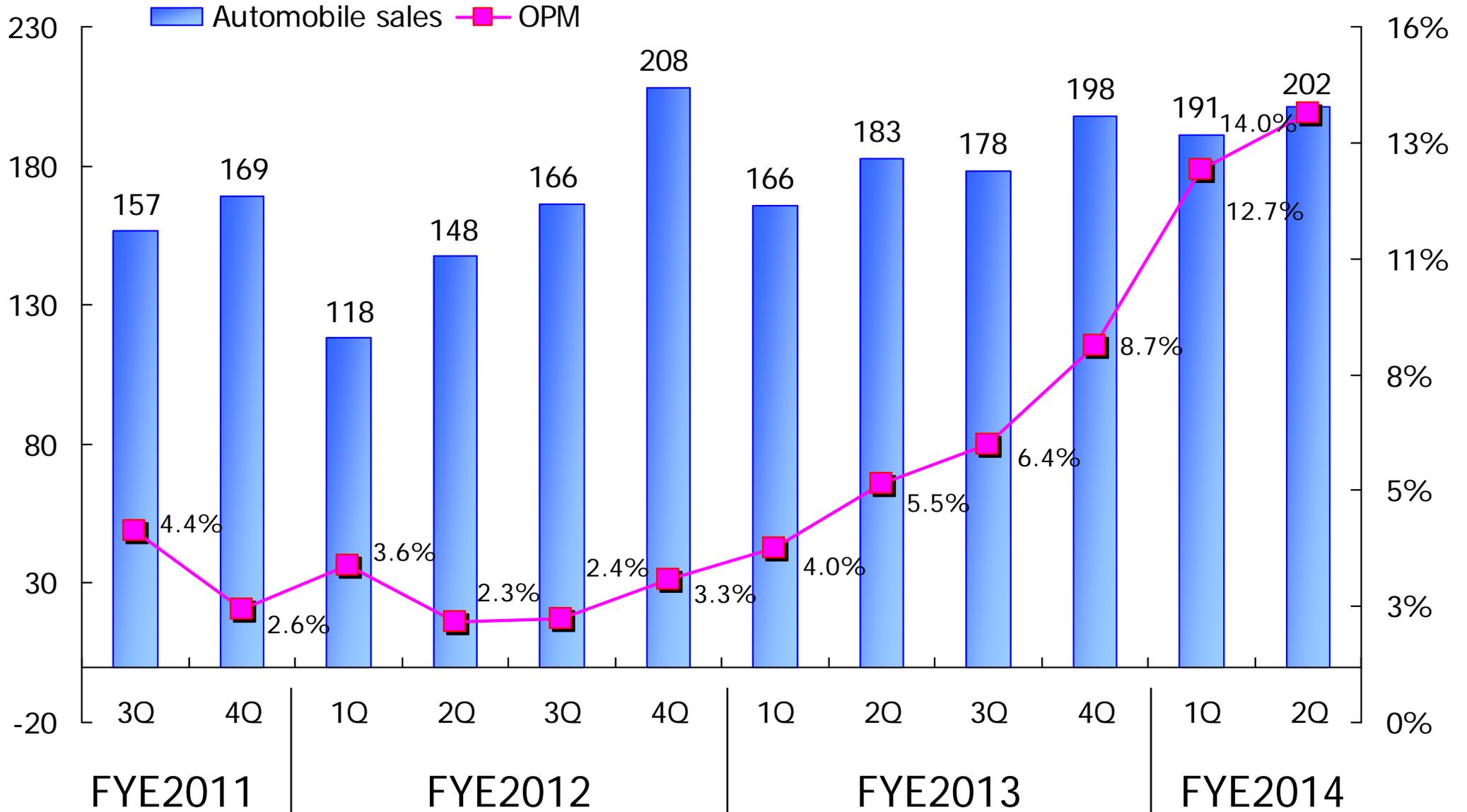




Consolidated Automobile Sales & Operating Income Margin

Automobile sales
(1,000 cars)

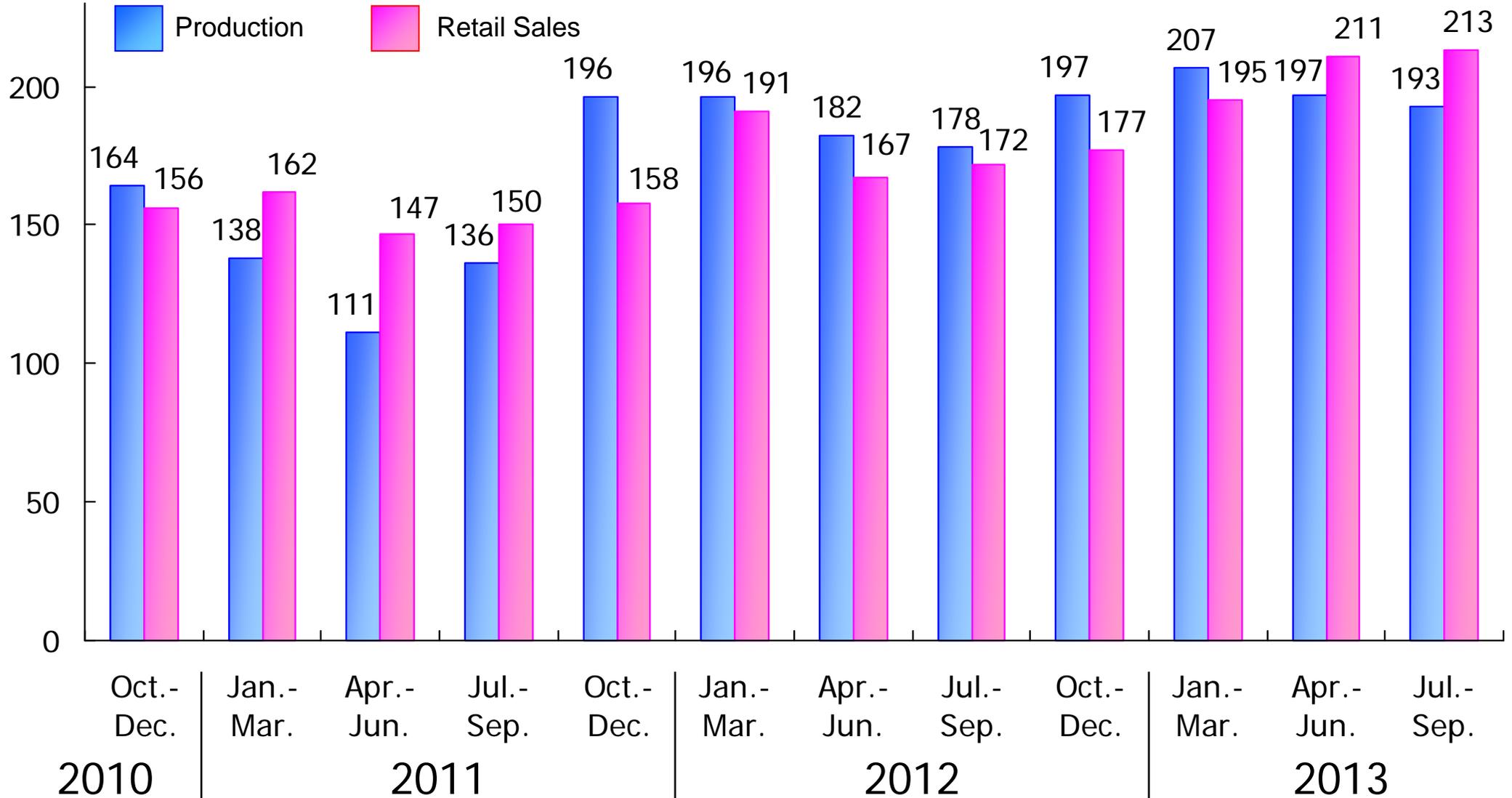
OPM





Complete Cars Production & Retail Sales

Units
(1000 units)



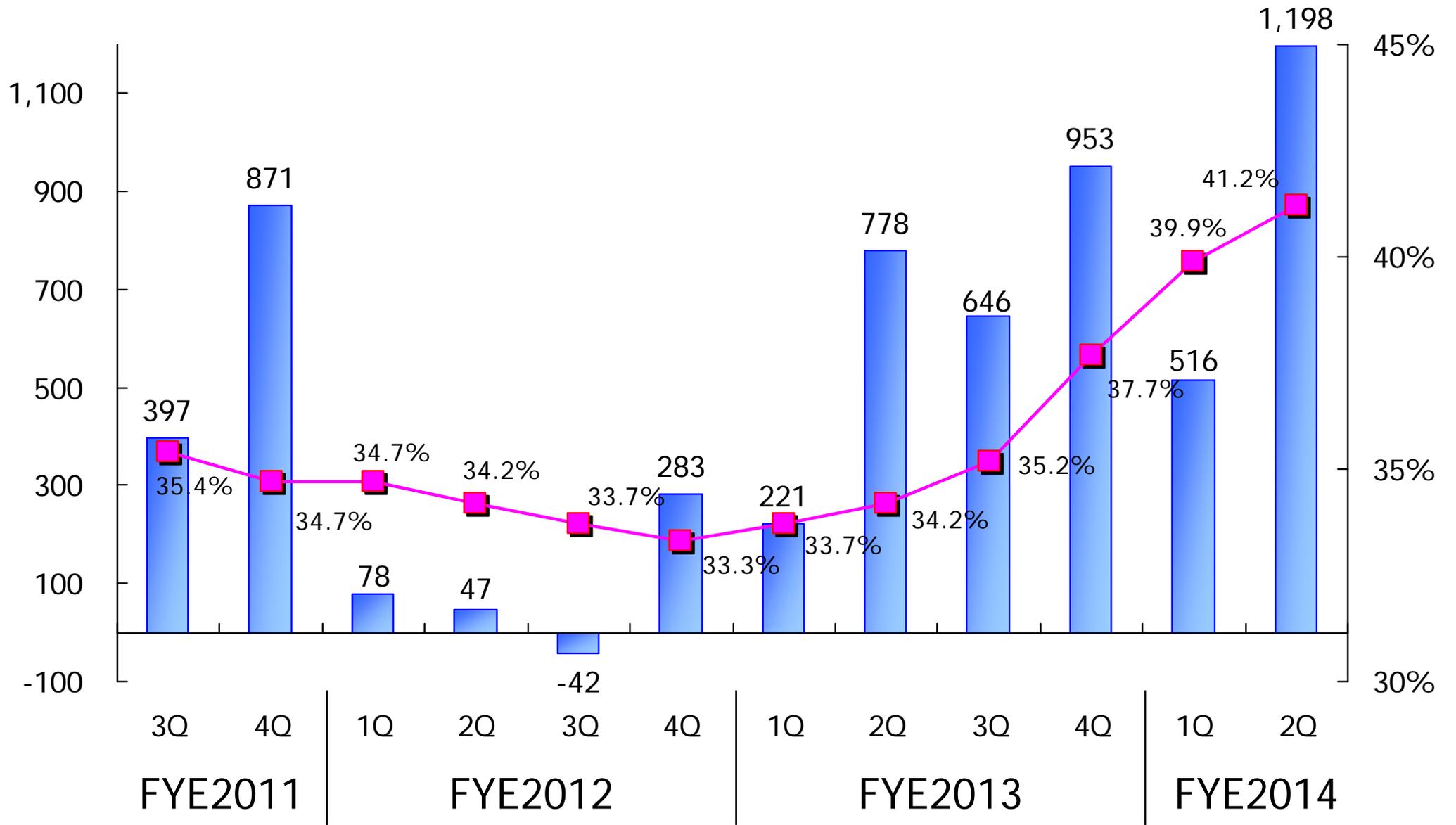
* Production figures include Toyota 86.



Free Cash Flows & Shareholders' Equity to Total Assets

FCF
(100 million yen)

Shareholders' Equity to Total Assets

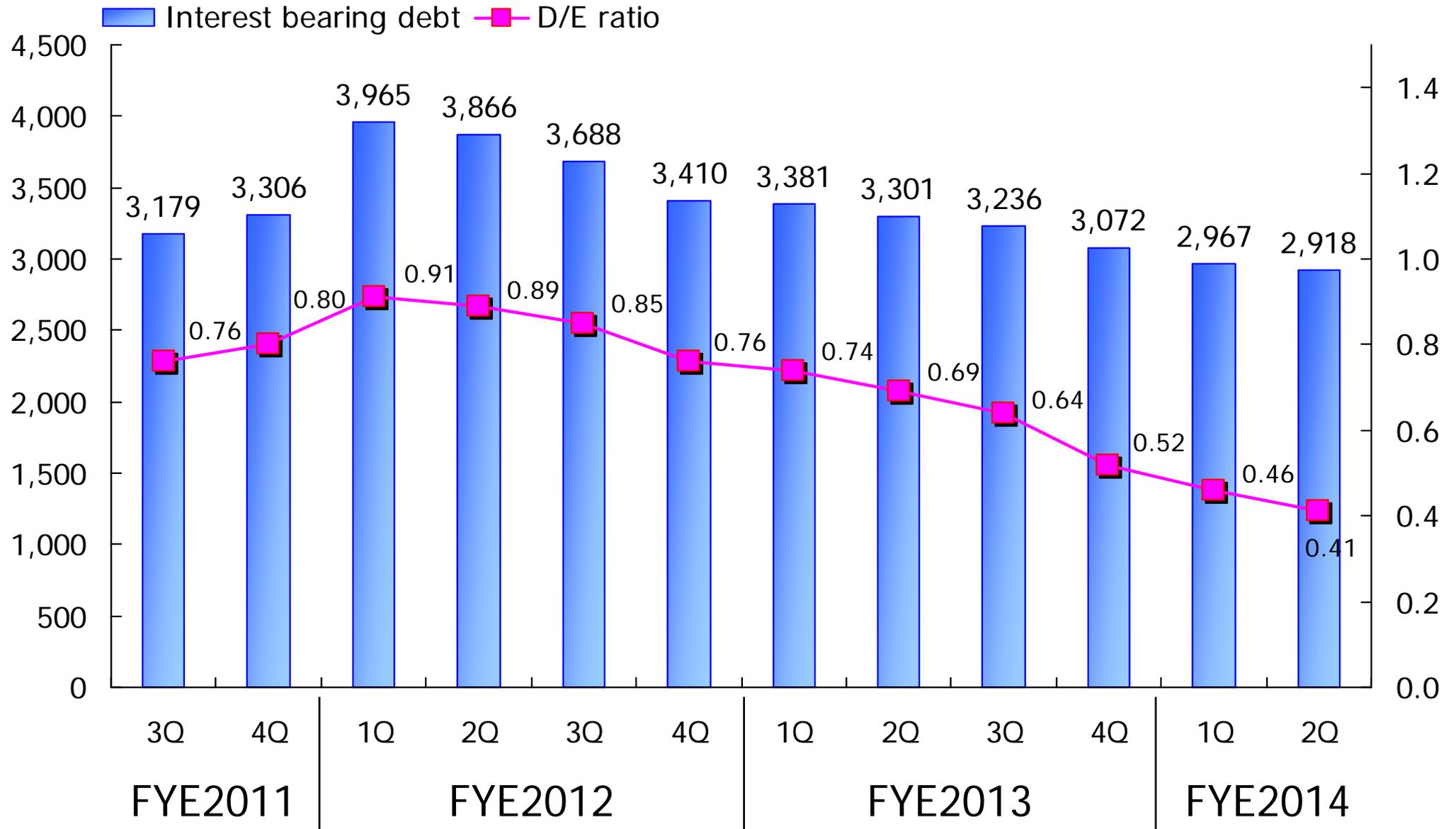




Interest Bearing Debts & D/E Ratio

Interest Bearing Debts
(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.



SUBARU