



FHI Announces the Progress of “Motion-V” Mid-Term Management Plan

Tokyo, May 8, 2012 – Fuji Heavy Industries, Ltd. (FHI), the maker of Subaru automobiles, today announced the progress of its five-year management plan, Motion-V, for the fiscal years ending March 31, 2012 (FY2012) through March 31, 2016 (FY2016).

Under the five pillars of Motion-V, and its guiding principle “Confidence in Motion”, the plan has been progressing well. Therefore there will be no change in the direction and outline of the plan and FHI will continue to implement the plan to achieve its goals.

However, since the plan was first developed, there have been business environment changes such as a better-than-expected sales growth in major markets, centered on North America, a delay in establishing local production in China and the stronger yen exchange rate in world markets. Therefore FHI now includes additional measures in response to those changes. There is no change in business targets.

“Motion-V” Five Pillars

1. “Confidence in Motion”, defined as a guiding principle for all activities
2. “Further pursuit of distinctive Subaru experience”, with a consistent philosophy of “customers come first”
3. “Accelerating sales expansion”, with enhanced sales force and production capacity
4. “Solidified business foundation”, with an overhaul of cost structures and furthering the alliance with Toyota
5. “Improvement in management”

The progress of Motion-V plan

The consolidated financial results for the fiscal year ended March 2012, which also covers the first year of the Motion-V mid-term plan, posted Subaru global sales of 640 thousand units and operating income of 44.0 billion yen, making a positive start to the plan. (The original targets: global sales of 632 thousand units and operating income of 30.0 billion yen)

Additional measures

1. Revision of sales & marketing strategies
 - (1) Sales plan in the US market was revised upward to 380 thousand units in FY2016, projecting the ongoing positive sales momentum.
 - (2) In the revised plan for sales expansion in China market, FHI will make a shift from local production scheme to car export scheme.
2. Revised scheme of global production system
 - (1) It seems difficult to establish local production in China during the period of this mid-term plan.
 - (2) FHI will enhance production capacity of its existing manufacturing bases in Japan and the US.
 - (3) FHI will start consideration of its production expansion in North America towards the future.
3. Further steps in an overhaul of cost structures

Business targets for the fiscal year 2016

1. Global automotive sales target (on a consolidated basis)

Taking into consideration the business environment changes, which include upward revision of sales target in the US and the current situation regarding the local production plan in China, FHI has revised global sales target to 850 thousand units in FY2016. (The original target: 900 thousand units)

2. Operating income target

FHI will not change its operating income target of 120 billion yen and operating profit margin at 6 % in FY2016. The calculation was based on newly estimated foreign exchange rates of 80 yen per U.S. dollar and 105 yen per Euro. (The original rates: 90 yen per U.S. dollar and 120 yen per Euro)

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