

Consolidated Financial Results

For the Third Quarter of the Fiscal Year Ending March 31, 2012 (Japan GAAP)



February 3, 2012

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, 2012
 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 2012(April 1, 2011 to December 31, 2011)

(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	
3rd Quarter of FY2012	1,029,407	(12.4%)	27,854	(62.1%)	28,713	(61.6%)	36,756	(37.1%)
3rd Quarter of FY2011	1,174,628	16.1%	73,482	—	74,777	—	58,407	—

Note: Comprehensive income 3rd Quarter of FY2012: 28,071 million yen ((30.8%)) 3rd Quarter of FY2011: 40,566 million yen (—%)

	Net income per share, basic (Yen)	Net income per share, diluted (Yen)
3rd Quarter of FY2012	47.10	—
3rd Quarter of FY2011	74.95	—

(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 FY2012	1,286,513	435,165	33.7%
FY2011	1,188,324	413,963	34.7%

Reference: Shareholders' equity As of December 31, 2011: 433,826 million yen As of March 31, 2011: 412,661 million yen

2. Dividends

	Cash dividends per share (yen)				
	1st Quarter	2nd Quarter	3rd Quarter	Year-end	Annual
FY 2011	—	4.50	—	4.50	9.00
FY 2012	—	4.50	—		
FY 2012 (Forecast)				4.50	9.00

Note: Revision of the forecasts in the third quarter of the fiscal year ending March 31, 2012: No

3. Projection of Consolidated Results for Fiscal Year 2012 (April 1, 2011 to March 31, 2012)

(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)
Full year	1,500,000	(5.1%)	38,000	(54.8%)	37,000	(55.0%)	41,000	(18.5%)	52.54

Note: Revision of the forecasts at the timing of announcement of the results of third quarter of the fiscal year ending March 31, 2012: Yes

4. Others

- (1) Changes of significant subsidiaries in the third quarter of fiscal year 2012 : 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 : No
 - [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 31,2011: | 782,865,873 shares | As of March 31,2011: | 782,865,873 shares |
| [2] Number of treasury stock | As of December 31,2011: | 2,404,054 shares | As of March 31,2011: | 2,605,141 shares |
| [3] Average number of shares (for nine month period) | 3rd Quarter of FY2012: | 780,381,306 shares | 3rd Quarter of FY2011: | 779,322,263 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) Qualitative Information on Projection for Current Fiscal Year" on page 4.

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1. Qualitative Information on Quarterly Financial Results

(1) Qualitative Information on Consolidated Operating Performance

Consolidated net sales for the third quarter of the current fiscal year were down ¥145.2 billion (12.4%) from the same period of the previous fiscal year to ¥1,029.4 billion. Main reasons for the decline were the Great East Japan Earthquake and exchange rate differences due to the stronger yen.

Regarding the profit, due to the drop in sales, operating income was down ¥45.6 billion (62.1%) from the same period of the previous fiscal year to ¥27.9 billion, and ordinary income was down ¥46.1 billion (61.6%) from the same period of the previous fiscal year to ¥28.7 billion. Net income was down ¥21.7 billion (37.1%) from the same period of the previous fiscal year to ¥36.8 billion despite ¥26.1 billion in extraordinary income from the sale of the Shinjuku Subaru Building in April.

[Results by Business Segment]

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

[1] Automobile Division

Production started normalizing in October, with rising output helping rebuild depleted inventories after the Great East Japan Earthquake. Nonetheless, despite these and other efforts at recovery, the outsized effects on production and shipments after the disaster in the first half period affected Subaru sales, which developed as follows.

In Japan, the sales of Subaru passenger cars increased 2 thousand (4.3%) units over the same period of the previous fiscal year to 52 thousand units, thanks to the sales rise of Impreza and Forester over the same period of the previous fiscal year and the additional contribution of the Trezia sales.

On the other hand, sales of minicars fell 7 thousand (9.5%) units from the same period of the previous fiscal year to 62 thousand units. Although sales of Sambar increased compared with the same period of the previous fiscal year, the rise was more than offset by a decline in sales of core model Stella.

As a result, a total of 114 thousand units were sold in Japan for a decrease of 4 thousand (3.7%) units from the same period of the previous fiscal year.

Overseas sales decreased across the board. Viewed by region, sales in North America were down 19 thousand (8.6%) units from the same period of the previous fiscal year to 207 thousand units, sales in Europe including Russia were down 8 thousand (18.3%) units to 35 thousand units, sales in Australia were down 9 thousand (26.3%) units to 24 thousand units, sales in China were down 8 thousand (16.8%) units to 38 thousand units, and sales in other regions were down 8 thousand (37.3%) units to 14 thousand units.

As a result, the sales in overseas markets were 318 thousand units, a decrease of 52 thousand (14.0%) units from the same period of the previous fiscal year.

The combined unit sales for Japan and overseas markets amounted to 432 thousand units, a decrease of 56 thousand (11.5%) units from the same period of previous fiscal year.

Overall net sales were down ¥146.0 billion (13.4%) from the same period of the previous fiscal year to ¥940.4 billion due to decreased sales and the impact of the stronger yen, and segment income was also down ¥46.7 billion (64.9%) from the same period of the previous fiscal year to ¥25.2 billion.

[2] Aerospace Division

Sales revenue from deliveries to the Japan Ministry of Defense fell from the same period of the previous fiscal year as a rise in sales of Unmanned Reconnaissance System and components were eclipsed by a drop in sales revenue from the multi-purpose helicopter UH-1J and other negative factors.

On the other hand, in the commercial sector, despite adverse effects from the stronger yen, sales revenue increased over the same period of the previous fiscal year, thanks mainly to higher sales revenue from Boeing-777 related deliveries and deliveries of business jets H4000.

As a result, overall net sales increased ¥0.9 billion (1.6%) over the same period of the previous fiscal year to ¥55.1 billion. Segment income rose ¥1.9 billion over the same period of the previous fiscal year to ¥1.5 billion.

[3] Industrial Products Division

While engine sales in North America languished and the effects of the stronger yen weighed on results, sales in Japan surged centered on power generators for reconstruction after the Great East Japan Earthquake, and engine sales to East Asia also performed well. As a result, net sales increased ¥2.2 billion (9.7%) over the same period of the previous fiscal year to ¥25.1 billion. Segment income rose ¥0.3 billion (310.8%) over the same period of the previous fiscal year to ¥0.5 billion.

[4] Other Businesses

Net sales were down ¥2.4 billion (21.2%) from the same period of the previous fiscal year to ¥8.8 billion due to a drop in sales of wind-power generation systems. Segment income was down ¥1.1 billion (60.3%) from the same period of the previous fiscal year to ¥0.7 billion.

(2) Qualitative Information on Consolidated Financial Position

[1] Assets, Liabilities, and Net Assets

Total assets at the end of the third quarter accounting period of the current fiscal year were ¥1,286.5 billion, up ¥98.2 billion compared with the end of the previous fiscal year. Main factors were a ¥61.6 billion rise in securities and a ¥53.7 billion rise in inventories consistent with the increase in unit production.

Total liabilities increased ¥77.0 billion compared with the end of the previous fiscal year to ¥851.3 billion. Main factors, offsetting a ¥20.0 billion in bond redemptions, included a ¥69.9 billion increase in long-term loans payable and a ¥50.0 billion rise in notes and accounts payable-trade, consistent with the increase in unit production.

Net assets increased ¥21.2 billion compared with the end of the previous fiscal year to ¥435.2 billion. This was mainly due to a ¥29.8 billion increase in retained earnings as the same amount of net income for the period was posted.

[2] Cash Flows

Cash and cash equivalents at the end of the third quarter consolidated cumulative period of the current fiscal year (hereinafter "Cash") totaled ¥248.0 billion.

(Net cash used in operating activities)

Net cash used in operating activities was ¥0.5 billion (compared with ¥77.9 billion provided by operating activities in the same period of the previous fiscal year). Main factors were ¥47.0 billion in income before income taxes and minority interests and a ¥60.9 billion increase in inventories.

(Net cash used in investment activities)

Net cash used in investment activities was ¥3.7 billion (compared with ¥38.3 billion used in investment activities in the same period of the previous fiscal year). Main factor was ¥2.0 billion for purchases of short-term investment securities (net basis against sales of short-term investment securities).

(Net cash provided by financing activities)

Net cash provided by financing activities was ¥30.7 billion (compared with ¥52.4 billion used in financing activities in the same period of the previous fiscal year). Main factors were ¥20.0 billion in expenses for the redemption of bonds and ¥69.9 billion in the proceeds from long-term loans payable (net basis against repayment of long-term loans payable).

(3) Qualitative Information on Projection for Current Fiscal Year

The previous announced projection of fiscal year ending March 2012 is revised as described below. This revision takes into account our expectations for the further reduction of overhead and cost.

The projections of full-year consolidated results for the fiscal year ending March 2012 are based on assumed foreign exchange rates of ¥78/US\$ (previously ¥78/US\$) and ¥107/EUR (previously ¥108/EUR). Exchange rate assumptions for the fourth quarter of the current fiscal year are ¥77/US\$ and ¥100/EUR.

Consolidated Results Forecast for the Fiscal Year Ending March 2012 (April 1, 2011 to March 31, 2012)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per Share
Previous projection (A)	¥ million 1,480,000	¥ million 30,000	¥ million 29,000	¥ million 36,000	Yen 46.13
Revised projection (B)	1,500,000	38,000	37,000	41,000	52.54
Change in amount (B-A)	20,000	8,000	8,000	5,000	
Percentage change (%)	1.4	26.7	27.6	13.9	
(Supplemental information) Actual results of the previous fiscal year (April 1, 2010 to March 31, 2011)	1,580,563	84,135	82,225	50,326	64.56

2. Notes on Summary Information(Others)

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".

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Unit: Millions of yen)

	FY2011 (as of March 31, 2011)	3rd Quarter of FY2012 (as of December 31, 2011)
ASSETS		
I Current assets		
Cash and deposits	211,700	172,409
Notes and accounts receivable-trade	76,810	101,550
Lease investment assets	23,050	21,579
Short-term investment securities	21,063	82,623
Merchandise and finished goods	72,871	123,087
Work in process	56,567	58,974
Raw materials and supplies	36,974	38,020
Deferred tax assets	13,754	11,965
Short-term loans receivable	59,986	70,505
Other	39,396	49,302
Allowance for doubtful accounts	(1,851)	(1,851)
Total current assets	610,320	728,163
II Noncurrent assets		
1. Property, plant and equipment		
Buildings and structures, net	118,267	113,566
Machinery, equipment and vehicles, net	81,261	95,321
Land	177,697	171,202
Vehicles and equipment on operating leases, net	11,751	7,676
Construction in progress	21,391	12,270
Other, net	20,475	18,088
Total property, plant and equipment	430,842	418,123
2. Intangible assets		
Other	12,040	11,294
Total intangible assets	12,040	11,294
3. Investments and other assets		
Investment securities	68,052	65,532
Deferred tax assets	1,812	2,133
Other	69,269	65,237
Allowance for doubtful accounts	(4,011)	(3,969)
Total investments and other assets	135,122	128,933
Total noncurrent assets	578,004	558,350
Total assets	1,188,324	1,286,513

(Unit: Millions of yen)

	FY2011 (as of March 31, 2011)	3rd Quarter of FY2012 (as of December 31, 2011)
LIABILITIES		
I Current liabilities		
Notes and accounts payable-trade	176,895	226,935
Short-term loans payable	99,072	87,383
Current portion of long-term loans payable	20,902	25,185
Current portion of bonds	20,010	20,010
Income taxes payable	2,089	5,268
Accrued expenses	60,876	52,829
Provision for bonuses	16,322	8,162
Provision for product warranties	27,172	26,475
Provision for loss on construction contracts	4,681	4,472
Other	52,684	58,205
Total current liabilities	480,703	514,924
II Noncurrent liabilities		
Bonds payable	24,080	4,075
Long-term loans payable	166,562	232,189
Deferred tax liabilities	14,002	13,082
Provision for retirement benefits	33,707	34,277
Provision for directors' retirement benefits	561	454
Other	54,746	52,347
Total noncurrent liabilities	293,658	336,424
Total liabilities	774,361	851,348
NET ASSETS		
I Shareholders' equity		
Capital stock	153,795	153,795
Capital surplus	160,071	160,071
Retained earnings	156,948	186,713
Treasury stock	(1,381)	(1,258)
Total shareholders' equity	469,433	499,321
II Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,567	12,237
Foreign currency translation adjustment	(68,339)	(77,732)
Total accumulated other comprehensive income	(56,772)	(65,495)
Minority interests	1,302	1,339
Total net assets	413,963	435,165
Total liabilities and net assets	1,188,324	1,286,513

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

(Unit: Millions of yen)

	FY2011 (April 1, 2010 to December 31, 2010)	FY2012 (April 1, 2011 to December 31, 2011)
I Net sales	1,174,628	1,029,407
II Cost of sales	917,073	826,713
Gross profit	257,555	202,694
III Selling, general and administrative expenses	184,073	174,840
Operating income	73,482	27,854
IV Non-operating income		
Interest income	816	817
Dividends income	558	605
Equity in earnings of affiliates	2,570	1,151
Real estate rent	406	388
Foreign exchange gains	—	1,023
Gain on valuation of derivatives	4,048	1,489
Other	1,428	1,479
Total non-operating income	9,826	6,952
V Non-operating expenses		
Interest expenses	3,608	2,878
Foreign exchange losses	2,483	—
Other	2,440	3,215
Total non-operating expenses	8,531	6,093
Ordinary income	74,777	28,713
VI Extraordinary income		
Gain on sales of noncurrent assets	535	26,471
Gain on sales of investment securities	504	584
Reversal of allowance for doubtful accounts	313	—
Gain on sale of loans receivable	627	—
Other	11	122
Total extraordinary income	1,990	27,177
VII Extraordinary loss		
Loss on sales and retirement of noncurrent assets	839	854
Impairment loss	835	63
Loss on disaster	—	7,257
Loss on prior periods adjustment	1,347	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	372	—
Loss on reconstruction of office building	657	—
Other	441	675
Total extraordinary losses	4,491	8,849
Income before income taxes and minority interests	72,276	47,041
Total Income taxes	13,781	10,242
Income before minority interest	58,495	36,799
Minority interests in income	88	43
Net income	58,407	36,756

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

(Unit: Millions of yen)

	FY2011 (April 1, 2010 to December 31, 2010)	FY2012 (April 1,2011 to December 31, 2011)
Income before minority interest	58,495	36,799
Other comprehensive income		
Valuation difference on available-for-sale securities	861	670
Foreign currency translation adjustment	(18,479)	(9,254)
Share of other comprehensive income of associates accounted for using equity method	(311)	(144)
Total other comprehensive income	(17,929)	(8,728)
Comprehensive income	40,566	28,071
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	40,496	28,033
Comprehensive income attributable to minority interests	70	38

(3) Quarterly Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	FY2011 (April 1, 2010 to December 31, 2010)	FY2012 (April 1, 2011 to December 31, 2011)
I Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	72,276	47,041
Depreciation and amortization	41,676	42,551
Impairment loss	835	63
Increase (decrease) in provision for bonuses	(7,299)	(8,166)
Increase (decrease) in provision for product warranties	2,836	548
Increase (decrease) in provision for loss on construction contracts	1,954	(209)
Increase (decrease) in provision for retirement benefits	(57)	459
Interest and dividends income	(1,374)	(1,422)
Interest expenses	3,608	2,878
Loss (gain) on valuation of derivatives	(4,048)	(1,489)
Equity in (earnings) losses of affiliates	(2,570)	(1,151)
Loss (gain) on sales and retirement of noncurrent assets	304	(25,617)
Decrease (increase) in notes and accounts receivable-trade	20,996	(25,276)
Decrease (increase) in inventories	(33,357)	(60,894)
Increase (decrease) in notes and accounts payable-trade	(6,933)	51,832
Decrease (increase) in lease investment assets	4,307	1,471
Decrease (increase) in operating loans receivable	2,505	(10,115)
Decrease (increase) in vehicles and equipment on operating leases	3,787	2,580
Increase (decrease) in deposits received	(6,436)	1,994
Other, net	(4,342)	(8,400)
Subtotal	88,668	8,678
Interest and dividends income received	1,374	1,613
Interest expenses paid	(3,616)	(2,752)
Income taxes (paid) refund	(8,500)	(8,031)
Net cash provided by (used in) operating activities	77,926	(492)

	FY2011 (April 1, 2010 to December 31, 2010)	FY2012 (April 1, 2011 to December 31, 2011)
II	Net cash provided by (used in) investing activities	
	Purchase of short-term investment securities	(1,927) (4,583)
	Proceeds from sales of short-term investment securities	2,891 2,616
	Purchase of property, plant and equipment	(32,151) (34,995)
	Proceeds from sales of property, plant and equipment	1,153 34,392
	Purchase of intangible assets	(2,016) (2,121)
	Purchase of investment securities	(15,370) (11,541)
	Proceeds from sales of investment securities	12,277 10,019
	Payments of loans receivable	(61,659) (62,001)
	Collection of loans receivable	61,226 63,186
	Other, net	(2,687) 1,344
	Net cash provided by (used in) investing activities	(38,263) (3,684)
III	Net cash provided by (used in) financing activities	
	Net increase (decrease) in short-term loans payable	(52,059) (11,689)
	Proceeds from long-term loans payable	58,878 79,085
	Repayments of long-term loans payable	(34,765) (9,235)
	Redemption of bonds	(20,005) (20,005)
	Cash dividends paid	(3,478) (6,986)
	Other, net	(979) (462)
	Net cash provided by (used in) financing activities	(52,408) 30,708
IV	Effect of exchange rate change on cash and cash equivalents	(12,457) (6,244)
V	Net increase (decrease) in cash and cash equivalents	(25,202) 20,288
VI	Cash and cash equivalents at beginning of period	191,466 227,704
	Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	— 32
VII	Cash and cash equivalents at end of period	166,264 248,024

(4) Notes on Premise of Going Concern

FY2012 (April 1, 2011 to December 31, 2011)

Not Applicable

(5) Changes in the Scope of Consolidation and Application of the Equity Method

FY2012 (April 1, 2011 to December 31, 2011)

(Changes in the Scope of Application of the Equity Method)

Since the first quarter of fiscal year 2012, the number of equity-method companies decreased because Subaru Customize Works Co., LTD. was merged into Kiryu Industrial Co., Ltd., wholly owned subsidiary of FHI, on April 1, 2011.

Since the second quarter of fiscal year 2012, Subaru of Hong Kong Limited was included into equity-method companies due to its increased significance.

(6) Additional information

FY2012 (April 1, 2011 to December 31, 2011)

(Application of Accounting Changes and Error Corrections)

Since the beginning of the first quarter of fiscal year 2012, "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009), and "the Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) have been applied.

(Application of Consolidated taxation system)

Since the first quarter of fiscal year 2012, Consolidated taxation system has been applied.

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

FY2012 (April 1, 2011 to December 31, 2011)

Not Applicable

(8) Explanatory Note

(Quarterly Consolidated Statement of income)

FY2011 (April 1, 2010 to December 31, 2010)

(Extraordinary loss)

- 1) The Company recorded an impairment loss with regard to the following asset groups in the third quarter of the fiscal 2011.

Use	Location	Category
Idle assets	Tokyo Metropolitan Government and 10 other locations	Buildings and structures, land, and other

The idle assets are grouped on a property by property basis.

The impairment loss by each category of property, plant and equipment was as follows:

Account	Amount
Buildings and structures, net	79 million yen
Land	754 million yen
Other	2 million yen
Total	835 million yen

2) Loss on prior periods adjustment(1,347 million yen) is the adjustment of cost of sales in prior years.

3) In relation to the reconstruction of Ebisu Subaru Building, following extraordinary losses are recorded.

Contents	Amount
Estimation of dismantlement cost	334 million yen
Temporary depreciation cost	323 million yen
Total	657 million yen

FY2012 (April 1, 2011 to December 31, 2011)

(Extraordinary income)

Gain on sales of noncurrent assets includes 26,137 million yen, the profit related to the sale of Shinjuku Subaru Building(building and land) co-owned by FHI and Subaru Kosan Co., Ltd., wholly owned subsidiary of FHI, to Odakyu Electric Railway Co., Ltd.

(Extraordinary loss)

Loss on disaster was caused by Great East Japan Earthquake, and mainly consists of the fixed overhead corresponding to falling production, etc.

(9) Segment Information

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

3rd Quarter of FY 2011 (April 1, 2010 to December 31, 2010)

(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	1,086,340	54,245	22,908	1,163,493	11,135	1,174,628	-	1,174,628
(2) Inter-segment	1,843	-	5	1,848	9,781	11,629	(11,629)	-
Total sales	1,088,183	54,245	22,913	1,165,341	20,916	1,186,257	(11,629)	1,174,628
Operating income(loss)	71,876	(327)	111	71,660	1,802	73,462	20	73,482

Note: *1. Other means the category which is not included into any business segment reported. It consists of garbage collection vehicles, specialized vehicles, real estate lease, etc.

*2. Adjustment of segment income(loss) refers to elimination of intersegment transaction.

*3. Operating income(loss) for segment is adjusted on operating income on the quarterly consolidated statements of income.

3rd Quarter of FY 2012 (April 1, 2011 to December 31, 2011)

(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	940,383	55,118	25,137	1,020,638	8,769	1,029,407	-	1,029,407
(2) Inter-segment	1,920	-	78	1,998	9,302	11,300	(11,300)	-
Total sales	942,303	55,118	25,215	1,022,636	18,071	1,040,707	(11,300)	1,029,407
Operating income	25,202	1,533	456	27,191	715	27,906	(52)	27,854

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

<Reference for the 3rd Quarter of FY2012 (Apr. 1, 2011 to Dec. 31, 2011) Consolidated Financial Results>

(in 100 millions of yen) (in thousands of units)	ACTUAL RESULTS		ACTUAL RESULTS		ACTUAL RESULTS	FORECAST			FORECAST
	3rd Quarter of FY2011		3rd Quarter of FY2012		FY2011	FY2012			FY2012
	Apr. 2010 to Dec. 2010		Apr. 2011 to Dec. 2011		Apr. 2010 to Mar. 2011	Apr. 2011 to Mar. 2012			(Nov. 2011)
			Difference	Ratio			Difference	Ratio	Apr. 2011 to Mar. 2012
Net Sales	11,746	10,294	(1,452)	(12.4)	15,806	15,000	(806)	(5.1)	14,800
Domestic	3,498	3,375	(123)	(3.5)	4,673	4,750	77	1.6	4,700
Overseas	8,248	6,919	(1,329)	(16.1)	11,132	10,250	(882)	(7.9)	10,100
Operating Income	735	279	(456)	(62.1)	841	380	(461)	(54.8)	300
Margin Percentage	6.3	2.7			5.3	2.5			2.0
Ordinary Income	748	287	(461)	(61.6)	822	370	(452)	(55.0)	290
Margin Percentage	6.4	2.8			5.2	2.5			2.0
Net Income	584	368	(217)	(37.1)	503	410	(93)	(18.5)	360
Margin Percentage	5.0	3.6			3.2	2.7			2.4
Change of operating income by factors									
			Decrease of SG&A expenses and others	166			Decrease of SG&A expenses and others	152	
			Loss on currency exchange	(368)			Loss on currency exchange	(451)	
			Improvement of sales volume & mixture and others	(168)			Improvement of sales volume & mixture and others	(56)	
			Reduction in cost	(45)			Reduction in cost	(55)	
			Increase of R&D expenses	(41)			Increase of R&D expenses	(51)	
Exchange rates	YEN/US\$ YEN/EURO	YEN87/US\$ YEN115/EURO	YEN79/US\$ YEN110/EURO		YEN86/US\$ YEN114/EURO	YEN78/US\$ YEN107/EURO		YEN78/US\$ YEN108/EURO	
Capital expenditures	293	392			431	600			600
Depreciation and amortization	366	389			498	550			550
R&D expenses	316	356			429	480			480
Interest bearing debts	3,179	3,688			3,306	3,500			3,500
Performance of operation			Net Sales to decrease			Net Sales to decrease			
			Net Income to decrease			Net Income to decrease			
Domestic sales	118	114	(4)	(3.7)	158	167	9	5.6	169
Passenger Cars	50	52	2	4.3	68	74	6	8.7	73
Minicars	68	62	(7)	(9.5)	90	93	3	3.3	96
Overseas sales	370	318	(52)	(14.0)	499	474	(25)	(5.0)	476
North America	227	207	(19)	(8.6)	307	309	2	0.6	309
Europe	43	35	(8)	(18.3)	60	54	(5)	(9.1)	52
China	45	38	(8)	(16.8)	62	55	(7)	(11.6)	55
Others	54	38	(17)	(30.7)	70	56	(14)	(20.3)	60
Total sales	488	432	(56)	(11.5)	657	641	(16)	(2.4)	645
Production Units Total	486	443	(43)	(8.9)	624	639	15	2.4	638
Domestic	365	325	(40)	(11.0)	459	469	10	2.1	468
U.S.	121	118	(3)	(2.5)	165	170	5	3.2	170
Net sales by business segment									
Automobile	10,863	9,404	(1,460)	(13.4)	14,522				
Aerospace	542	551	9	1.6	828				
Industrial Products	229	251	22	9.7	301				
Other	111	88	(24)	(21.2)	155				
Operating income by business segment									
Automobile	719	252	(467)	(64.9)	804				
Aerospace	(3)	15	19	-	23				
Industrial Products	1	5	3	310.8	(1)				
Other	18	7	(11)	(60.3)	15				
Elimination and Corporate	0	(1)	(1)	-	1				

* Figures of Total Sales are the sum of retail sales units of the Japanese subsidiary dealers, wholesale units of the overseas subsidiary distributors, and wholesale units of FHI to other distributors/dealers.

* Exchange rate is the non-consolidated sales rate of FHI.



FHI Announces Third Quarter Financial Results for FY 2012

Tokyo, February 3, 2012 - Fuji Heavy Industries Ltd. (FHI), the maker of Subaru automobiles, today announced its financial results for the third quarter of fiscal year ending March 31, 2012.

<3rd Quarter Consolidated Results: Net Sales>

Although FHI increased production since last October to make up drastically decreased production resulting from the major earthquake in northeastern Japan, Subaru vehicle sales in overseas market were 318 thousand units, or down 14.0% compared to the same period in fiscal 2011, whereas sales in Japan were 114 thousand units, or down 3.7%. As a result, global vehicle sales for Subaru totaled 432 thousand units, or down 11.5% from a year ago, and overall net sales were down 12.4% compared to the same period in fiscal 2011 to 1,029.4 billion yen due to the influence of a historic strong yen on currency exchanges.

<3rd Quarter Consolidated Results: Operating Income>

Operating income decreased 62.1% to 27.9 billion yen over the previous year, mainly due to decreased sales affected by the major earthquake as well as the loss in currency exchange, although the company made an effort to reduce SG&A expenses and other costs. Ordinary income decreased 61.6% to 28.7 billion yen from the same period of the previous fiscal year and net profit decreased 37.1% to 36.8 billion yen despite 26.1 billion yen in extraordinary income from the sale of the FHI head-office building in the 1st Quarter.

<Consolidated Financial Forecast for FY 2012>

For the full-year consolidated results for the fiscal year ending March 2012, due to continuing operating cost reductions, FHI revises upward its consolidated forecast as follows: net sales of 1,500 billion yen; operating income of 38 billion yen; ordinary income of 37 billion yen; and net income of 41 billion yen.

The projections of full-year consolidated results for the fiscal year ending March 2012 are based on assumed foreign exchange rates of 78 yen per US dollar and 107 yen per EURO.

*Previous forecast for consolidated results for fiscal year ending March 31, 2012 (announced November 1, 2011)

- Net sales: 1,480 billion yen
- Operating income: 30 billion yen
- Ordinary income: 29 billion yen
- Net income: 36 billion yen
- Foreign currency rate: 78 yen per US dollar, 108 yen per EURO